

Section 1: 8-K (FORM 8-K)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): June 17, 2019

Bluerock Residential Growth REIT, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Maryland
(State or other jurisdiction
of incorporation or organization)

001-36369
(Commission
File Number)

26-3136483
(I.R.S. Employer
Identification No.)

712 Fifth Avenue, 9th Floor
New York, NY 10019
(Address of principal executive offices)

(212) 843-1601
(Registrant's telephone number, including area code)

None
(Former name or former address, if changed since last report)

Securities registered pursuant to Section 12(b) of the Exchange Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Class A Common Stock, \$0.01 par value per share	BRG	NYSE American
8.250% Series A Cumulative Redeemable Preferred Stock, \$0.01 par value per share	BRG-PrA	NYSE American
7.625% Series C Cumulative Redeemable Preferred Stock, \$0.01 par value per share	BRG-PrC	NYSE American
7.125% Series D Cumulative Preferred Stock, \$0.01 par value per share	BRG-PrD	NYSE American

Securities registered pursuant to Section 12(g) of the Exchange Act:

Title of each class
Series B Redeemable Preferred Stock, \$0.01 par value per share
Warrants to Purchase Shares of Class A Common Stock, \$0.01 par value per share

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

ITEM 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT.

Entry into Purchase and Sale Agreements for Topaz Portfolio

On June 17, 2019, Bluerock Residential Growth REIT, Inc., a Maryland corporation (the “Company”), through certain wholly-owned subsidiaries of its operating partnership, Bluerock Residential Holdings, L.P., a Delaware limited partnership (the “Operating Partnership”), entered into three separate purchase and sale agreements, and three separate amendments thereto, the terms and conditions of which are substantially similar in all material respects, for the sale to unaffiliated third parties of the Company’s interests in a portfolio of five assets.

Sorrel Phillips Creek Ranch Apartments

On June 17, 2019, the Company, through a wholly-owned subsidiary of the Operating Partnership, entered into a Purchase and Sale Agreement and a First Amendment to Purchase and Sale Agreement (together, the “Sorrel Phillips Creek Ranch Purchase Agreement”) with Carter-Haston Holdings, L.L.C., a Delaware limited liability company and unaffiliated third party (the “Sorrel Phillips Creek Ranch Purchaser”), for the sale by BR Carroll Phillips Creek Ranch, LLC (“Sorrel Phillips Creek Ranch Owner”) of its entire right, title and interest in the improved real property commonly known as Sorrel Phillips Creek Ranch Apartments, located at 5050 FM423, Frisco, Denton County, Texas 75036 (the “Sorrel Phillips Creek Ranch Property”) for a purchase price of \$57,904,000, subject to certain prorations and adjustments typical in a real estate transaction. The net proceeds to the Company, after payment of closing costs and fees, are expected to be approximately \$17,275 million. Closing on the sale of the Sorrel Phillips Creek Ranch Property is expected to occur on or before July 15, 2019.

ARIUM Palms at World Gateway Apartments

On June 17, 2019, the Company, through a wholly-owned subsidiary of the Operating Partnership, entered into a Purchase and Sale Agreement and a First Amendment to Purchase and Sale Agreement (together, the “ARIUM Palms Purchase Agreement”) with KRE Topaz Portfolio Investor LLC, a Delaware limited liability company and an unaffiliated third party (the “ARIUM Palms Purchaser”), for the sale by BR World Gateway, LLC (“ARIUM Palms Owner”) of its entire right, title and interest in the real property commonly known as ARIUM Palms at World Gateway Apartments, located at 9000 Avenue Pointe Circle, Orlando, Orange County, Florida 32821 (the “ARIUM Palms Property”) for a purchase price of \$46,846,000, subject to certain prorations and adjustments typical in a real estate transaction. The net proceeds to the Company, after payment of closing costs and fees, are expected to be approximately \$15,332 million. Closing on the sale of the ARIUM Palms Property is expected to occur on or before August 29, 2019, conditioned on the prior closing of the sale of the Company’s interests in the Sorrel Phillips Creek Ranch Property, the Sovereign Property, the Leigh House Property and the Preston View Property under the Sorrel Phillips Creek Ranch Purchase Agreement and the Three Property Purchase Agreement, as such capitalized terms are elsewhere defined herein.

The Sovereign Apartments, Leigh House Apartments and Preston View Apartments

On June 17, 2019, the Company, through certain wholly-owned subsidiaries of the Operating Partnership, entered into a Purchase and Sale Agreement and a First Amendment to Purchase and Sale Agreement (together, the “Three Property Purchase Agreement,” and collectively, with the Sorrel Phillips Creek Ranch Purchase Agreement and the ARIUM Palms Purchase Agreement, the “Topaz Purchase Agreements”) with KRE Topaz Portfolio Investor LLC, a Delaware limited liability company and an unaffiliated third party (the “Three Property Purchaser”), for the sale (a) by BR Carroll Keller Crossing, LLC (“Sovereign Owner”) of its entire right, title and interest in the improved real property commonly known as The Sovereign Apartments, located at 5301 North Tarrant Parkway, Fort Worth, Tarrant County, Texas 76244 (the “Sovereign Property”) for an allocated purchase price of \$53,000,000; (b) by BR-TBR Lake Boone NC Owner, LLC (“Leigh House Owner”) of its entire right, title and interest in the improved real property commonly known as Leigh House Apartments, located at 2421 Landmark Drive, Raleigh, Wake County, North Carolina 27607 (the “Leigh House Property”) for an allocated purchase price of \$51,975,000; and (c) by BR Preston View, LLC (“Preston View Owner”) of its entire right, title and interest in the improved real property commonly known as Preston View Apartments, located at 1000 Stony Court, Morrisville, Wake County, North Carolina 27560 (the “Preston View Property”) for an allocated purchase price of \$64,000,000. The aggregate sale price for the Sovereign Property, the Leigh House Property and the Preston View Property is \$168,975,000, subject to certain prorations and adjustments typical in a real estate transaction. The aggregate net proceeds to the Company, after payment of closing costs and fees, are expected to be approximately \$57,696 million. Closing on the sale of the Sovereign Property, the Leigh House Property and the Preston View Property pursuant to the Three Property Purchase Agreement is expected to occur on or before July 15, 2019.

Collectively, the Sorrel Phillips Creek Ranch Property, the ARIUM Palms Property, the Sovereign Property, the Leigh House Property and the Preston View Property are referred to herein as the “Topaz Portfolio.”

There can be no assurance the sale of each property in the Topaz Portfolio will occur, as each sale is subject to various contingencies as set forth in the Topaz Purchase Agreements. The Topaz Purchase Agreements also provide for certain representations, warranties and covenants made individually by each of Sorrel Phillips Creek Ranch Owner, ARIUM Palms Owner, Sovereign Owner, Leigh House Owner and Preston View Owner (collectively, the “Topaz Sellers”), the breach of which at or prior to closing could entitle the applicable purchaser to certain rights and remedies, including certain termination rights. In each case, each Topaz Sellers’ representations and warranties survive the applicable closing for a period of one hundred eighty (180) days.

Purchase Agreements: Interlocks

Contemporaneously with the entry by the Company into the Topaz Purchase Agreements, on June 17, 2019, BR Four Corners Orlando, DST, a Delaware statutory trust and an affiliate of the Company (“Landings Owner”), entered into a Purchase and Sale Agreement, and that certain First Amendment to Purchase and Sale Agreement (together, the “Landings Purchase Agreement”), with Carter-Haston Holdings, L.L.C., a Delaware limited liability company and unaffiliated third party (the “Landings Purchaser”), for the sale by Landings Owner of its entire right, title and interest in the improved real property commonly known as Landings at Four Corners Apartments, located in Davenport, Polk County, Florida (the “Landings Property”) for a purchase price of \$51,275,000, subject to certain prorations and adjustments typical in a real estate transaction, for which closing is expected to occur on or before July 15, 2019. Neither the Company nor any subsidiary thereof holds an ownership interest in the Landings Property, nor will the Company or any subsidiary thereof receive proceeds from the sale of the Landings Property. Collectively, the Landings Purchase Agreement and the Topaz Purchase Agreements are referred to herein as the “Purchase Agreements;” the Landings Property and the Topaz Portfolio are collectively referred to herein as the “Properties,” and each, a “Property;” and Landings Owner and the Topaz Sellers are collectively referred to herein as the “Sellers,” and each, a “Seller.”

Each of the Purchase Agreements is subject to certain interlocking provisions under which certain events under one Purchase Agreement may result in the automatic termination of each of the other Purchase Agreements (the “Automatic Termination Provision”). Additionally, under very limited circumstances, certain events under one Purchase Agreement may give the applicable purchaser the right to terminate that Purchase Agreement alone (or, as to the Three Property Purchase Agreement, to terminate that agreement only with respect to the relevant Property), while the other Purchase Agreements remain in place as to all other Properties (the “Partial Termination Provision”).

Circumstances Triggering Automatic Termination Provision.

Under each of the Purchase Agreements, if the applicable purchaser (or applicable Seller) has the right to terminate such Purchase Agreement under its terms, then the Automatic Termination Provision applies, and all of the other Purchase Agreements automatically terminate as well. The grounds for termination under each Purchase Agreement are comparable to the grounds for termination commonly found in a purchase agreement for a single-asset, non-portfolio commercial real estate sale: default by a party (i.e., all Purchase Agreements are cross-defaulted), failure of a closing condition, material casualty or condemnation (provided that if the casualty or condemnation qualifies as a “Special Casualty” or “Special Condemnation” (as such terms are defined below), the Partial Termination Provision will also apply), or a significant title or survey matter arising during the term of the Purchase Agreement, which matter the applicable Seller refuses to cure or cannot cure.

In addition, each of the Purchase Agreements provides that, in the event a representation or warranty of a Seller becomes untrue, inaccurate or incorrect such that the cost of cure will exceed \$500,000 (as to any one, or all, of the Properties), the applicable Seller will nonetheless have the right to cure and to cause the purchaser to close on all of the Properties. However, in the event the applicable Seller elects not to cure, the purchaser can elect to terminate the applicable Purchase Agreement. Under the Automatic Termination Provision addressed above, such termination would have the further effect of terminating each of the other Purchase Agreements. In such event, the purchaser would be entitled to recovery of its earnest money deposit, but would only be entitled to recovery of its expenses (up to a maximum of \$250,000) if the relevant representation or warranty is materially untrue, inaccurate or incorrect when made by the Seller, or becomes untrue, inaccurate or incorrect due to a breach by the Seller.

Circumstances Triggering Partial Termination Provision.

The applicable purchaser may terminate only the applicable Purchase Agreement (or, as to the Three Property Purchase Agreement, Three Property Purchaser may terminate that agreement only with respect to the applicable Property) in the event of (a) any damage to the applicable Property or any portion thereof by fire or other casualty for which the cost of repairs is expected to exceed ten percent (10%) of the allocated purchase price for such Property (a “Special Casualty”), or (b) any condemnation or conveyance in lieu of condemnation for the applicable Property which (i) permanently and materially impairs the current use or value of such Property; (ii) permanently and materially impairs access to such Property from public roads; (iii) reduces the number or utility of parking spaces at such Property; or (iv) prohibits, as a matter of applicable law, the rebuilding or repair of certain improvements as they currently exist at such Property, and for which either (A) the cost of restoration is expected to exceed ten percent (10%) of the allocated purchase price for such Property, or (B) results in a diminution in value of such Property by more than ten percent (10%) of the allocated purchase price for such Property (a “Special Condemnation”). In the event of a Special Casualty or a Special Condemnation at a Property, the Partial Termination Provision under the applicable Purchase Agreement shall apply.

The foregoing descriptions of the Topaz Purchase Agreements are qualified in their entirety by reference to the Sorrel Phillips Creek Ranch Purchase Agreement, the ARIUM Palms Purchase Agreement and the Three Property Purchase Agreement, in each case including the First Amendment thereto, copies of which are filed as Exhibit 10.1, Exhibit 10.2, Exhibit 10.3, Exhibit 10.4, Exhibit 10.5 and Exhibit 10.6 to this Current Report on Form 8-K and are incorporated herein by reference.

Certain statements included in this Current Report on Form 8-K are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements above include, but are not limited to, matters identified as expectations and matters with respect to the future disposition of the Topaz Portfolio. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. For more information regarding risks and uncertainties that may affect the Company's future results, please review the Company's filings with the Securities and Exchange Commission (the "SEC").

ITEM 5.02 DEPARTURE OF DIRECTORS OR CERTAIN OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF CERTAIN OFFICERS; COMPENSATORY ARRANGEMENTS OF CERTAIN OFFICERS

(b) Brian D. Bailey has advised the Board of Directors (the “Board”) of Bluerock Residential Growth REIT, Inc. (the “Company,” “we,” “us,” or “our”) of his resignation from his position as a director of the Company effective as of June 21, 2019, and thus will not stand for re-election for an additional term as a director at the Company’s 2019 annual meeting of stockholders (the “Annual Meeting”). Mr. Bailey has served as one of the Company’s independent directors since January 2009, and the Company and the Board are grateful to Mr. Bailey for his distinguished service. Mr. Bailey will remain as an advisor to the Company, and has confirmed to the Board that his decision not to stand for re-election as a director does not arise from any disagreement on any matter relating to the Company’s operations, policies or practices, nor regarding the general direction of the Company.

(d) To fill the vacancy resulting from Mr. Bailey’s resignation, on June 21, 2019, based upon the recommendation of its Nominating and Corporate Governance Committee, the Board elected Mr. Kamal Jafarnia as a director with immediate effect, to serve for the remaining term of the Company’s current directors until the Company’s 2019 annual meeting of stockholders, at which the Company will nominate Mr. Jafarnia for re-election to the Board. The Board has determined that Mr. Jafarnia is an independent director under the listing standards of the NYSE American. In connection with his election to the Board, Mr. Jafarnia was also appointed to the Board’s Audit Committee and its Investment Committee.

Mr. Jafarnia currently serves as General Counsel and Chief Compliance Officer at Artivist Holdings, Inc., and as Chief Compliance Officer for the Altegris KKR Commitments Fund. Prior to Artivist, Mr. Jafarnia served as Managing Director for Legal and Business Development at Provasi Capital Partners LP. Prior to that, from October 2014 to December 2017, he served as Senior Vice President of W.P. Carey Inc. (NYSE: WPC), as well as Senior Vice President and Chief Compliance Officer of Carey Credit Advisors, Inc. During the same period, he also served as Chief Compliance Officer and General Counsel of Carey Financial, LLC. Prior to joining W. P. Carey Inc., Mr. Jafarnia served as Counsel to two American Lawyer Global 100 law firms in New York. From March 2014 to October 2014, Mr. Jafarnia served as Counsel in the REIT practice group at the law firm of Greenberg Traurig, LLP. From August 2012 to March 2014, Mr. Jafarnia served as Counsel in the Financial Services & Products Group and was a member of the REIT practice group of Alston & Bird, LLP. Before his tenure at these firms, Mr. Jafarnia served as a senior executive, in-house counsel, and Chief Compliance Officer for several alternative investment program sponsors. Between 2008 and 2012, Mr. Jafarnia served as counsel at American Realty Capital, a real estate investment program sponsor, and served as Chief Compliance Officer of its affiliated broker-dealer, Realty Capital Securities, LLC. In addition, Mr. Jafarnia has served as a non-executive independent member of the board of directors of Ashford Hospitality Trust, Inc. (NYSE: AHT) since January 2013.

There is no arrangement or understanding between Mr. Jafarnia and any other persons pursuant to which Mr. Jafarnia was selected as a director, and there are no transactions involving Mr. Jafarnia requiring disclosure under Item 404(a) of Regulation S-K.

As a member of the Board and certain of its committees, effective as of June 21, 2019, Mr. Jafarnia will participate in the Company’s standard non-employee director compensation program (prorated for the length of his service during the current Board term), as described further under “Compensation of Directors” in the Company’s Annual Report on Form 10-K for its fiscal year ended 2018, filed with the Securities and Exchange Commission (the “SEC”) on February 27, 2019.

In connection with his election to the Board, the Company expects to enter into an indemnification agreement with Mr. Jafarnia in substantially the form entered into by the Company with its other directors and previously filed by the Company with the SEC. The indemnification agreement requires the Company to indemnify Mr. Jafarnia to the fullest extent permitted by the Maryland General Corporation Law. The foregoing description of the indemnification agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the indemnification agreement, which will be filed by the Company as an exhibit to a future filing with the SEC.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits.

Exhibit No.	Description
<u>10.1</u>	<u>Purchase and Sale Agreement, between BR Carroll Phillips Creek Ranch, LLC and Carter-Haston Holdings, L.L.C., dated June 17, 2019</u>
<u>10.2</u>	<u>First Amendment to Purchase and Sale Agreement, between BR Carroll Phillips Creek Ranch, LLC and Carter-Haston Holdings, L.L.C., dated June 17, 2019</u>
<u>10.3</u>	<u>Purchase and Sale Agreement, between BR World Gateway, LLC and KRE Topaz Portfolio Investor LLC, dated June 17, 2019</u>
<u>10.4</u>	<u>First Amendment to Purchase and Sale Agreement, between BR World Gateway, LLC and KRE Topaz Portfolio Investor, LLC, dated June 17, 2019</u>
<u>10.5</u>	<u>Purchase and Sale Agreement, between each of BR Carroll Keller Crossing, LLC, BR-TBR Lake Boone NC Owner, LLC and BR Preston View, LLC, and KRE Topaz Portfolio Investor LLC, dated June 17, 2019</u>
<u>10.6</u>	<u>First Amendment to Purchase and Sale Agreement, between each of BR Carroll Keller Crossing, LLC, BR-TBR Lake Boone NC Owner, LLC and BR Preston View, LLC, and KRE Topaz Portfolio Investor LLC, dated June 17, 2019</u>



SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BLUEROCK RESIDENTIAL GROWTH REIT, INC.

DATE: June 21, 2019

By: /s/ Christopher J. Vohs

Christopher J. Vohs

Chief Financial Officer and Treasurer

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Section 2: EX-10.1 (EXHIBIT 10.1)

Exhibit 10.1

PURCHASE AND SALE AGREEMENT

between

BR CARROLL PHILLIPS CREEK RANCH, LLC, as Seller

and

CARTER-HASTON HOLDINGS, L.L.C., as Purchaser

Dated as of June 17, 2019

Topaz Portfolio – Sorrel Phillips Creek Ranch

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PURCHASE AND SALE AGREEMENT

Topaz Portfolio – Sorrel Phillips Creek Ranch Sale

THIS PURCHASE AND SALE AGREEMENT, dated effective as of June 17, 2019 (the “Effective Date”), is made by and between **BR CARROLL PHILLIPS CREEK RANCH, LLC**, a Delaware limited liability company (“Seller”), and **CARTER-HASTON HOLDINGS, L.L.C.**, a Delaware limited liability company (“Purchaser”).

RECITALS

A. Seller is the owner in fee simple of the improved real property commonly known as Sorrel Phillips Creek Ranch Apartments, located at 5050 FM423, Frisco, Denton County, Texas 75036 (the “Property”), which consists of (i) the land more particularly described on Schedule A annexed hereto (the “Land”), together with (ii) the Related Property (as defined below).

B. Seller desires to sell to Purchaser, and Purchaser desires to purchase from Seller, the Land and Seller’s right, title and interest in the Related Property on the terms and conditions hereinafter set forth.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

**ARTICLE 1
DEFINITIONS**

SECTION 1.1 Defined Terms. The capitalized terms used herein will have the following meanings.

“Access Agreement” shall mean the Access and Due Diligence Agreement between each member of the Seller Group and Purchaser, dated as of April 29, 2019.

“Additional Title Disapproval Matters” shall have the meaning assigned thereto in Section 8.1(e).

“Additional Title Disapproval Notice” shall have the meaning assigned thereto in Section 8.1(e).

“Additional Title Disapproval Response” shall have the meaning assigned thereto in Section 8.1(e).

“Additional Title Matters” shall have the meaning assigned thereto in Section 8.1(e).

“Additional Title Response Period” shall have the meaning assigned thereto in Section 8.1(e).

“Adjustment Point” shall have the meaning assigned thereto in Article 10.

“Affiliate” shall mean any Person (as defined below) that directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with another Person. The term “control” shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise, and shall in any event include the ownership or power to vote fifty percent (50%) or more of the outstanding equity or voting interests, respectively, of such other Person.

“Affiliated Purchase Agreements” shall mean the ARIUM Palms Purchase Agreement, the Landings at Four Corners Purchase Agreement, and the Three Property Purchase Agreement, collectively.

“Affiliated Sellers” shall mean the ARIUM Palms Seller, Landings at Four Corners Seller, Sovereign Seller, Leigh House Seller, and Preston View Seller, collectively.

“Agreement” shall mean this Purchase and Sale Agreement, together with the exhibits and schedules attached hereto, as the same may be amended, restated, supplemented or otherwise modified from time to time.

“Anti-Bribery, Anti-Money Laundering and Anti-Terrorism Laws” shall have the meaning assigned thereto in Section 3.1(g)(i).

“Applicable Law” shall mean all statutes, laws, common law, rules, regulations, ordinances, codes or other legal requirements of any Governmental Authority, board of fire underwriters and similar quasi-governmental agencies or entities, and any judgment, injunction, order, directive, decree or other judicial or regulatory requirement of any Governmental Authority of competent jurisdiction affecting or relating to the Person or property in question.

“ARIUM Palms Property” shall mean that certain improved real property located in Orlando, Florida and commonly known as ARIUM Palms at World Gateway Apartments, as further described in the ARIUM Palms Purchase Agreement.

“ARIUM Palms Purchase Agreement” shall mean that certain Purchase and Sale Agreement dated as of even date herewith by and between ARIUM Palms Seller and Purchaser, regarding the purchase and sale of the ARIUM Palms Property, as such agreement may be amended and/or assigned from time to time.

“ARIUM Palms Seller” shall mean BR World Gateway, LLC, a Delaware limited liability company.

“Assumed Contracts” shall have the meaning assigned thereto in Section 3.4(c).

“Basket Limitation” shall mean an amount equal to \$25,000.00.

“Bill of Sale and Assignment” shall have the meaning assigned thereto in Section 6.1(a)(i).

“Broker” shall have the meaning assigned thereto in Section 14.2(a).

“BSA” shall have the meaning assigned thereto in Section 3.1(g)(ii).

“Business Day” shall mean any day other than a Saturday, Sunday or other day on which banks are authorized or required by law to be closed in the City of New York, New York or by United States federal laws.

“Cap Limitation” shall mean an amount equal to one and one half percent (1.5%) of the Purchase Price.

“Changed Condition” shall have the meaning assigned thereto in Section 3.2(d).

“Changed Condition Notice” shall have the meaning assigned thereto in Section 3.2(d).

“Changed Condition Threshold” shall have the meaning assigned thereto in Section 3.2(c)(ii).

“CGL” shall have the meaning assigned thereto in Section 7.1(b)(viii).

“Claims” shall have the meaning assigned thereto in Section 7.6(a).

“Closing” shall have the meaning assigned thereto in Section 2.3(a).

“Closing Date” shall mean **July 15, 2019**, or such earlier date as is mutually agreed to between the Seller and Purchaser.

“Closing Documents” shall mean any conveyance document, certificate, instrument or other document delivered pursuant to this Agreement at Closing, including, without limitation, each of the documents to be delivered by Seller pursuant to Section 6.2 and by Purchaser pursuant to Section 6.1.

“Closing Funds” shall have the meaning assigned thereto in Section 2.2(a)(iii).

“Closing Statement” shall mean the closing statement for the purchase and sale of the Property, to be prepared by the Escrow Agent setting forth the proration and adjustments to the Purchase Price required by this Agreement.

“Condition of the Property” shall have the meaning assigned thereto in Section 7.5(b).

“Condominium Conversion Prohibition Agreement” shall have the meaning assigned thereto in Section 6.1(a)(iii).

“Contracts” shall mean, collectively, all written agreements or contracts of Seller, or entered into on behalf of Seller or its Property Manager, relating to the ownership or operation of the Property, but excluding the Leases and the Existing Management Agreement, as more particularly described on Schedule 3.1(j) attached hereto

“Deed” shall have the meaning assigned thereto in Section 6.2(a).

“Deemed Purchaser Knowledge” shall mean that Purchaser shall be deemed to have knowledge of the matters set forth in Seller’s Core Deliveries and in the Permitted Exceptions.

“Disapproved Title Matter” shall have the meaning assigned thereto in Section 8.1(c).

“Due Diligence Period” shall mean the period of time from April 29, 2019 until 5:00 p.m. Eastern Time on **June 17, 2019**.

“Earnest Money” shall have the meaning assigned thereto in Section 2.2(a)(i).

“Earnest Money Escrow Account” shall mean a federally-insured interest-bearing bank account of Escrow Agent to be reasonably acceptable to Seller and Purchaser.

“Effective Date” shall have the meaning assigned thereto in the Preamble to this Agreement.

“Environmental Laws” shall mean any of the Comprehensive Environmental Response, Compensation and Liability Act, as amended, 42 U.S.C. §9601 et seq., the Hazardous Materials Transportation Act, as amended, 49 U.S.C. §1801 et seq., the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. §6901 et seq., Section 311 of the Clean Water Act, 33 U.S.C. §1251 et seq., the Clean Air Act, 42 U.S.C. §7401 et seq., the Toxic Substances Control Act, 15 U.S.C. §2601 et seq., the Texas Solid Waste Disposal Act (Texas Health And Safety Code § 361.001 et seq., as amended (Vernon 2001)) and any similar laws of the State of North Carolina, and the regulations and publications issued under any such laws, any state or local statutes, regulations and ordinances pertaining to Hazardous Materials or to the protection of human health and the environment.

“Escrow Agent” shall mean First American Title Insurance Company, Six Concourse Parkway, Suite 2000, Atlanta, Georgia 30328 (attention: Barbara H. Morgan).

“Estoppel” and “Estoppels” shall have the meanings assigned thereto in Section 3.3(a)(xiv).

“Exchange” shall have the meaning assigned thereto in Section 14.25.

“Excluded Assets” shall have the meaning assigned thereto in Section 2.1(c).

“Executive Order” and “Executive Orders” shall have the meanings assigned thereto in Section 3.1(g)(i).

“Existing Management Agreement” shall mean the existing property management agreement between Seller and its Property Manager with respect to management of the Property, as the same may be amended, modified or supplemented from time to time.

“Forbidden Entity” shall have the meaning assigned thereto in Section 3.1(g)(i).

“Government List” shall mean any of (i) the two lists maintained by the United States Department of Commerce (Denied Persons and Entities), (ii) the list maintained by the United States Department of Treasury (Specially Designated Nationals and Blocked Persons), and (iii) the two lists maintained by the United States Department of State (Terrorist Organizations and Debarred Parties).

“Governmental Authority” shall mean any federal, state or local government or other political subdivision thereof, including, without limitation, any agency or entity exercising executive, legislative, judicial, regulatory or administrative governmental powers or functions, in each case to the extent the same has jurisdiction over the Person or property in question.

“Hazardous Materials” shall mean (i) those substances included within the definitions of any one or more of the terms “Hazardous Substances,” “Toxic Pollutants,” “Hazardous Materials,” “Toxic Substances,” and “Hazardous Waste” under Environmental Laws, (ii) petroleum, radon gas, lead-based paint, asbestos or asbestos-containing material and polychlorinated biphenyls, and (iii) mold or water conditions which may exist at the Real Property or other substances, wastes or materials listed or defined under Environmental Laws.

“Improvements” shall have the meaning assigned thereto in Section 2.1(b)(i).

“Indemnification Claim” shall have the meaning assigned thereto in Section 11.5.

“Indemnified Party” shall have the meaning assigned thereto in Section 11.5.

“Indemnifying Party” shall have the meaning assigned thereto in Section 11.5.

“Independent Contract Consideration” shall have the meaning assigned thereto in Section 2.2(c).

“IRS” shall mean the Internal Revenue Service.

“IRS Reporting Requirements” shall have the meaning assigned thereto in Section 14.3(c).

“ISO” shall have the meaning assigned thereto in Section 7.1(b)(viii).

“Landings at Four Corners Property” shall mean that certain improved real property located in Davenport, Florida and commonly known as Landings at Four Corners Apartments, as further described in the Landings at Four Corners Purchase Agreement.

“Landings at Four Corners Purchase Agreement” shall mean that certain Purchase and Sale Agreement dated as of even date herewith by and between Landings at Four Corners Seller and Purchaser, regarding the purchase and sale of the Landings at Four Corners Property, as such agreement may be amended and/or assigned from time to time.

“Landings at Four Corners Seller” shall mean BR Four Corners Orlando, DST, a Delaware statutory trust.

“Leases” shall mean any leases with residential tenants of the Real Property, including each amendment or supplement thereto.

“Lists” shall have the meaning assigned thereto in Section 3.1(g)(i).

“Loan Pay-Off Wire Deadline” shall have the meaning assigned thereto in Section 2.3(a).

“Losses” shall have the meaning assigned thereto in Section 11.1.

“Material Casualty” shall have the meaning assigned thereto in Section 9.2(c).

“Material Condemnation” shall have the meaning assigned thereto in Section 9.2(d).

“Monetary Encumbrance” shall have the meaning assigned thereto in Section 8.3(a).

“Objectionable Contracts” shall have the meaning assigned thereto in Section 3.4(c).

“OFAC” shall have the meaning assigned thereto in Section 3.1(g)(i).

“Owner’s Policy” shall mean an ALTA Owner’s Policy of Title Insurance for the Property in an amount equal to the Purchase Price for the Property insuring fee simple title to the Property and the Improvements located thereon, which shall except from coverage only the Permitted Exceptions and shall specifically exclude all “preprinted” or “standard” title exceptions, to the extent that same can be removed by Seller’s execution and delivery of a title affidavit in the form attached to this Agreement.

“Patriot Act” shall have the meaning assigned thereto in Section 3.1(g)(ii).

“Permitted Exceptions” shall mean all of the following: (i) the matters set forth in the Title Commitment or the Updated Survey or any matters newly disclosed on any subsequent updates to the Title Commitment or to the Updated Survey, in each case which are approved or deemed approved by Purchaser pursuant to Article 8 of this Agreement, (ii) the rights of tenants, as tenants only without options to purchase or rights of first refusal, under the Leases existing as of the Effective Date and any other Lease entered into after the Effective Date in accordance with the terms of this Agreement, (iii) liens for current real estate taxes and special assessments which are not yet due and payable as of the Closing Date, (iv) the Condominium Conversion Prohibition Agreement, (v) standard pre-printed jacket exceptions contained in the Owner’s Policy, (vi) any exceptions caused by Purchaser or its Affiliates, agents, representatives, consultants or employees, and (vii) local, state and federal laws, ordinances or governmental regulations, including but not limited to, building, zoning and land use laws, ordinances and regulations, now or hereafter in effect relating to the Property.

“Person” shall mean a natural person, partnership, limited partnership, limited liability company, corporation, trust, estate, association, unincorporated association or other legal entity.

“Personal Property” shall have the meaning assigned thereto in Section 2.1(b)(3).

“Property” shall have the meaning assigned thereto in Recitals Paragraph A.

“Property Group” shall mean, collectively, the following improved real properties:

(i) The Property;

(ii) The Landings at Four Corners Property;

(iii) The improved real property currently owned by Sovereign Seller and commonly known as The Sovereign Apartments, located at 5301 North Tarrant Parkway, Fort Worth, Tarrant County, Texas 76244, and further described in the Three Property Purchase Agreement (the “Sovereign Property”);

(iv) The improved real property currently owned by Leigh House Seller and commonly known as Leigh House Apartments, located at 2421 Landmark Drive, Raleigh, Wake County, North Carolina 27607, and further described in the Three Property Purchase Agreement (the “Leigh House Property”);

(v) The improved real property currently owned by Preston View Seller and commonly known as Preston View Apartments, located at 1000 Stony Court, Morrisville, Wake County, North Carolina 27560, and further described in the Three Property Purchase Agreement (the “Preston View Property”); and

(vi) The ARIUM Palms Property.

“Property Manager” shall mean Seller’s existing property manager.

“Purchase Price” shall have the meaning assigned thereto in Section 2.2(a).

“Purchaser” shall have the meaning assigned thereto in the Preamble to this Agreement.

“Purchaser Investigation” and “Purchaser Investigations” shall have the meanings assigned thereto in Section 7.1(a).

“Purchaser Representatives” shall have the meaning assigned thereto in Section 7.1(a).

“Purchaser Waived Breach” shall have the meaning assigned thereto in Section 11.3.

“Purchaser-Related Entities” shall have the meaning assigned thereto in Section 11.3.

“Real Property” shall mean the Land and the Improvements.

“Refundable Security Deposits” shall mean all Security Deposits that are refundable to tenants pursuant to Leases and have not been applied by Seller prior to the Closing Date.

“Related Property” shall have the meaning assigned thereto in Section 2.1(b).

“Released Parties” shall have the meaning assigned thereto in Section 7.6(a).

“Remaining Properties” shall have the meaning assigned thereto in Section 14.27(a)(i).

“Rent Roll” shall have the meaning assigned thereto in Section 3.1(k).

“Rents” shall have the meaning assigned thereto in Section 10.1(a).

“Reporting Person” shall have the meaning assigned thereto in Section 14.3(c).

“Representation Conditions” shall have the meaning assigned thereto in Section 3.2(c)(i).

“Required Cure Items” shall have the meaning assigned thereto in Section 8.1(d).

“RUBS” shall have the meaning assigned thereto in Section 10.4(b).

“Security Deposits” shall mean all security and escrow deposits received by Seller in connection with the Leases.

“Seller” shall have the meaning assigned thereto in the Preamble.

“Seller Group” shall mean, collectively:

- (i) Seller;
- (ii) Landings at Four Corners Seller;
- (iii) BR Carroll Keller Crossing, LLC, a Delaware limited liability company (“Sovereign Seller”);
- (iv) BR-TBR Lake Boone NC Owner, LLC, a Delaware limited liability company, together with, if applicable, such entity’s permitted assignees under the Three Property Purchase Agreement (“Leigh House Seller”);
- (v) BR Preston View, LLC, a Delaware limited liability company (“Preston View Seller”); and
- (vi) ARIUM Palms Seller.

“Seller Indemnified Parties” shall have the meaning assigned thereto in Section 7.1(c).

“Seller Representations” shall have the meaning assigned thereto in Section 11.1.

“Seller Waived Breach” shall have the meaning assigned thereto in Section 11.7.

“Seller-Related Entities” shall have the meaning assigned thereto in Section 11.2.

“Seller’s Closing Certificate” shall have the meaning assigned thereto in Section 6.2(h).

“Seller’s Core Deliveries” shall have the meaning assigned thereto in Section 3.1.

“Seller’s Deliveries” shall have the meaning assigned thereto in Section 7.2(a).

“Seller’s Knowledge” shall mean the actual knowledge of Seller based upon the actual knowledge of Ryan MacDonald, who is a principal of Seller, or the actual knowledge of Sarah Girand, who is a Senior Vice President Asset Management for the Property, in each case with respect to the Property, without any duty on the part of either such Person to conduct any independent investigation or make any inquiry of any Person, and shall not be construed, by imputation or otherwise, to refer to the knowledge of any property manager or broker, or to any other officer, agent, manager, representative or employee of Seller or any Affiliate of Seller. In no event shall Purchaser have any personal claim against either such Person as a result of the reference thereto in this Agreement, and Purchaser waives and releases all such claims which Purchaser now has or may later acquire against such Persons in connection with the transactions contemplated in this Agreement.

“Surviving Covenants” shall have the meaning assigned thereto in Section 11.1.

“Terminated Property” shall have the meaning assigned thereto in Section 14.27(a)(i).

“Three Property Purchase Agreement” shall mean that certain Purchase and Sale Agreement dated as of even date herewith, by and between each of Sovereign Seller, Leigh House Seller, and Preston View Seller, as sellers, and Purchaser, as purchaser, with respect to the purchase and sale of each of the Sovereign Property, the Leigh House Property, and the Preston View Property.

“Title Affidavit” shall mean the affidavit and related title documentation described in Section 6.2(f) hereof.

“Title Commitment” shall have the meaning assigned thereto in Section 8.1(a).

“Title Company” shall mean First American Title Insurance Company.

“Title Cure Period” shall have the meaning assigned thereto in Section 8.1(d).

“Title Objection Notice” shall have the meaning assigned thereto in Section 8.1(c).

“Title Response Notice” shall have the meaning assigned thereto in Section 8.1(c).

“Title Review Period” shall have the meaning assigned thereto in Section 8.1(c).

“Updated Survey” shall have the meaning assigned thereto in Section 8.1(b).

ARTICLE 2
SALE, PURCHASE PRICE AND CLOSING

SECTION 2.1 Sale of Property.

(a) On the Closing Date and pursuant to the terms and subject to the conditions set forth in this Agreement, Seller shall sell to Purchaser, and Purchaser shall purchase from Seller, the Property.

(b) The transfer of the Property to Purchaser shall include the transfer of all Related Property. For purposes of this Agreement, “Related Property” shall mean all of Seller’s right, title and interest in and to the following:

(i) all of the buildings, structures, fixtures, parking facilities, and other improvements located on the Land (the “Improvements”);

(ii) all easements, licenses, covenants, privileges and other rights appurtenant to the Land or the Improvements and all right, title and interest of Seller, if any, in and to all development rights, and any land lying in the bed of any street, road, avenue or alley, open or closed, in front of or adjoining the Land;

(iii) all furniture, furnishings, appliances, signs, carts, tools, supplies, fixtures, equipment and other personal property which are now, or may hereafter prior to the Closing Date be, placed in or attached to the Land or the Improvements and which are used solely in connection with the operation of the Real Property, including all of the items of personal property listed on Schedule C-1 attached hereto (but not including items owned or leased by tenants or the Property Manager, or which are leased by Seller, or any Excluded Assets) (collectively, the “Personal Property”);

(iv) to the extent they may be freely transferred by Seller under Applicable Law without third-party consent (unless any such consent is obtained by Purchaser at Purchaser’s sole cost and expense), all licenses, certificates of occupancy, permits, approvals and authorizations presently issued in connection with the operation of all or any part of the Real Property as it is presently being operated;

(v) to the extent freely assignable by Seller without any third party’s consent (unless any such consent is obtained by Purchaser at Purchaser’s sole cost and expense), all guaranties and warranties, if any, in favor of Seller by any manufacturer or contractor in connection with construction or installation of equipment or any component of the Improvements;

(vi) all Leases, together with all Refundable Security Deposits;

(vii) all other intangible property relating to the Real Property or the Personal Property and not otherwise described or excluded herein, including, but not limited to, assignable telephone exchanges, trade names and trademarks used by Seller in connection with the operation of the Property, including Seller's right, title and interest in (i) the name "Sorrel Phillips Creek Ranch Apartments", (ii) all variations of such name used or owned by Seller, and (iii) all other names utilized or owned by Seller with respect to the Real Property or the Improvements; domain names and websites used exclusively in the operation of the apartment complex located on the Real Property commonly known as "Sorrel Phillips Creek Ranch Apartments," including, without limitation, www.sorrelpcr.com; architectural drawings, plans and specifications, as-built drawings, and advertising materials (in each case, solely to the extent delivered to Purchaser prior to the Effective Date or located on-site as of the Closing Date); and assignable development rights;

(viii) all Assumed Contracts pertaining to the Property, other than those terminated on or prior to the Closing Date pursuant to Section 3.4(c); and

(ix) resident and tenant files for current residents as of the Closing Date and other non-confidential and non-proprietary records owned by Seller and used in connection with the Real Property and located on-site as of the Closing Date.

(c) Notwithstanding anything to the contrary contained in this Agreement, it is expressly agreed by the parties hereto that the following items are expressly excluded from the Property to be sold to Purchaser (collectively, the "Excluded Assets"):

(i) all Security Deposits that do not constitute Refundable Security Deposits (including, without limitation, non-refundable pet deposits if any);

(ii) all right, title and interest in any purchase agreement or other closing document entered into in connection with Seller's acquisition of the Real Property, except to the extent that the rights or obligations under any such closing document "run with the land" and so benefit or burden any of the Real Property;

(iii) any fixtures, personal property, equipment, trademarks or other intellectual property or other assets which are owned by (A) the supplier or vendor under any Contract, (B) the tenant under any Lease or (C) Property Manager;

(iv) any insurance claims or proceeds arising out of or relating to events that occur prior to the Closing subject to the terms of Section 9.2(a);

(v) any proprietary or confidential materials (including any materials relating to the background or financial condition of a present or prior direct or indirect partner or member of Seller), but the Seller's Deliveries shall not be deemed to be proprietary or confidential, the internal books and records of Seller relating to contributions and distributions prior to Closing, any software owned or licensed by Seller, the name "Bluerock" and any derivations thereof (including "BR") and any trademarks, trade names, brand marks, brand names, trade dress or logos relating thereto, the names "Carroll," "ARIUM" or any derivations thereof, and any trademarks, trade names, brand marks, brand names, trade dress or logos relating thereto, any development bonds, letters of credit or other collateral held by or posted with any Governmental Authority or other third party with respect to any improvement, subdivision or development obligations concerning any of the Real Property or any other real property, any items listed on Schedule C-2 attached hereto and made a part hereof, and any other intangible property that is not used exclusively in connection with any of the Real Property;

- (vi) the Existing Management Agreement;
- (vii) any Objectionable Contracts terminated effective as of or prior to the Closing Date pursuant to Section 3.4(c);
- (viii) any items leased to Seller;
- (ix) computer software and computer files; and
- (x) cash and cash equivalents (except to the extent prorated at Closing), and any reserves or other deposits funded or made in connection with any financing encumbering the Property or Seller's interests therein.

SECTION 2.2 Purchase Price.

(a) The consideration to be paid by Purchaser to Seller for the purchase of the Property shall be an amount equal to FIFTY SEVEN MILLION NINE HUNDRED FOUR THOUSAND AND NO/100 DOLLARS (\$57,904,000.00) (the "Purchase Price"). The Purchase Price shall be paid by Purchaser to Seller on the Closing Date as follows:

(i) Within three (3) Business Days after the Effective Date, Purchaser shall deliver to Escrow Agent cash in an amount equal to TWO MILLION TWO HUNDRED TWENTY SEVEN THOUSAND SEVENTY SEVEN AND NO/100 DOLLARS (\$2,227,077.00) (together with all accrued interest thereon, the "Earnest Money") in immediately available funds by wire transfer to the Earnest Money Escrow Account. If the Earnest Money is not deposited by Purchaser as and when due and payable hereunder, Seller shall have the right in its sole and absolute discretion to terminate this Agreement by written notice to Purchaser and Escrow Agent, whereupon no party shall have any further rights or obligations hereunder except for those that expressly survive the termination of this Agreement.

(ii) Purchaser agrees and acknowledges that the entire Earnest Money shall be non-refundable to Purchaser from and after the Effective Date except as otherwise specifically provided in this Agreement.

(iii) Prior to the Loan Pay-Off Wire Deadline on the Closing Date, or prior to the Closing Date, Purchaser shall deposit with the Escrow Agent, by wire transfer of immediately available funds (through the escrow described in Section 2.3), the Purchase Price, as adjusted by the application of the Earnest Money, and by the adjustments, proration and credits provided herein. The amount to be paid under this Section 2.2(a)(iii) is referred to herein as the "Closing Funds."

(b) Upon delivery by Purchaser to Escrow Agent, the Earnest Money will be deposited by Escrow Agent in the Earnest Money Escrow Account, and shall be held in escrow in accordance with the provisions of Section 14.4. All interest earned on the Earnest Money while held by Escrow Agent shall be paid to the party to whom the Earnest Money is paid, except that if Closing occurs, Purchaser shall receive a credit against the Purchase Price for such interest in accordance with the terms of this Agreement.

(c) Notwithstanding any other provision of this Agreement to the contrary, in the event this Agreement is terminated by either Seller or Purchaser prior to the Closing (as hereinafter defined) pursuant to any right to do so in this Agreement, ONE HUNDRED DOLLARS (\$100.00) of the Earnest Money (the “Independent Contract Consideration”) shall be paid to Seller, which amount the parties bargained for and agreed to as consideration for Purchaser’s right to inspect and purchase the Real Property pursuant to this Agreement and for Seller’s execution, delivery and performance of this Agreement. The Independent Contract Consideration, if paid, shall be in addition to and independent of any other consideration or payment provided in this Agreement and it is deemed to have been fully earned as of the Effective Date.

(d) No adjustment shall be made to the Purchase Price except as explicitly set forth in this Agreement.

SECTION 2.3 Closing Procedure.

(a) Closing. The closing of the sale and purchase of the Property (the “Closing”) shall be held on the Closing Date, not later than 3:00 p.m. (Eastern Time) (the “Loan Pay-Off Wire Deadline”) by mutually acceptable escrow arrangements with Escrow Agent. There shall be no requirement that Seller and Purchaser physically attend the Closing, and all funds and documents to be delivered at the Closing shall be delivered to the Escrow Agent unless the parties hereto mutually agree otherwise. Purchaser and Seller hereby authorize their respective attorneys to execute and deliver to the Escrow Agent any additional or supplementary instructions as may be necessary or convenient to implement the terms of this Agreement and to facilitate Closing; provided, however, that such instructions shall be consistent with and merely supplement this Agreement and shall not in any way modify, amend or supersede this Agreement.

(b) Closing Deliveries. Purchaser shall be required to deposit the Closing Funds with Escrow Agent on or prior to the Closing Date, and in no event later than the Loan Pay-Off Wire Deadline. The parties shall endeavor to “pre-close” the transaction by making commercially reasonable efforts to deliver to Escrow Agent, no later than the date which is one (1) Business Day prior to the Closing Date, their respective Closing Documents pursuant to the terms of Article 6.

(c) Payments to Seller. All amounts payable to Seller under this Agreement, including the Earnest Money and the Purchase Price, shall be paid at the Closing to Seller in accordance with its written instructions.

ARTICLE 3
REPRESENTATIONS, WARRANTIES AND COVENANTS OF SELLER

SECTION 3.1 Seller Representations and Warranties. Subject to the information disclosed on those Seller's Deliveries identified on Schedule 3.1 attached hereto and made a part hereof (collectively, the "Seller's Core Deliveries"), and further subject to the Permitted Exceptions, Seller hereby represents and warrants to Purchaser as follows with respect to itself or the Property, as applicable:

(a) Formation; Existence. Seller is a statutory trust duly formed, validly existing and in good standing under the laws of the State of Delaware, and is duly qualified to transact business and is in good standing in the State of Texas.

(b) Power and Authority. Seller has all requisite power and authority to enter into this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement, the sale of the Property and the consummation of the transactions provided for in this Agreement have been duly authorized by all necessary action on its part. This Agreement has been duly executed and delivered by Seller and constitutes Seller's legal, valid and binding obligation, enforceable against Seller in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights and by general principles of equity (whether applied in a proceeding at law or in equity).

(c) No Consents. Seller has obtained all consents and permissions (if any) related to the transactions herein contemplated and required under any organizational or governing documents of Seller or under covenant, agreement, encumbrance, law or regulation by which Seller is bound.

(d) No Conflicts. Seller's execution, delivery and compliance with, and performance of the terms and provisions of, this Agreement, and the sale of the Property, will not conflict with or result in any violation of Seller's organizational or governing documents.

(e) Foreign Person. Seller is not a "foreign person" as defined in Internal Revenue Code Section 1445 and the regulations issued thereunder.

(f) Bankruptcy. Seller has not (i) made a general assignment for the benefit of creditors, (ii) filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by Seller's creditors, (iii) suffered the appointment of a receiver to take possession of all, or substantially all, of Seller's assets, which remains pending or (iv) suffered the attachment or other judicial seizure of all, or substantially all of Seller's assets, which remains pending.

(g) Anti-Terrorism Laws.

(i) OFAC Compliance. Seller is in compliance with the requirements of Executive Order No. 13224, 66 Fed. Reg. 49079 (Sept. 23, 2001) (the “Executive Order”) and other similar requirements contained in the rules and regulations of the Office of Foreign Assets Control, Department of the Treasury (“OFAC”) and in any enabling legislation or other Executive Orders or regulations in respect thereof (the Executive Order and such other rules, regulations, legislation, or orders are collectively called the “Executive Orders”). Neither (a) Seller, any Affiliate of Seller nor any Person controlled by Seller; nor (b) to the best of Seller’s Knowledge, after making due inquiry, any Person who owns a controlling interest in or otherwise controls Seller; nor (c) to the best of Seller’s Knowledge, after making due inquiry, if Seller is a privately held entity, any Person otherwise having a direct or indirect beneficial interest (other than with respect to an interest in a publicly traded entity) in Seller; nor (d) any Person for whom Seller is acting as agent or nominee in connection with this investment, is a country, territory, Person, organization, or entity named the Specially Designated Nationals and Blocked Persons List maintained by OFAC pursuant to the Order and/or on any other list of terrorists or terrorist organizations maintained pursuant to any of the rules and regulations of OFAC or pursuant to any other applicable Orders (the “Lists”), nor is a prohibited country, territory, Person, organization, or entity under any economic sanctions program administered or maintained by OFAC (a “Forbidden Entity”). For purposes of this paragraph, “Affiliate” means, with respect to a particular Person, any other Person who is Controlled by, under common Control with, or in Control of, such particular Person; “Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities or other beneficial interests, by contract or otherwise; and “Person” means any individual, company, trust or other legal entity of any kind whatsoever, or other organization, whether or not a legal entity.

(ii) Patriot Act. Seller is in compliance with all applicable anti-money laundering and anti-terrorist laws, regulations, rules, executive orders and government guidance, including the reporting, record keeping and compliance requirements of the Bank Secrecy Act (“BSA”), as amended by The International Money Laundering Abatement and Financial Anti-Terrorism Act of 2001, Title III of the USA PATRIOT Act (the “Patriot Act”), and other authorizing statutes, executive orders and regulations administered by OFAC, and related Securities and Exchange Commission, SRO or other agency rules and regulations (collectively, the “Anti-Bribery, Anti-Money Laundering and Anti-Terrorism Laws”), and has policies, procedures, internal controls and systems that are reasonably designed to ensure such compliance.

(iii) Senior Foreign Political Figure. Seller is not a Senior Foreign Political Figure, or an Immediate Family Member or a Close Associate of a Senior Foreign Political Figure, Seller is not controlled by a Senior Foreign Political Figure, or an Immediate Family Member or a Close Associate of a Senior Foreign Political Figure, and, to the best of Seller’s Knowledge, after making due inquiry, none of the direct or indirect owners of ten percent (10%) or more of Seller (other than any owner(s) of any interest(s) in a publicly-traded entity) is a Senior Foreign Political Figure, or an Immediate Family Member or a Close Associate of a Senior Foreign Political Figure. For purposes of this paragraph, “Senior Foreign Political Figure” means a senior official in the executive, legislative, administrative, military or judicial branches of a foreign government (whether elected or not), a senior official of a major foreign political party, or a senior executive of a foreign government-owned corporation, and includes any corporation, business or other entity that has been formed by, or for the benefit of, such senior official or executive; “Immediate Family Member” of a Senior Foreign Political Figure typically includes the Senior Foreign Political Figure’s parents, siblings, spouse, children and in-laws; and “Close Associate” of a Senior Foreign Political Figure means a person who is widely and publicly known to maintain an unusually close relationship with Senior Foreign Political Figure, and includes a person who is in a position to conduct substantial domestic and international financial transactions on behalf of the Senior Foreign Political Figure.

(h) No Litigation. Except as set forth on Schedule 3.1(h) attached hereto, Seller has not received written notice of and has no Knowledge of any pending or threatened (in writing) action, suit, arbitration, administrative or judicial proceeding, or unsatisfied order or judgment against Seller which pertains to the Property or the transaction contemplated by this Agreement, which in either case, if adversely determined, would have an effect on the use, operation, or value of the Property or on Seller's ability to consummate the transaction contemplated herein; provided, however, this Section 3.1(h) shall not apply as to any pending or future dispossession or similar actions as to Property tenants.

(i) No Violations of Law. Except as set forth on Schedule 3.1(i) attached hereto, Seller has not received written notice from any Governmental Authority of any violation of or non-compliance with, any Applicable Law affecting the Property or any portion thereof, which remains unresolved.

(j) Contracts. To Seller's Knowledge, except for the Contracts listed on the attached Schedule 3.1(j), there are no other Contracts with respect to the Property. Seller is not in default under any Contracts, subject to the running of any applicable notice and cure periods under such Contracts. As of the Closing Date there shall be no earned but unpaid management fees owed by Seller to any third parties with respect to the Property.

(k) Rent Roll. The rent roll for the Property attached hereto as Schedule 3.1(k) (the "Rent Roll") is a copy of the Rent Roll that Seller relies upon and uses in the ordinary course of its business. In respect of each of the Leases, to Seller's Knowledge, except as otherwise set forth in the Rent Roll or delinquency report for the Property, Seller has not received written notice of any material default by Seller under any of the Leases. Notwithstanding anything in this Agreement to the contrary, Seller does not covenant or represent that tenants under Leases will not be in default under their respective Leases, and the existence of any default by any tenant under its Lease shall not affect the obligations of Purchaser hereunder. No security deposits have been paid by any tenants under the Leases which have not heretofore been returned, except as listed on the Rent Roll.

(l) Environmental Laws. Seller has not received written notice from any Governmental Authority that it has violated or is potentially liable under any Environmental Laws.

(m) No Brokers. There are no broker's or listing agreements or any broker's or finder's fees or commissions (whether in connection with the Leases or otherwise) for which Purchaser shall be responsible after Closing. All leasing and brokerage commissions with respect to the Leases (including renewals, extensions or expansions thereof whether pursuant to the express provisions of the Leases or otherwise) have been paid in full, or will be paid by Closing.

(n) Contractors. All contractors, subcontractors, suppliers, architects, engineers, and others who have performed services, labor, or supplied material in connection with Seller's ownership, operation, maintenance, repair and management of the Property have been or at the Closing will be paid in full and all liens arising therefrom (or claims which with the passage of time or notice or both, could mature into liens) have been satisfied and released, or shall be satisfied and released by the Closing Date.

(o) Operating Statements. The operating statements for the Property that are provided as a part of Seller's Core Deliveries are copies of such documents that Seller uses and relies upon in the ordinary course of its business.

(p) Licenses and Permits. To Seller's Knowledge, the operation of the Property as currently utilized does not violate any zoning, subdivision, building or similar law, ordinance, order or regulation or any certificate of occupancy issued with respect to the Property. To Seller's Knowledge, no portion of the Property and no provision in any of the Leases is in violation of any law, ordinance, order, regulation of any Governmental Authority or requirement or the requirements of any local board of fire underwriters (or other body exercising similar functions).

(q) Insurance. Seller now has in full force and effect casualty, liability and business interruption insurance coverages in the amounts and types reflected in the insurance certificate or certificates attached hereto as Schedule 3.1(q).

(r) Tenants. To Seller's Knowledge, no tenant or any third party has any right or option to purchase the Property or any portion thereof.

(s) Employees. Seller has no employees.

(t) No Condemnation. There is no pending or, to Seller's Knowledge, threatened (in writing) condemnation or similar proceeding relating to or affecting the Property or any portion thereof, including, without limitation, Seller's title to the Property or any rights and interest in Seller's Property, nor does Seller have any Knowledge that any such action(s) is presently contemplated. Seller agrees to give Purchaser prompt notice of any actual or threatened (in writing) condemnation or similar proceeding between the Effective Date and the Closing.

(u) Bonds and Letters of Credit. There are no development bonds, letters of credit or other collateral held by or posted with any Governmental Authority or other third party with respect to any improvement, subdivision or development obligations concerning any of the Real Property.

SECTION 3.2 Amendments to Schedules, Limitations on and Breaches of Representations and Warranties of Seller.

(a) Seller shall have the right to amend and supplement the schedules to this Agreement from time to time prior to the Closing by providing a written copy of such amendment or supplement to Purchaser; provided, however, that any amendment or supplement to the schedules to this Agreement shall have no effect for the purposes of determining whether a Seller breach has occurred, but shall only establish such amendments and supplements as a Purchaser Waived Breach in the event Purchaser proceeds to Closing following receipt of such information and shall therefore apply only as a defense to limit the indemnification obligations of Seller in Article 11 of this Agreement for the inaccuracy or untruth of the representation or warranty qualified by such amendment or supplement following Closing. Seller hereby acknowledges and agrees that Purchaser expressly reserves and may freely exercise all rights and remedies available to it under Section 13.2 of this Agreement following Seller's amendment or supplement of the schedules and exhibits to this Agreement.

(b) Notwithstanding anything in this Agreement to the contrary, if the representations and warranties relating to the Rent Roll as set forth in Section 3.1(k) and the status of the tenants thereunder were true and correct in all material respects as of the Effective Date, no change in circumstances or status of such tenants (e.g., defaults, bankruptcies, below market status or other adverse matters relating to such tenants or a tenant's exercise following the Effective Date of any Lease termination rights not caused by the acts or omissions of Seller) occurring after the Effective Date shall permit Purchaser to terminate this Agreement or constitute grounds for Purchaser's failure to close or otherwise constitute a breach of any representation or warranty by Seller.

(c) For purposes of this Section 3.2:

(i) "Representation Conditions" shall mean that all representations or warranties of Seller were true, correct and complete in all material respects when made.

(ii) "Changed Condition Threshold" shall mean a Changed Condition (as hereinafter defined) whose cost of cure will exceed \$500,000.00 for the Property individually or for the Property Group collectively, as determined by a third party that is mutually acceptable to the parties in their commercially reasonable discretion.

(d) If, after the Effective Date and prior to the Closing Date, Seller's representations or warranties become untrue, inaccurate or incorrect (a "Changed Condition"), Seller shall give Purchaser written notice thereof within five (5) Business Days (but, in any event, prior to Closing) of Seller's Knowledge of the Changed Condition (a "Changed Condition Notice").

(e) If the Representation Conditions have been satisfied, but the Changed Condition does not meet the Changed Condition Threshold, Seller shall use commercially reasonable efforts to cause the Changed Condition to be cured at or prior to Closing. In the event that, despite commercially reasonable efforts, Seller is unable to cure the Changed Condition by Closing, Seller shall not be in default hereunder, but Purchaser shall be entitled to a credit against the Purchase Price at Closing equal to the estimated remaining cost to cure the Changed Condition, which shall be determined by a third party that is mutually acceptable to the parties in their commercially reasonable discretion.

(f) If the Representation Conditions have been satisfied and the Changed Condition meets or exceeds the Changed Condition Threshold, within five (5) Business Days after the delivery of the Changed Condition Notice, Seller shall notify Purchaser in writing of whether Seller (i) elects to cure the Changed Condition by Closing, or (ii) declines to cure the Changed Condition. If Seller elects to cure the Changed Condition by Closing pursuant to this Section 3.2(f), then the Purchaser shall be obligated to close on the Property pursuant to the terms of this Agreement and Seller shall be obligated to cure the Changed Condition at or prior to Closing. If Seller does not timely make an election under this subsection (f), Seller shall be deemed to have declined to cure the Changed Condition. If Seller declines to cure the Changed Condition, or is deemed to have declined to do so, then Purchaser shall have five (5) Business Days thereafter, to elect, as its sole and exclusive remedy (and the Closing shall be automatically extended to account for such five (5) Business Day period, if necessary), in its sole and absolute discretion, by written notice to the Seller within said five (5) Business Day period, (x) to continue with the purchase of the Property without adjustment of the Purchase Price, or (y) to terminate this Agreement by providing written notice thereof to the Seller. If Purchaser elects to terminate this Agreement pursuant to this Section 3.2(f), the Earnest Money shall be immediately returned to Purchaser and thereafter the parties shall be released from further liability or obligation hereunder, except for those matters which specifically survive the termination hereof. If Purchaser fails to notify the Seller and Escrow Agent of its election to terminate this Agreement within said five (5) Business Day time period provided above, Purchaser shall be deemed to have accepted the Changed Condition and to have elected to purchase the Property without adjustment to the Purchase Price. If Seller elects to cure the Changed Condition by Closing, but thereafter fails to do so, Seller shall be in material default under this Agreement and all remedies set forth in Section 13.2 shall be available to Purchaser due to such default.

(g) For the avoidance of doubt, in the event a representation or warranty of Seller is untrue, incorrect or incomplete in any material respect when made, or becomes untrue, incorrect or incomplete in any material respect on or after the Effective Date due to a breach of any of the Seller's obligations or covenants under this Agreement, then Seller shall be in default under this Agreement (subject to any applicable notice and cure rights), and all remedies set forth in Section 13.2 shall be available to Purchaser.

SECTION 3.3 Covenants of Seller Prior to Closing.

(a) From the Effective Date until the Closing or earlier termination of this Agreement (or such earlier date as set forth below), Seller or Seller's agents shall:

(i) Operation. Operate and maintain the Property in a manner generally consistent with Seller's past practices with respect to the Property (including entering into new Leases), except that Seller shall not be required to make any capital improvements to the Real Property.

(ii) Notices. Notify Purchaser promptly upon receipt of written notices of (i) violation, litigation, arbitration proceeding or administrative hearing (including condemnation) before any Governmental Authority which affects Seller or the Property, and is instituted after the Effective Date; (ii) default with respect to any Contract; (iii) litigation commenced or threatened in writing against Seller or Seller's Property; (iv) litigation commenced or threatened in writing by Seller (other than residential tenant eviction proceedings); and (v) any other material written notice or communication received by Seller which could have a material effect on the operation of Seller's Property or on the transactions contemplated under this Agreement.

(iii) Insurance. Keep the Property insured against fire and other hazards in such amounts and under such terms as are consistent with Seller's existing insurance program, provided that Seller may make adjustments in its insurance coverage for the Property which are consistent with Seller's Affiliates' general insurance program for apartment properties as in effect from time to time.

(iv) Performance Under Leases. Perform, or cause its agents to perform, in all material respects, all material obligations of landlord or lessor under the Leases.

(v) Leasing Activity. Except for Leases or amendments to Leases entered into pursuant to renewal notices mailed prior to the Effective Date, unless Purchaser agrees otherwise in writing, any new leases or renewals of existing leases for apartment units entered into by Seller after the Effective Date until the Closing or earlier termination of this Agreement shall be on Seller's standard apartment lease form for the Property, and shall be for terms of no less than six (6) months and no more than thirteen (13) months. In all cases, Seller shall retain the discretion to set rent rates, concessions and other terms of occupancy consistent with then-extant market conditions for the Property. After the expiration of the Due Diligence Period, Purchaser shall have the right to participate in a weekly call with Seller and its property manager to discuss operation of the Property, which shall be scheduled by Seller at the request of Purchaser, and which for the avoidance of doubt shall be a separate call from Seller's operation calls with its property manager.

(vi) Contracts. Comply with all obligations of Seller under the Contracts, and, unless Purchaser agrees otherwise in writing, not enter into any service or other new Contract (or renew any existing Contract) that will be binding on Purchaser or the Property after Closing, other than Contracts necessary for emergency purposes in Seller's commercially reasonable discretion.

(vii) Conveyances or Encumbrances of Property. Seller shall not sell, further pledge, encumber or otherwise transfer or dispose of all or any part of the Property (except for (i) such items of fixtures and tangible personal property as become obsolete or are disposed of in the ordinary course, and only if replaced by an item of like quality and functionality (unless the same is no longer necessary for the operation of such Property, as determined by Seller in its commercially reasonable discretion), and (ii) such other transfers and conveyances as are specifically permitted under this Agreement).

(viii) Updated Rent Roll. From time to time, upon written request by Purchaser (but in no event more often than once per week), Seller shall provide to Purchaser an updated Rent Roll with respect to the Property, which shall be in substantially the same format as the Rent Roll attached hereto as a portion of Schedule 3.1(k).

(ix) Property Changes. Not request or consent to any change, variance or other modification to the zoning, permits, entitlements or development incentives applicable to the Property, without Purchaser's prior written consent which shall not be unreasonably withheld.

(x) Condition of Vacant Units. Make rent-ready all apartment units at the Property which become vacant five (5) or more Business Days prior to the Closing, or to credit Purchaser at Closing in the amount of \$750.00 for each apartment unit at the Property which is vacant on the Closing Date, which was vacant five (5) or more Business Days prior to the Closing Date, and which has not been made rent-ready. For purposes of this paragraph, “rent-ready condition” shall mean the condition in which Seller currently delivers vacant units to new tenants at the Property in Seller’s ordinary course of business and operations, freshly painted and cleaned, with all appliances, fixtures, and equipment therein in good working order.

(xi) Intentionally omitted.

(xii) Legal Compliance. Not use or occupy, or knowingly allow the use or occupancy of, the Property in any manner which violates any governmental requirements or which constitutes waste or a public or private nuisance or which makes void, voidable or cancelable, or increases the premium of, any insurance then in force with respect thereto. Seller shall maintain, or cause to be maintained, in full force and effect all permits and licenses required to operate the Property and to execute Leases for the Property and collect rent thereunder.

(xiii) Intentionally omitted.

(xiv) Estoppels. Use commercially reasonable efforts to obtain and deliver to Purchaser any estoppels Purchaser may reasonably require in connection with the Permitted Exceptions (each individually an “Estoppel,” and collectively the “Estoppels”); provided, however, Seller shall not be obligated to incur any non de-minimis expense or fee to so obtain Estoppels other than may be required by the terms of the Permitted Exception or to obtain any Estoppels from residential tenants at the Property.

(xv) Alterations. After the expiration of the Due Diligence Period, not perform, nor permit the performance of, any material alterations, renovations or improvements to the Property without Purchaser’s prior written consent, which consent may be granted or withheld in Purchaser’s sole discretion, except for (A) alterations or improvements required to ensure the safety of the Property, and (B) the roofing repair work ongoing at the Property as of the Effective Date, to the extent that such work continues after the expiration of the Due Diligence Period.

(xvi) Transition. Cooperate with Purchaser in transitioning ownership and management of the Property to Purchaser or Purchaser’s designee, including, without limitation, ensuring that all rents from and after the Closing Date received by Seller are paid over to Purchaser or its designee.

(b) Existing Agreements. Seller shall terminate (or cause to be terminated) the Existing Management Agreement at or prior to Closing.

(c) Assumed Contracts. If Purchaser delivers a written notice of objection to any Contract prior to the expiration of the Due Diligence Period, then, to the extent a termination right in favor of Seller is provided for in such Contract, or if such Contract does not prohibit termination, the Seller shall cause its Property Manager to provide a notice of termination within two (2) Business Days of the expiration of the Due Diligence Period to the vendor thereunder with respect to each such Contract to which Purchaser has timely objected (collectively, the “Objectionable Contracts”); provided, however, that (i) Purchaser may not object to any of the Contracts marked as “must assume” on Schedule 3.1(j) and shall assume the same at Closing pursuant to the Bill of Sale and Assignment; (ii) Seller shall have no obligation to terminate any Contract which by its terms is not terminable or which cannot be terminated without payment of an express termination fee or penalty, unless Purchaser agrees in writing to pay such termination fee or penalty; (iii) if the termination of any Objectionable Contract cannot be made effective upon the Closing Date (it being agreed and acknowledged that Seller shall not be obligated to pay any money to accomplish such termination), then such Objectionable Contract shall be assumed by Purchaser at Closing pursuant to the Bill of Sale and Assignment (together with all Assumed Contracts with respect to the Property that do not constitute Objectionable Contracts) for the remaining period of such Contract until its effective date of termination; and (iv) Purchaser shall be responsible for any termination fees payable with respect to the termination of any Objectionable Contracts. Notwithstanding the foregoing, Purchaser shall not be required or entitled to assume: (x) any Contract that, by its terms, may not be assigned to and assumed by Purchaser without the consent of a third party, unless such third party’s written consent is actually obtained at or before Closing; or (y) any Contract that is not reflected on Schedule 3.1(j). All Contracts that Purchaser is required to assume or elects to assume hereunder are collectively referred to herein as the “Assumed Contracts.”

(d) Anti-Terrorism Law. Seller shall take any actions that may be required to comply with the terms of the Anti-Bribery, Anti-Money Laundering and Anti-Terrorism Laws, as amended, any regulations promulgated under the foregoing Applicable Laws, any sanctions program administered by the U.S. Department of Treasury’s Office of Foreign Property Control or Financial Crimes Enforcement Network, or any other Applicable Laws designed to combat corruption, bribery, terrorism, drug-trafficking or money laundering.

(e) Exclusivity. From the Effective Date until the Closing or earlier termination of this Agreement, neither Seller, nor any of its brokers, affiliates or agents, shall engage in discussions directly or through its brokers, agents or representatives or otherwise negotiate with any Person or party, other than with Purchaser, in connection with the sale of the Property or any joint venture or similar transaction relating to the Property.

(f) Intentionally omitted.

(g) Excluded Assets. Nothing in this Section 3.3 shall restrict Seller’s rights with respect to any Excluded Assets or give Purchaser any approval, consent or other rights with respect thereto.

ARTICLE 4
REPRESENTATIONS, WARRANTIES AND COVENANTS OF PURCHASER

SECTION 4.1 Representations and Warranties of Purchaser. Purchaser hereby represents and warrants to Seller as follows:

(a) Formation; Existence. Purchaser is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware.

(b) Power; Authority. Purchaser has all requisite power and authority to enter into this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement, the purchase of the Property and the consummation of the transactions provided for herein have been duly authorized by all necessary action on the part of Purchaser. This Agreement has been duly executed and delivered by Purchaser and constitutes the legal, valid and binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights and by general principles of equity (whether applied in a proceeding at law or in equity).

(c) No Consents. No consent, license, approval, order, permit or authorization of, or registration, filing or declaration with, any court, administrative agency or commission or other Governmental Authority, is required to be obtained or made in connection with the execution, delivery and performance of this Agreement by Purchaser or any of Purchaser's obligations in connection with the transactions required or contemplated hereby.

(d) No Conflicts. Purchaser's execution, delivery and compliance with, and performance of the terms and provisions of, this Agreement, and the purchase of the Property, will not (i) conflict with or result in any violation of its organizational documents, (ii) conflict with or result in any violation of any provision of any bond, note or other instrument of indebtedness, contract, indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which Purchaser is a party in its individual capacity, or (iii) violate any Applicable Law relating to Purchaser or its assets or properties, except, in each case, for any conflict or violation which will not materially adversely affect Purchaser's ability to consummate the transactions contemplated by this Agreement.

(e) Bankruptcy. Purchaser has not (i) made a general assignment for the benefit of creditors, (ii) filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by Purchaser's creditors, (iii) suffered the appointment of a receiver to take possession of all, or substantially all, of Purchaser's assets, which remains pending, or (iv) suffered the attachment or other judicial seizure of all, or substantially all of Purchaser's assets, which remains pending.

(f) Anti-Terrorism Laws. Neither Purchaser nor to Purchaser's knowledge any beneficial owner of Purchaser: (i) is listed in the Executive Order and/or on any other list of terrorists or terrorist organizations maintained pursuant to any of the rules and regulations of OFAC or pursuant to any other applicable Orders; (ii) is a person or entity who has been determined by competent authority to be subject to the prohibitions contained in the Executive Orders; (iii) to Purchaser's knowledge, is owned or controlled by, or acts for or on behalf of, any person or entity on the Lists or any other person or entity who has been determined by competent authority to be subject to the prohibitions contained in the Executive Order, or (iv) is or has engaged in any dealings or transactions, or is otherwise associated, with any Forbidden Entity. The foregoing does not apply to any person or entity to the extent that such person's interest in Purchaser is through a US publicly traded entity.

SECTION 4.2 Covenants of Purchaser. From the Effective Date until the Closing or earlier termination of this Agreement, Purchaser or Purchaser's agents shall take any actions that may be required to comply with the terms of the Anti-Bribery, Anti-Money Laundering and Anti-Terrorism Laws, as amended, any regulations promulgated under the foregoing Applicable Laws, any sanctions program administered by the U.S. Department of Treasury's Office of Foreign Property Control or Financial Crimes Enforcement Network, or any other Applicable Laws designed to combat corruption, bribery, terrorism, drug trafficking or money laundering.

ARTICLE 5
CONDITIONS PRECEDENT TO CLOSING

SECTION 5.1 Conditions Precedent to Seller's Obligations. Seller's obligation to consummate the transfer of the Property to Purchaser on the Closing Date is subject to the satisfaction (or waiver by Seller in writing) as of Closing of the following conditions; provided, however, if the failure of any such condition is due to a default by Purchaser, Seller shall have the rights and remedies provided in Section 13.1:

(a) Each of the representations and warranties made by Purchaser in this Agreement shall be true and correct in all material respects when made and on and as of the Closing Date as though such representations and warranties were made on and as of the Closing Date (unless such representation or warranty is made on and as of a specific date, in which case it shall be true and correct in all material respects as of such date).

(b) Purchaser shall have performed or complied in all material respects with each obligation and covenant required by this Agreement to be performed or complied with by Purchaser for Closing.

(c) Seller or Escrow Agent shall have received all of the documents required to be delivered by Purchaser under Section 6.1.

(d) Seller or Escrow Agent shall have received the Purchase Price in accordance with Section 2.2 and all other amounts due to Seller hereunder.

(e) Subject to Section 14.27 hereof, Section 14.27 of the Three Property Purchase Agreement, and Section 14.27 of the Landings at Four Corners Purchase Agreement, the transactions contemplated by the Three Property Purchase Agreement and the Landings at Four Corners Purchase Agreement shall be consummated in accordance with the terms and conditions thereof on the Closing Date simultaneously with the Closing contemplated herein.

SECTION 5.2 Conditions Precedent to Purchaser's Obligations. Purchaser's obligation to purchase and pay for the Property on the Closing Date is subject to the satisfaction (or waiver by Purchaser in writing) as of Closing of the following conditions; provided, however, if the failure of any such condition is due to a default by Seller, Purchaser shall have the right and remedies provided in Section 13.2:

(a) Each of the representations and warranties made by Seller in this Agreement shall be true and correct in all material respects when made and on and as of the Closing Date as though such representations and warranties were made on and as of the Closing Date (unless such representation or warranty is made on and as of a specific date, in which case it shall be true and correct in all material respects as of such date), subject, in all respects, to the rights and obligations of the parties set forth in Section 3.2 of this Agreement.

(b) Seller shall have performed or complied in all material respects with each obligation and covenant required by this Agreement to be performed or complied with by Seller for Closing.

(c) Subject to Section 14.27 hereof, Section 14.27 of the Landings at Four Corners Purchase Agreement, and Section 14.27 of the Third Property Purchase Agreement, the transactions contemplated by the Three Property Purchase Agreement and the Landings at Four Corners Purchase Agreement shall be consummated in accordance with the terms and conditions thereof on the Closing Date simultaneously with the Closing contemplated herein.

(d) The Title Company shall be prepared and irrevocably committed to issue an Owner's Policy for the Property in the full amount of the Purchase Price, subject only to the Permitted Exceptions; provided, however, if the Title Company is unable or unwilling to issue the Owner's Policy, before Purchaser shall have the right to terminate this Agreement under this subsection 9(d), the parties shall first make commercially reasonable efforts to secure the Owner's Policy from another title insurer satisfactory to Purchaser, and if necessary the Closing Date shall be extended by a period of up to five (5) Business Days to attempt to arrange such replacement coverage.

SECTION 5.3 Waiver of Conditions Precedent. The occurrence of the Closing shall constitute conclusive evidence that Seller and Purchaser have respectively waived any conditions which are not satisfied as of the Closing.

SECTION 5.4 Failure of Conditions Precedent. In the event that any condition precedent to Closing has not been timely satisfied, then the party whose condition to Closing has not been satisfied shall have the right to terminate this Agreement by written notice delivered to the other party at Closing. In connection with any such termination, Purchaser shall be entitled to a return of the Earnest Money (less the Independent Contract Consideration), and Seller and Purchaser shall be released from further obligation or liability hereunder (except for those obligations and liabilities which expressly survive termination); provided, however, nothing herein shall be deemed to constitute a waiver of any right or remedy which the parties may have under Article 13.

ARTICLE 6
CLOSING DELIVERIES

SECTION 6.1 Purchaser's Closing Deliveries. Purchaser shall deliver the following to the Escrow Agent for Closing, in compliance with Section 2.3 hereof:

- (a) With respect to the Property:
 - (i) Purchaser's duly executed counterpart to a Bill of Sale and Assignment of Leases, Contracts and General Intangibles (the "Bill of Sale and Assignment") for the Property, in substantially the form of Exhibit A attached hereto;
 - (ii) Intentionally Deleted;
 - (iii) Purchaser's duly executed counterpart to a Prohibition Against Condominium Conversion Agreement for the Property (the "Condominium Conversion Prohibition Agreement"), in substantially the form of Exhibit C attached hereto;
 - (iv) Purchaser's duly executed counterpart to the Closing Statement; and
 - (v) Intentionally Deleted.
- (b) With respect to the transactions contemplated hereunder:
 - (i) The Purchase Price as specified in Section 2.2, as adjusted by the application of the Earnest Money, and by the adjustments, prorations and credits provided herein;
 - (ii) to the extent that same are required to be executed by Purchaser under Applicable Law, all transfer tax returns or forms required for the conveyance of the Property, in each case, as prepared by Seller in coordination with and reasonably acceptable to Purchaser and duly executed by Purchaser;
 - (iii) such evidence as the Title Company may reasonably require as to the authority of the Person or Persons executing documents on behalf of Purchaser, and as to the legal existence and good standing of Purchaser;
 - (iv) a certificate dated as of the Closing Date and duly executed by Purchaser, stating that the representations and warranties of Purchaser contained in Article 4 of this Agreement are true and correct in all material respects as of the Closing Date; and
 - (v) such additional documents as shall be reasonably requested by the Escrow Agent or the Title Company to consummate the transaction contemplated by this Agreement; provided, however, that in no event shall Purchaser be required to indemnify the Title Company, the Escrow Agent, Seller, or any other party pursuant to any such documents, or undertake any other material liability not expressly contemplated in this Agreement, unless Purchaser elects to do so in its sole discretion.

SECTION 6.2 Seller's Closing Deliveries. Seller shall deliver the following to the Escrow Agent for Closing, in compliance with Section 2.3 hereof:

- (a) Deed. A Texas special warranty deed in substantially the form of Exhibit D attached hereto duly executed by Seller for the Real Property, together with, as applicable, a quitclaim deed for the Real Property in accordance with Section 8.1(b) hereof;

- (b) Condominium Conversion Prohibition Agreement. The Condominium Conversion Prohibition Agreement, as duly executed by Seller.
- (c) Bill of Sale and Assignment. The Bill of Sale and Assignment, as duly executed by Seller;
- (d) Tenant Notice. A duly executed notice letter to the tenants at the Property (the “Tenant Notice”), in substantially the form of Exhibit B attached hereto. Purchaser shall promptly deliver the same to all tenants following the Closing;
- (e) Vendor Notices. To the extent not already provided to Purchaser, letters to the vendors under Assumed Contracts for the Property, duly executed by Seller;
- (f) Title Affidavit. A Texas Owner’s Affidavit in substantially the form of Exhibit E attached hereto, duly executed by Seller (the “Title Affidavit”);
- (g) FIRPTA Affidavit. A duly executed and notarized affidavit from Seller that Seller is not a “foreign person” within the meaning of the Foreign Investment in Real Property Tax Act of 1980, as amended;
- (h) Seller’s Closing Certificate. A duly executed certificate in the form attached hereto as Exhibit F (the “Seller’s Closing Certificate”) from Seller dated as of the Closing Date, stating that the representations and warranties of Seller contained in Article 3 of this Agreement are true and correct in all material respects as of the Closing Date;
- (i) Intentionally Deleted.
- (j) Closing Statement. Seller’s duly executed counterpart to the Closing Statement;
- (k) Rent Roll. An updated Rent Roll for the Property, dated no earlier than the date that is five (5) Business Days prior to the Closing Date (which Seller’s Property Manager may provide), for purposes of preparing the Closing Statement and attaching as an exhibit to the Seller’s Closing Certificate and to the Title Affidavit;
- (l) Transfer Tax Forms. All transfer tax returns or forms required for the conveyance of the Property, in each case as prepared by Seller in coordination with Purchaser and, to the extent required under Applicable Law, duly executed Seller;
- (m) Leases. To the extent in Seller’s possession or reasonable control, originals (or copies if the Property maintains the Leases solely through an electronic database) of the Leases, which requirement may be satisfied by delivery at the on-site property management office for the Property, rather than by delivery to the Escrow Agent;
- (n) Seller Authority Documents. Such evidence as the Title Company may reasonably require as to the authority of the Person or Persons executing documents on behalf of Seller, and as to the legal existence and good standing of Seller;

(o) Broker Documents. If required by the Title Company for the Property, a broker's lien waiver or affidavit regarding the Property from the Broker, and/or an affidavit regarding commercial real estate brokers from the Seller, in form and substance reasonably acceptable to the Title Company;

(p) Possession. Possession of the Property subject only to the Permitted Exceptions; and

(q) Miscellaneous. Such additional documents as shall be reasonably requested by the Escrow Agent or the Title Company to consummate the transaction contemplated by this Agreement; provided, however, that in no event shall Seller be required to indemnify the Title Company, the Escrow Agent, Purchaser, or any other party pursuant to any such documents, or undertake any other material liability not expressly contemplated in this Agreement, unless Seller elects to do so in its sole discretion.

ARTICLE 7

INSPECTIONS; DUE DILIGENCE; RELEASE

SECTION 7.1 Inspections.

(a) Purchaser Investigations. During the Due Diligence Period and until Closing or the earlier termination of this Agreement, Purchaser and Purchaser's partners, agents, employees, lenders, investors, property managers, representatives, attorneys, accountants, engineers, contractors, consultants and licensees (collectively, "Purchaser's Representatives") shall have the right to enter upon the Property and make such nondestructive on-site investigations, inspections, audits, analyses, appraisals, studies and tests, including, without limitation, surveys and engineering studies and reviewing Seller's Deliveries (individually, a "Purchaser Investigation" and collectively, the "Purchaser Investigations"), as Purchaser deems necessary or advisable; provided, however, that Purchaser shall not be permitted to conduct (i) any physically invasive inspection, sampling or test, or (ii) testing or sampling required for a Phase II environmental site assessment at the Property without Seller's prior written consent, which shall not be unreasonably withheld, conditioned or delayed to the extent any Phase I environmental assessment identifies a recognized environmental condition (meeting the ASTM E1527-13 standard) and recommends further testing, but may otherwise be withheld in Seller's sole discretion.

(b) Procedures. Purchaser and Purchaser's Representatives shall conduct all Purchaser Investigations strictly in accordance with the following procedures:

(i) All Purchaser Investigations at the Property shall be conducted during the normal business hours of the Property on Business Days, unless Seller otherwise approves in writing and upon appropriate notice to tenants as required under any Leases.

(ii) Purchaser shall deliver to Seller a written notice of Purchaser's intent to perform any Purchaser Inspection at the Property, in each case at least one (1) Business Day prior to the intended date of entry (notice to Brian Rideout by electronic mail at brideout@bluerockmi.com shall satisfy this notice requirement). Each such notice shall specify the Property and shall provide (A) the intended date of entry and the portion of the Property to be entered, (B) a description of the proposed Purchaser Investigations, including, without limitation, a list of contractors who will be performing the proposed Purchaser Investigations, and (C) in the instance of a physically invasive test otherwise permitted hereunder, a copy of Purchaser's testing plan outlining the tests that Purchaser intends to perform, and such other information reasonably requested by Seller in connection with such physically invasive testing. Neither Purchaser nor any Purchaser's Representative shall enter any portion of any Property until Seller has given written approval of both the request and any testing plan, which approval may be given by electronic mail to Jamie Shanks at jshanks@carterhaston.com.

(iii) A representative of Seller shall have the right, but not the obligation, to be present during any Purchaser Investigation.

(iv) Neither Purchaser nor any Purchaser's Representative shall interfere unreasonably with the use, occupancy or enjoyment rights of any tenants, occupants, invitees, employees or contractors of Seller at the Property or of any such tenants' or occupants' employees, contractors, customers or guests.

(v) Purchaser shall have no right to make inquiries of tenants, occupants, invitees, employees or contractors of Seller without Seller's prior written consent, which may be conditioned upon an agent or representative of Seller accompanying Purchaser or Purchaser's Representatives during such inquiries.

(vi) Purchaser shall have the right to make customary inquiries to confirm existing factual matters or to request publicly available information, in either case, with regard to the Property, arising in connection with (i) a Phase I environmental site assessment, (ii) a third-party zoning compliance report, (iii) a zoning compliance letter from applicable governmental authorities, (iv) a request for copies of permits and licenses, including certificates of occupancy, (v) a request to the applicable Governmental Authorities as to the status of the existing development rights or entitlements with respect to the Property, or (vi) taxes attributable to the Property. Notwithstanding the foregoing, neither Purchaser nor any Purchaser Representative shall affirmatively request any governmental or quasi-governmental agency to undertake any action which would or could lead to a hearing before any governmental or quasi-governmental agency, or which would or could lead to a note or notice of violation of law or municipal ordinance, order or requirement imposed by such an agency, at the Property, or any change in zoning, licenses, permits or other entitlements or any investigation or restriction on the use of the Property or any part thereof by such an agency, except to the extent that Seller provides prior written consent to such inquiries in Seller's sole discretion.

(vii) Following each entry by Purchaser or any Purchaser's Representative with respect to any Purchaser Investigation, Purchaser shall promptly restore, or cause to be restored, the Property to substantially the same condition as existed immediately prior to the Purchaser Investigation. Except in connection with radon testing, Purchaser shall not have the right to submit any samples or other materials to any testing laboratory or similar facility without obtaining the prior written consent of Seller in Seller's sole discretion. The restoration provisions of this subsection shall survive the termination or expiration of this Agreement.

(viii) Prior to entering onto the Property to conduct any Purchaser Investigation, Purchaser shall obtain (or shall cause Purchaser's Representatives to obtain), and during the period of all Purchaser Investigations shall maintain or cause to be maintained, at the sole expense of Purchaser or Purchaser's Representatives, with respect to the Property: (A) commercial general liability ("CGL") insurance, issued on a form at least as broad as Insurance Services Office ("ISO") Commercial General Liability Coverage "occurrence" form CG 00 01 10 01 or another "occurrence" form providing equivalent coverage, including contractual liability coverage with respect to Purchaser's obligations under this Agreement and personal injury liability coverage, with limits of not less than Two Million Dollars (\$2,000,000) for any one occurrence and Five Million Dollars (\$5,000,000) in the aggregate; (B) comprehensive automobile liability insurance (covering any automobiles owned or operated by Purchaser or Purchaser's Representatives) issued on a form at least as broad as ISO Business Auto Coverage form CA 00 01 07 97 or other form providing equivalent coverage; (C) worker's compensation insurance, and (D) employer's liability insurance. Such automobile liability insurance shall be in an amount not less than One Million Dollars (\$1,000,000) for each accident. Such worker's compensation insurance shall carry minimum limits as defined by the law of the jurisdiction in which the applicable Property is located (as the same may be amended from time to time). Such employer's liability insurance shall be in an amount not less than Two Million Dollars (\$2,000,000) for each accident, Two Million Dollars (\$2,000,000) disease-policy limit, and Two Million Dollars (\$2,000,000) disease-each employee. Seller (and, upon Seller's request, the Property Manager and Property mortgagee(s)) shall be named as additional insureds on the CGL and automobile liability insurance policies with respect to liability arising out of the named insured's acts or omissions relating to the Property. Each such insurance policy shall be subject to Seller's prior written approval, not to be unreasonably withheld or delayed (for avoidance of doubt, such written approval shall be deemed given by Seller allowing Purchaser and Purchaser's Representatives on the Property to the extent the insurance policy otherwise satisfies the coverage types and amounts set forth in this Section 7.1(b)(viii)). Prior to making any entry upon the Property, Purchaser or Purchaser's Representatives shall furnish to Seller a certificate of insurance evidencing the foregoing coverages for the Property, which certificate of insurance shall be in form and substance reasonably satisfactory to Seller.

(ix) Purchaser agrees (A) to promptly pay when due all costs associated with the Purchaser Investigations and (B) not to cause, permit or suffer any lien or encumbrance to be asserted against the Property related to the Purchaser Investigations. The provisions of this subsection shall survive the termination or expiration of this Agreement.

(x) Purchaser shall comply with all Applicable Law which might in any way relate to the Purchaser Investigations.

(xi) Neither Purchaser nor any Purchaser's Representative shall damage any part of the Property or any personal property owned or held by any tenant, occupant or third party.

(c) Indemnification. Purchaser shall indemnify, hold harmless and defend Seller, and its members, officers, managers, employees and shareholders (collectively, the "Seller Indemnified Parties") from and against any and all Claims actually incurred by Seller or any other indemnified party and caused by and arising out of (i) any Purchaser Investigation (i.e., without regard to the phrase "*nondestructive*" included in the definition of Purchaser Investigation) conducted by or at the behest of Purchaser and/or any Purchaser's Representative, or (ii) any breach by Purchaser and/or any Purchaser's Representative of the terms of this Section 7.1. Notwithstanding the foregoing, Purchaser shall have no liability for (and no obligation to indemnify, defend and/or hold any of the Seller Indemnified Parties harmless from) Claims arising from (a) pre-existing conditions merely discovered by Purchaser Investigations and not exacerbated by Purchaser or Purchaser's Representatives (and in any event, only to the extent of such exacerbation), (b) the gross negligence or intentional wrongdoing of Seller, the Seller Indemnified Parties, or any Property's tenants, occupants and invitees (other than Purchaser and Purchaser's Representatives), or (c) any consequential, punitive, special or other similar damages. For the avoidance of doubt, Purchaser acknowledges that this Section 7.1(c) also applies to Claims arising during the portion of the Due Diligence Period that preceded the Effective Date of this Agreement. This Section 7.1(c) shall survive Closing or any termination of this Agreement.

(d) WAIVER AND RELEASE. PURCHASER, FOR ITSELF AND ALL OF PURCHASER'S REPRESENTATIVES, HEREBY WAIVES AND RELEASES EACH OF SELLER AND ITS MEMBERS, OFFICERS, MANAGERS, EMPLOYEES AND SHAREHOLDERS FROM ALL CLAIMS RESULTING DIRECTLY OR INDIRECTLY FROM ACCESS TO, ENTRANCE UPON, OR INSPECTION OF THE PROPERTY BY PURCHASER OR ANY OF PURCHASER'S REPRESENTATIVES FROM AND AFTER THE COMMENCEMENT OF THE DUE DILIGENCE PERIOD, UNLESS ARISING FROM THE WRONGFUL MISCONDUCT OR GROSS NEGLIGENCE OF SELLER. THE PROVISIONS OF THIS SECTION 7.1(D) SHALL SURVIVE CLOSING OR ANY TERMINATION OF THIS AGREEMENT. FOR THE AVOIDANCE OF DOUBT, PURCHASER ACKNOWLEDGES THAT THIS SECTION 7.1(D) ALSO APPLIES TO ALL CLAIMS ARISING DURING THE PORTION OF THE DUE DILIGENCE PERIOD THAT PRECEDED THE EFFECTIVE DATE OF THIS AGREEMENT.

SECTION 7.2 Seller's Deliveries.

(a) To the extent that it has not already done so under the Access Agreement, Seller will make available to Purchaser and Purchaser's Representatives for their review, in an online data room and/or at the Property, items and information pertaining to the Property set forth on Schedule B attached hereto (collectively referred to as the "Seller's Deliveries"). Except as otherwise set forth in this Agreement, the Seller's Deliveries are made available to Purchaser without representation or warranty by, or recourse against, Seller, it being agreed that Purchaser shall not rely on such documents and shall independently verify the truth, accuracy and completeness of said information and/or items contained therein.

(b) If this Agreement is terminated prior to Closing, within seven (7) days from the date of Seller's request, Purchaser shall return or cause to be returned to Seller or destroy or cause to be destroyed all of the Seller's Deliveries (and provide written confirmation of such destruction to Seller). This Section 7.2(b) shall survive the termination of this Agreement.

SECTION 7.3 Purchaser's Termination Right.

(a) On or before the expiration of the Due Diligence Period, Purchaser shall deliver written notice (the "Diligence Notice") to Seller stating either (i) that Purchaser elects to terminate this Agreement, in which event the Escrow Agent shall return the Earnest Money to Purchaser without the consent of Seller or any other Person and no party shall have any further rights or obligations under this Agreement (except for provisions hereof that are expressly stated to survive a termination of this Agreement), or (ii) that Purchaser elects not to terminate this Agreement, in which event (A) Purchaser shall thereupon be deemed to have waived any right to terminate this Agreement pursuant to the provisions of this Section 7.3(a) and this Agreement shall continue in full force and effect in accordance with its terms and (B) the Earnest Money shall thereupon become nonrefundable, except as expressly specified in this Agreement. Purchaser's failure to timely deliver the Diligence Notice to Seller shall be deemed to constitute Purchaser's election not to terminate this Agreement (i.e. to elect clause (ii) above). For the avoidance of doubt, Purchaser's right to terminate this Agreement pursuant to clause (i) above shall be made at the sole discretion of Purchaser and can be made for any reason or no reason.

(b) Purchaser hereby agrees that in the event Purchaser delivers (or is deemed to have delivered) a Diligence Notice electing not to terminate this Agreement, the same shall constitute Purchaser's acknowledgment that Purchaser has had adequate opportunity to consider, inspect and review to its satisfaction the physical, environmental, economic and legal condition of the Property and all files and information in Seller's possession that Purchaser deems material to the purchase of the Property.

SECTION 7.4 Seller's Disclaimer. Purchaser acknowledges the following:

ANY INFORMATION PROVIDED OR TO BE PROVIDED BY OR ON BEHALF OF SELLER WITH RESPECT TO THE PROPERTY IS PROVIDED SOLELY FOR PURCHASER'S CONVENIENCE. SUCH INFORMATION WAS OR WILL BE OBTAINED FROM A VARIETY OF SOURCES, INCLUDING FROM SELLER'S PROPERTY MANAGER. SELLER HAS NOT MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION AND MAKES NO (AND EXPRESSLY DISCLAIMS ALL) REPRESENTATIONS AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION, EXCEPT AS SET FORTH IN THIS AGREEMENT OR IN THE CLOSING DOCUMENTS TO BE DELIVERED BY SELLER. EXCEPT AS OTHERWISE PROVIDED HEREIN OR IN SELLER'S CLOSING DOCUMENTS, SELLER SHALL NOT BE LIABLE FOR ANY MISTAKES, OR OMISSIONS, OR FOR ANY PARTY'S FAILURE TO INVESTIGATE THE PROPERTY, NOR SHALL SELLER BE BOUND IN ANY MANNER BY ANY VERBAL OR WRITTEN STATEMENTS, REPRESENTATIONS, APPRAISALS, ENVIRONMENTAL SITE ASSESSMENTS OR OTHER INFORMATION PERTAINING TO THE PROPERTY OR THE OPERATION THEREOF, FURNISHED BY SELLER, SELLER'S PROPERTY MANAGER, SELLER'S REPRESENTATIVES OR ANY OTHER PERSON ACTING ON BEHALF OF SELLER, EXCEPT AS SET FORTH IN THIS AGREEMENT OR IN SELLER'S CLOSING DOCUMENTS.

SECTION 7.5 Examination; No Contingencies.

(a) IN ENTERING INTO THIS AGREEMENT, PURCHASER HAS NOT BEEN INDUCED BY AND HAS NOT RELIED UPON ANY WRITTEN OR ORAL REPRESENTATIONS, WARRANTIES OR STATEMENTS, WHETHER EXPRESS OR IMPLIED, MADE BY SELLER, OR ANY AFFILIATE, AGENT, EMPLOYEE, OR OTHER REPRESENTATIVE OF SELLER, OR BY ANY BROKER OR ANY OTHER PERSON REPRESENTING OR PURPORTING TO REPRESENT SELLER WITH RESPECT TO THE PROPERTY, THE CONDITION OF THE PROPERTY OR ANY OTHER MATTER AFFECTING OR RELATING TO THE TRANSACTIONS CONTEMPLATED HEREBY, OTHER THAN THOSE EXPRESSLY SET FORTH IN THIS AGREEMENT OR IN THE SELLER'S CLOSING DOCUMENTS. PURCHASER'S OBLIGATIONS UNDER THIS AGREEMENT SHALL NOT BE SUBJECT TO ANY CONTINGENCIES, DILIGENCE OR CONDITIONS EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT. DURING ITS DUE DILIGENCE PERIOD AND PURSUANT TO THE TERMS OF THIS AGREEMENT, PURCHASER IS ENCOURAGED TO CONDUCT AN INDEPENDENT INVESTIGATION AND INSPECTION OF THE PROPERTY, UTILIZING SUCH EXPERTS AS PURCHASER DEEMS TO BE NECESSARY FOR AN INDEPENDENT ASSESSMENT OF THE IMPROVEMENTS AND EQUIPMENT USED IN THE OPERATION OF THE PROPERTY, AND COMPLIANCE OF THE PROPERTY (INCLUDING SPECIFICALLY THE IMPROVEMENTS) WITH APPLICABLE LAWS, INCLUDING THE FEDERAL AMERICANS WITH DISABILITIES ACT, THE TEXAS ARCHITECTURAL BARRIERS ACT, AND/OR APPLICABLE ENVIRONMENTAL LAWS. PURCHASER AGREES THAT THE PROPERTY WILL BE SOLD AND CONVEYED TO (AND ACCEPTED BY) PURCHASER AT CLOSING IN THE THEN-EXISTING CONDITION OF THE PROPERTY, AS IS, WHERE IS, WITH ALL FAULTS, AND WITHOUT ANY WRITTEN OR VERBAL REPRESENTATIONS OR WARRANTIES WHATSOEVER, WHETHER EXPRESS OR IMPLIED OR ARISING BY OPERATION OF LAW, OTHER THAN AS EXPRESSLY SET FORTH IN THIS AGREEMENT OR IN SELLER'S CLOSING DOCUMENTS. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, EXCEPT AS SET FORTH IN THIS AGREEMENT OR IN SELLER'S CLOSING DOCUMENTS, THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT ARE WITHOUT STATUTORY, EXPRESS OR IMPLIED WARRANTY, REPRESENTATION, AGREEMENT, STATEMENT OR EXPRESSION OF OPINION OF OR WITH RESPECT TO THE CONDITION OF THE PROPERTY OR ANY ASPECT THEREOF, INCLUDING, WITHOUT LIMITATION, (I) ANY AND ALL STATUTORY, EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES RELATED TO THE SUITABILITY FOR HABITATION, MERCHANTABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS FOR USE OR ACCEPTABILITY FOR THE PURPOSE INTENDED BY PURCHASER OR ANY WARRANTIES OR COVENANTS REFERRED TO IN SECTION 5.023 OF THE TEXAS PROPERTY CODE (OR ITS SUCCESSORS) WITH RESPECT TO ANY OF THE REAL PROPERTY OR ITS CONDITION OR THE CONSTRUCTION, PROSPECTS, OPERATIONS OR RESULTS OF OPERATIONS OF THE PROPERTY, (II) ANY STATUTORY, EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES CREATED BY ANY AFFIRMATION OF FACT OR PROMISE, BY ANY DESCRIPTION OF THE PROPERTY OR BY OPERATION OF LAW, AND (III) ALL OTHER STATUTORY, EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES BY SELLER OF ANY TYPE WHATSOEVER. PURCHASER ACKNOWLEDGES THAT PURCHASER HAS KNOWLEDGE AND EXPERTISE IN FINANCIAL AND BUSINESS MATTERS THAT ENABLE PURCHASER TO EVALUATE THE MERITS AND RISKS OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

(b) FOR PURPOSES OF THIS AGREEMENT, THE TERM “CONDITION OF THE PROPERTY” MEANS THE FOLLOWING MATTERS:

(i) PHYSICAL CONDITION OF THE REAL PROPERTY. THE QUALITY, NATURE AND ADEQUACY OF THE PHYSICAL CONDITION OF THE REAL PROPERTY, INCLUDING, WITHOUT LIMITATION, THE QUALITY OF THE DESIGN, LABOR AND MATERIALS USED TO CONSTRUCT THE IMPROVEMENTS INCLUDED IN THE REAL PROPERTY; THE CONDITION OF STRUCTURAL ELEMENTS, FOUNDATIONS, ROOFS, GLASS, MECHANICAL, PLUMBING, ELECTRICAL, HVAC, SEWAGE, AND UTILITY COMPONENTS AND SYSTEMS; THE CAPACITY OR AVAILABILITY OF SEWER, WATER, OR OTHER UTILITIES; THE GEOLOGY, FLORA, FAUNA, SOILS, SUBSURFACE CONDITIONS, GROUNDWATER, LANDSCAPING, AND IRRIGATION OF OR WITH RESPECT TO THE REAL PROPERTY, THE LOCATION OF THE REAL PROPERTY IN OR NEAR ANY SPECIAL TAXING DISTRICT, FLOOD HAZARD ZONE, WETLANDS AREA, PROTECTED HABITAT, GEOLOGICAL FAULT OR SUBSIDENCE ZONE, HAZARDOUS WASTE DISPOSAL OR CLEAN-UP SITE, OR OTHER SPECIAL AREA, THE EXISTENCE, LOCATION, OR CONDITION OF INGRESS, EGRESS, ACCESS, AND PARKING; THE CONDITION OF THE PERSONAL PROPERTY AND ANY FIXTURES; AND THE PRESENCE OF ANY ASBESTOS OR OTHER HAZARDOUS MATERIALS, DANGEROUS, OR TOXIC SUBSTANCE, MATERIAL OR WASTE IN, ON, UNDER OR ABOUT THE REAL PROPERTY AND THE IMPROVEMENTS LOCATED THEREON.

(ii) ADEQUACY OF THE PROPERTY. THE ECONOMIC FEASIBILITY, CASH FLOW AND EXPENSES OF THE PROPERTY, AND HABITABILITY, MERCHANTABILITY, FITNESS, SUITABILITY AND ADEQUACY OF THE REAL PROPERTY FOR ANY PARTICULAR USE OR PURPOSE.

(iii) **LEGAL COMPLIANCE OF THE PROPERTY.** THE COMPLIANCE OR NON-COMPLIANCE OF SELLER OR THE OPERATION OF THE PROPERTY OR ANY PART THEREOF IN ACCORDANCE WITH, AND THE CONTENTS OF, (A) ALL CODES, LAWS, ORDINANCES, REGULATIONS, AGREEMENTS, LICENSES, PERMITS, APPROVALS AND APPLICATIONS OF OR WITH ANY GOVERNMENTAL AUTHORITIES ASSERTING JURISDICTION OVER THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THOSE RELATING TO ZONING, BUILDING, PUBLIC WORKS, PARKING, FIRE AND POLICE ACCESS, HANDICAP ACCESS, LIFE SAFETY, SUBDIVISION AND SUBDIVISION SALES, AND HAZARDOUS MATERIALS, DANGEROUS, AND TOXIC SUBSTANCES, MATERIALS, CONDITIONS OR WASTE, INCLUDING, WITHOUT LIMITATION, THE PRESENCE OF HAZARDOUS MATERIALS IN, ON, UNDER OR ABOUT THE PROPERTY THAT WOULD CAUSE STATE OR FEDERAL AGENCIES TO REQUIRE CLEANUP OR MITIGATION WORK AT THE PROPERTY UNDER ANY APPLICABLE LEGAL REQUIREMENTS AND (B) ALL AGREEMENTS, COVENANTS, CONDITIONS, RESTRICTIONS (PUBLIC OR PRIVATE), CONDOMINIUM PLANS, DEVELOPMENT AGREEMENTS, SITE PLANS, BUILDING PERMITS, BUILDING RULES, AND OTHER INSTRUMENTS AND DOCUMENTS GOVERNING OR AFFECTING THE USE, MANAGEMENT, AND OPERATION OF THE PROPERTY.

(iv) **SELLER'S CORE DELIVERIES. THE MATTERS DISCLOSED IN THE SELLER'S CORE DELIVERIES.**

(v) **INSURANCE.** THE AVAILABILITY, COST, TERMS AND COVERAGE OF LIABILITY, HAZARD, COMPREHENSIVE AND ANY OTHER INSURANCE OF OR WITH RESPECT TO THE PROPERTY.

(vi) **CONDITION OF TITLE.** SUBJECT TO SECTION 8.3, THE CONDITION OF TITLE TO THE REAL PROPERTY, INCLUDING, WITHOUT LIMITATION, VESTING, LEGAL DESCRIPTION, MATTERS AFFECTING TITLE, TITLE DEFECTS, LIENS, ENCUMBRANCES, BOUNDARIES, ENCROACHMENTS, MINERAL RIGHTS, OPTIONS, EASEMENTS, AND ACCESS; VIOLATIONS OF RESTRICTIVE COVENANTS, ZONING ORDINANCES, SETBACK LINES, OR DEVELOPMENT AGREEMENTS; THE AVAILABILITY, COST, AND COVERAGE OF TITLE INSURANCE; LEASES, RENTAL AGREEMENTS, OCCUPANCY AGREEMENTS, RIGHTS OF PARTIES IN POSSESSION OF, USING, OR OCCUPYING THE REAL PROPERTY; AND STANDBY FEES, TAXES, BONDS AND ASSESSMENTS.

SECTION 7.6 RELEASE.

(a) SUBJECT TO THE TERMS OF THIS AGREEMENT AND THE CLOSING DOCUMENTS, PURCHASER HEREBY AGREES THAT EFFECTIVE AS OF THE CLOSING DATE, SELLER, AND EACH OF SELLER'S PARTNERS, MEMBERS, TRUSTEES, DIRECTORS, OFFICERS, EMPLOYEES, REPRESENTATIVES, PROPERTY MANAGERS, ASSET MANAGERS, AGENTS, ATTORNEYS, AFFILIATES AND RELATED ENTITIES, HEIRS, SUCCESSORS, AND ASSIGNS (COLLECTIVELY, THE "RELEASED PARTIES") SHALL BE, AND ARE HEREBY, FULLY AND FOREVER RELEASED AND DISCHARGED FROM ANY AND ALL LIABILITIES, LOSSES, CLAIMS (INCLUDING THIRD PARTY CLAIMS), DEMANDS, DAMAGES (OF ANY NATURE WHATSOEVER), CAUSES OF ACTION, COSTS, PENALTIES, FINES, JUDGMENTS, REASONABLE ATTORNEYS' FEES, CONSULTANTS' FEES AND COSTS AND EXPERTS' FEES (COLLECTIVELY, "CLAIMS") WITH RESPECT TO ANY AND ALL CLAIMS, WHETHER DIRECT OR INDIRECT, KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, THAT MAY ARISE ON ACCOUNT OF OR IN ANY WAY BE CONNECTED WITH THE PROPERTY INCLUDING, WITHOUT LIMITATION, THE PHYSICAL, ENVIRONMENTAL AND STRUCTURAL CONDITION OF THE PROPERTY OR THE REAL PROPERTY OR ANY LAW OR REGULATION APPLICABLE THERETO, INCLUDING, WITHOUT LIMITATION, ANY CLAIM OR MATTER (REGARDLESS OF WHEN IT FIRST APPEARED) RELATING TO OR ARISING FROM (A) THE PRESENCE OF ANY ENVIRONMENTAL PROBLEMS, OR THE USE, PRESENCE, STORAGE, RELEASE, DISCHARGE, OR MIGRATION OF HAZARDOUS MATERIALS ON, IN, UNDER OR AROUND THE REAL PROPERTY REGARDLESS OF WHEN SUCH HAZARDOUS MATERIALS WERE FIRST INTRODUCED IN, ON OR ABOUT THE REAL PROPERTY, (B) ANY PATENT OR LATENT DEFECTS OR DEFICIENCIES WITH RESPECT TO THE PROPERTY, (C) ANY AND ALL MATTERS RELATED TO THE PROPERTY OR ANY PORTION THEREOF, INCLUDING WITHOUT LIMITATION, THE CONDITION AND/OR OPERATION OF THE PROPERTY AND EACH PART THEREOF, (D) ANY AND ALL MATTERS RELATED TO THE CURRENT OR FUTURE ZONING OR USE OF THE REAL PROPERTY, AND (E) THE PRESENCE, RELEASE AND/OR REMEDIATION OF ASBESTOS AND ASBESTOS-CONTAINING MATERIALS IN, ON OR ABOUT THE REAL PROPERTY REGARDLESS OF WHEN SUCH ASBESTOS AND ASBESTOS CONTAINING MATERIALS WERE FIRST INTRODUCED IN, ON OR ABOUT THE REAL PROPERTY; PROVIDED, HOWEVER, THAT IN NO EVENT SHALL RELEASED PARTIES BE RELEASED FROM ANY CLAIMS ARISING PURSUANT TO THE PROVISIONS OF THIS AGREEMENT OR SELLER'S OBLIGATIONS, IF ANY, UNDER THE CLOSING DOCUMENTS. EFFECTIVE AS OF THE CLOSING DATE, PURCHASER HEREBY WAIVES AND AGREES NOT TO COMMENCE ANY ACTION, LEGAL PROCEEDING, CAUSE OF ACTION OR SUITS IN LAW OR EQUITY, OF WHATEVER KIND OR NATURE, INCLUDING, BUT NOT LIMITED TO, ANY CAUSE OF ACTION OR SUIT UNDER ENVIRONMENTAL LAWS, AGAINST THE RELEASED PARTIES OR THEIR AGENTS IN CONNECTION WITH THE RELEASED CLAIMS DESCRIBED ABOVE.

(b) TO THE GREATEST EXTENT PERMITTED BY LAW SUBJECT TO THE TERMS OF THIS AGREEMENT AND THE CLOSING DOCUMENTS, PURCHASER HEREBY ACKNOWLEDGES AND AGREES THAT FACTUAL MATTERS NOT KNOWN TO IT MAY HAVE GIVEN OR MAY HEREAFTER GIVE RISE TO CAUSES OF ACTION, CLAIMS, DEMANDS, DEBTS, CONTROVERSIES, DAMAGE, COSTS, LOSSES AND EXPENSES WHICH ARE PRESENTLY UNKNOWN, UNANTICIPATED AND UNSUSPECTED. PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT THE WAIVERS AND RELEASES HEREIN HAVE BEEN NEGOTIATED AND AGREED UPON IN LIGHT THE FOREGOING SENTENCE AND THAT, EFFECTIVE AS OF THE CLOSING DATE, SUBJECT TO THE TERMS OF THIS AGREEMENT AND THE CLOSING DOCUMENTS, PURCHASER NEVERTHELESS HEREBY INTENDS TO RELEASE, DISCHARGE AND ACQUIT SELLER FROM ANY SUCH UNKNOWN CLAIMS, DEBTS, AND CONTROVERSIES WHICH MIGHT IN ANY WAY BE INCLUDED AS A MATERIAL PORTION OF THE CONSIDERATION GIVEN TO SELLER BY PURCHASER IN EXCHANGE FOR THE SELLER'S PERFORMANCE HEREUNDER.

(c) THIS RELEASE SHALL BE GIVEN FULL FORCE AND EFFECT ACCORDING TO EACH OF ITS EXPRESSED TERMS AND PROVISIONS, INCLUDING THOSE RELATING TO UNKNOWN AND UNSUSPECTED CLAIMS, DAMAGES AND CAUSES OF ACTION.

(d) SELLER HAS GIVEN PURCHASER MATERIAL CONCESSIONS REGARDING THIS TRANSACTION IN EXCHANGE FOR PURCHASER'S AGREEING TO THE PROVISIONS OF THIS SECTION 7.6. THE PROVISIONS OF THIS SECTION 7.6 SHALL SURVIVE CLOSING WITHOUT LIMITATION AND SHALL NOT BE DEEMED MERGED INTO ANY INSTRUMENT OR CONVEYANCE DELIVERED AT CLOSING.

(e) NOTHING IN THIS AGREEMENT SHALL BE INTERPRETED AS WAIVING ANY CLAIM OF PURCHASER WITH RESPECT TO (A) ANY BREACH BY SELLER OF ANY EXPRESS REPRESENTATIONS, WARRANTIES OR COVENANTS MADE BY SELLER IN THIS AGREEMENT OR THE CLOSING DOCUMENTS, OR (B) ANY THIRD PARTY (INCLUDING GOVERNMENTAL) CLAIM, DEMAND, OR ACTION AGAINST PURCHASER REGARDING THE PROPERTY THAT RESULTS FROM THE ACTS OR OMISSIONS OF A RELEASED PARTY OR OTHER EVENTS OCCURRING DURING SELLER'S PERIOD OF OWNERSHIP OF THE PROPERTY. FURTHER, NOTWITHSTANDING ANYTHING IN IN THIS AGREEMENT TO THE CONTRARY: (I) PURCHASER SHALL HAVE THE RIGHT TO DEFEND GOVERNMENT AND THIRD-PARTY CLAIMS BY ALLEGING THAT SELLER, A RELEASED PARTY OR SOMEONE ACTING ON SELLER'S BEHALF, NOT PURCHASER, IS LIABLE FOR SUCH CLAIMS AND PURCHASER HAS NO OBLIGATION TO INDEMNIFY A RELEASED PARTY FOR GOVERNMENTAL OR THIRD PARTY CLAIMS ASSERTED BEFORE OR AFTER THE CLOSING AS A RESULT OF ANY ACT OR OMISSION TAKEN OR FAILED TO BE TAKEN BY OR ON A RELEASED PARTY'S BEHALF PRIOR TO THE CLOSING; AND (II) THE ACKNOWLEDGMENTS, WAIVERS AND RELEASES SET FORTH BY PURCHASER IN THIS AGREEMENT SHALL NOT APPLY TO THIRD-PARTY TORT CLAIMS RELATING TO THE PROPERTY AND OCCURRING DURING SELLER'S OWNERSHIP OF THE PROPERTY. ADDITIONALLY, SELLER AND PURCHASER HEREBY ACKNOWLEDGE AND AGREE THAT THE WAIVERS AND RELEASES SET FORTH BY PURCHASER IN THIS AGREEMENT ARE NOT INTENDED TO BE AND SHALL NOT BE CONSTRUED AS A WAIVER OF SIMILAR CLAIMS AGAINST ANY OF SELLER'S PREDECESSORS-IN-TITLE WITH RESPECT TO THE PROPERTY ("PREDECESSORS"), OR ANY SUCH PREDECESSOR'S OFFICERS, MEMBERS, MANAGERS, DIRECTORS, PARTNERS, EMPLOYEES, AGENTS OR CONTRACTORS, OR ANY OTHER PERSON ACTING ON BEHALF OF ANY SUCH PREDECESSORS.

(f) **ADDITIONALLY, NOTWITHSTANDING ANY PROVISION HEREOF TO THE CONTRARY, THE ACKNOWLEDGMENTS, WAIVERS AND RELEASES SET FORTH IN THIS AGREEMENT BY PURCHASER AND THE SURVIVAL PERIOD (AS SET FORTH IN SECTION 11.4 OF THIS AGREEMENT) SHALL NOT APPLY TO ANY CLAIM WITH RESPECT TO ANY FRAUDULENT MISREPRESENTATION BY SELLER; PROVIDED, HOWEVER, IN THE EVENT THAT PURCHASER BRINGS AN ACTION AGAINST SELLER ALLEGING FRAUD AND PURCHASER THEREAFTER FAILS TO OBTAIN A FINAL, UNAPPEALABLE JUDGMENT AGAINST SELLER ON THE BASIS OF FRAUD, THEN PURCHASER SHALL PROMPTLY PAY TO SELLER AS LIQUIDATED DAMAGES, AND NOT AS A PENALTY, THE AMOUNT OF TWO MILLION FIVE HUNDRED THOUSAND DOLLARS (\$2,500,000.00). PURCHASER AND SELLER AGREE THAT SELLER'S DAMAGES RESULTING FROM AN ALLEGATION OF FRAUD ARE DIFFICULT, IF NOT IMPOSSIBLE, TO DETERMINE, AND THAT THE AMOUNT SET FORTH IN THIS SECTION 7.6(f) IS A FAIR ESTIMATE OF THOSE DAMAGES WHICH HAS BEEN AGREED TO IN AN EFFORT TO CAUSE THE AMOUNT OF SUCH DAMAGES TO BE CERTAIN.**

SECTION 7.7 Effect of Purchaser Waiver of Lead-Based Paint Inspections. Purchaser acknowledges that it has had or will have the opportunity to undertake studies, inspections or investigations of the Real Property as Purchaser deemed or deems necessary to evaluate the presence of lead-based paint and/or lead-based paint hazards on the Real Property. To the extent that Purchaser has waived or otherwise declined the opportunity to undertake such inspections and investigations as a condition to the completion of the transaction under the terms of the Agreement, Purchaser has knowingly and voluntarily done so. Purchaser understands and acknowledges that certain of the Improvements or portions thereof may have been built prior to 1978, and that lead-based paint and/or lead-based paint hazards may be present on the Real Property. Except as otherwise set forth in this Agreement or the Closing Documents, Seller shall have no responsibility or liability with respect to any such presence of lead-based paint at the Property.

ARTICLE 8
TITLE AND PERMITTED EXCEPTIONS

SECTION 8.1 Title Insurance and Survey.

(a) Title Commitment. Seller has delivered to Purchaser a title commitment for an ALTA Owner's Title Insurance Policy (the "Title Commitment") issued by the Title Company covering the Real Property providing for the issuance at the Closing to Purchaser of the Owner's Policy. Upon issuance, the Owner's Policy will except from coverage only those exceptions which become Permitted Exceptions pursuant TO this Agreement. Except as permitted under this Agreement, no additional encumbrances may be created on the Property by Seller from and after the date of the Title Commitment without the prior written consent of Purchaser.

(b) Updated Survey. Seller has provided a copy of Seller's most recent survey of the Real Property to Purchaser as part of Seller's Deliveries. Seller has also delivered to Purchaser a new ALTA/NSPS survey for the Real Property (the "Updated Survey"). If the legal description for the Land on the Updated Survey differs from the legal description attached to this Agreement for the Land, upon Purchaser's request, Seller shall execute and deliver to Purchaser at Closing a quitclaim deed, without representation or warranty, that uses the legal description set forth on the Updated Survey.

(c) Title Objection Notice. Purchaser notified Seller in writing (the "Title Objection Notice") on May 31, 2019 (the expiration date of Purchaser's "Title Review Period") as to which matters within the Title Commitment and which survey matters disclosed on the Updated Survey are not acceptable to Purchaser (individually, a "Disapproved Title Matter"). Any matter within the Title Commitment and the Updated Survey that Purchaser failed to so disapprove in the Title Objection Notice shall be conclusively deemed to have been approved by Purchaser and shall constitute a "Permitted Exception." Seller notified Purchaser in writing on **June 7, 2019**, as supplemented by written notice to Purchaser on **June 14, 2019** (collectively, the "Title Response Notice") regarding whether Seller either (i) agreed to remove each such Disapproved Title Matter from title to the Real Property on or before the Closing, or (ii) declined to remove such Disapproved Title Matter from title to the Real Property. If Seller failed to timely deliver a Title Response Notice as to a particular Disapproved Title Matter, then Seller shall be deemed to have made the election in clause (ii) above as to such Disapproved Title Matter.

(d) Regarding the Disapproved Title Matters in Purchaser's Title Objection Notice as to which Seller has elected (or is deemed to have elected) not to remove such matters from title (i.e. Seller has made the election in clause (c)(ii) above), Purchaser acknowledges that it has elected to accept the condition of title to the Real Property subject to such Disapproved Title Matters, and that such uncured Disapproved Title Matters shall hereafter constitute "Permitted Exceptions."

(e) Required Cure Items Notwithstanding anything contained herein to the contrary, Seller shall be obligated, at Closing, to cause Title Company to remove (i) deeds of trust, mortgages, security deeds or other security liens encumbering the Property; (ii) judgment liens encumbering the Property; (iii) mechanic's or materialmen's liens encumbering the Property; (iv) any instrument or other matter of record evidencing a lien or monetary encumbrance against the Property, or that may be discharged or satisfied through the payment of money; (v) matters created or appearing of record after the date of the Title Commitments and caused by the act or omission of Seller without the prior written consent of Purchaser; and (vi) any outstanding water bills, sewer bills, gas bills, electric bills or other utility bills due and owing (items i, ii, iii, iv, v and vi above are collectively referred to as the "Required Cure Items"). Seller shall be entitled to cure any Required Cure Items by compliance with a statutory bonding procedure that has the legal effect of removing the Required Cure Item as a lien on the Real Property, provided that such bonding procedure also causes the subject item to be removed as an exception in the Owner's Policy. If Seller agrees in writing to cure a Disapproved Title Matter prior to Closing but thereafter subsequently fails to do so, Seller shall be in material default hereunder and Purchaser shall be permitted to pursue the remedies provided in Section 13.2 hereof, subject to any notice and cure provisions relating thereto.

(f) Written approval by Purchaser of any additional materially adverse title exceptions, defects, encumbrances or other title matters not shown on the Title Commitment or Updated Survey disclosed in writing to Purchaser after the expiration of the Title Review Period or new exceptions, defects, encumbrances or other title matters not shown on the Title Commitment solely due to an error by the Title Company in omitting the same and for which Purchaser had no prior knowledge (collectively, "Additional Title Matters") shall be a condition precedent to Purchaser's obligations to purchase the Property. Unless Purchaser gives written notice (an "Additional Title Disapproval Notice") that it disapproves any Additional Title Matters, stating the Additional Title Matters so disapproved (the "Additional Title Disapproval Matters"), before the sooner to occur of the Closing or five (5) Business Days after receipt of written notice of such Additional Title Matters, Purchaser shall be deemed to have approved such Additional Title Matters and any such Additional Title Matters shall thereafter constitute "Permitted Exceptions." The Seller shall have until three (3) Business Days after receipt of any Additional Title Disapproval Notice (the "Additional Title Response Period") to notify Purchaser in writing (an "Additional Title Disapproval Response") of the Additional Title Disapproval Matters, if any, which Seller will cure prior to Closing. Seller's failure to timely provide such Additional Title Disapproval Response shall be deemed to constitute Seller's election not to cure any Additional Title Disapproval Matters. If Seller does not agree to cure all Additional Disapproved Matters, then Purchaser may, at its option, terminate this Agreement upon written notice to the Seller, but only if given prior to the sooner to occur of Closing or five (5) Business Days after Purchaser receives the Additional Title Disapproval Response, or if Seller does not provide the Additional Title Disapproval Response, five (5) Business Days after the end of the Additional Title Response Period, in which case this Agreement shall immediately terminate, Purchaser shall be entitled to a return of the Earnest Money, and Seller and Purchaser shall have no further rights or obligations hereunder, except for the provisions hereof that expressly survive termination of this Agreement. If Purchaser fails to give such termination notice by such date, Purchaser shall be deemed to have waived its objection to, and to have approved, the matters set forth in Seller's notice, and any such uncured Additional Title Disapproval Matters shall become "Permitted Exceptions." Notwithstanding the foregoing, in the event that any such matter not set forth on the original Title Commitment or original Updated Survey, as applicable, constitutes a breach of Seller's obligations under this Agreement, then Seller shall be in default under this Agreement, and Purchaser shall be permitted to pursue the remedies provided in Section 13.2 hereof, subject to any notice and cure provisions relating thereto.

SECTION 8.2 Intentionally Deleted.

SECTION 8.3 Certain Exceptions to Title; Inability to Convey.

(a) Seller's interest in the Real Property shall be conveyed by Seller, and Purchaser agrees to acquire Seller's interest in the Real Property, subject only to the Permitted Exceptions. Notwithstanding anything in this Agreement to the contrary, Seller shall be obligated at or prior to the Closing to cause the release or discharge, at Seller's sole cost and expense, of any Required Cure Items. The parties acknowledge and agree that Seller shall have the right to apply or cause the Escrow Agent to apply all or any portion of the Purchase Price to cause the release or discharge of any Required Cure Items when escrow is broken at Closing.

(b) Notwithstanding anything herein to the contrary, if Seller notifies Purchaser in writing that it will cure a title objection of the Purchaser but subsequently fails to cure such objection at or prior to Closing, Seller shall be in default under this Agreement and all remedies set forth in Section 13.2 shall be available to Purchaser.

(c) Except as expressly set forth in Section 8.1 or in Section 8.3(a), nothing contained in this Agreement shall be deemed to require Seller to take or bring any action or proceeding or any other steps to remove any title exception or to expend any moneys therefor, and except in connection with a Seller default under this Agreement, Purchaser shall not have any right of action against Seller, at law or in equity, for Seller's inability to convey its interest in the Real Property subject only to the Permitted Exceptions.

SECTION 8.4 Purchaser's Right to Accept Title.

(a) Notwithstanding the foregoing provisions of this Article 8, Purchaser may, by written notice given to Seller at any time prior to the earlier of (x) the Closing Date and (y) the termination of this Agreement, elect to accept such title as Seller can convey, notwithstanding the existence of any title or survey exceptions that are not Permitted Exceptions and which Seller is not required to remove or cure pursuant to this Agreement. In such event, this Agreement shall remain in effect and the parties shall proceed to Closing, but Purchaser shall not be entitled to any abatement of the Purchase Price, any credit or allowance of any kind or any claim or right of action against Seller for damages or otherwise by reason of the existence of any title exceptions which are not Permitted Exceptions and which Seller is not required to remove or cure pursuant to this Agreement.

(b) Purchaser shall be entitled to request that the Title Company provide such endorsements (or amendments) to the Owner's Policy as Purchaser may reasonably require, provided that (i) such endorsements (or amendments), other than any curative endorsements that Seller may elect to obtain pursuant to Section 8.1 or Section 8.3(a), shall be at no cost to, and shall impose no additional liability on, Seller, (ii) Purchaser's obligations under this Agreement shall not be conditioned upon Purchaser's ability to obtain such endorsements (other than any curative endorsements that Seller may elect to obtain pursuant to Section 8.1 or Section 8.3(a)), and, if Purchaser is unable to obtain such endorsements, Purchaser shall nevertheless be obligated to proceed to close the transactions contemplated by this Agreement without reduction of or setoff against the Purchase Price, and (iii) the Closing shall not be delayed as a result of Purchaser's request hereunder.

ARTICLE 9
TRANSACTION COSTS; RISK OF LOSS

SECTION 9.1 Transaction Costs.

(a) Purchaser and Seller agree to comply with all real estate transfer tax laws applicable to the sale of the Property.

(b) At Closing, Seller shall pay or cause to be paid the following: (i) any title search and exam fees and the base Owner's Policy premium (Purchaser specifically agreeing and acknowledging that Seller shall also be entitled to any rebate or discount associated with such title premium); (ii) any costs in connection with discharging any encumbrances that Seller specifically agrees to or is obligated to pay, discharge, remove or cure pursuant to the terms of this Agreement; (iii) any state or local transfer tax, excise tax or documentary stamps payable on the conveyance of the Property to Purchaser; (iv) Broker's commissions; and (v) one-half (1/2) of all escrow or closing charges of the Escrow Agent.

(c) At Closing, Purchaser shall pay or cause to be paid the following: (i) except to the extent that any such costs are to be paid by Seller under Section 9.1(b) hereof, all other costs for the Owner's Policy and any lender's title policy or policies on the Property, including premiums for any extended coverage, endorsements, update charges and other title charges; (ii) Purchaser's cost to obtain the Updated Survey, (iii) all other fees, costs or expenses in connection with Purchaser's due diligence reviews and analyses hereunder; (iv) document recording fees for the Deed, the Condominium Conversion Prohibition Agreement, and any other recordable conveyance documents for the Property; (v) all costs associated with Purchaser's acquisition financing, if any, including any state or local documentary stamps, intangibles tax or mortgage tax and recording fees for any recordable loan documents; and (vi) one-half (1/2) of all escrow or closing charges of the Escrow Agent (not to exceed \$750.00). Except as otherwise expressly provided in this Agreement, each party shall pay the fees of its own attorneys, accountants and other professionals.

(d) Each of Purchaser, on the one hand, and Seller, on the other hand, shall indemnify the other and their respective successors and assigns from and against any and all loss, damage, cost, charge, liability or expense (including court costs and reasonable attorneys' fees actually incurred) which such other party may sustain or incur as a result of the failure of either such party to timely pay any of the aforementioned fees or other charges for which it has assumed responsibility under this Section 9.1. The provisions of this Section 9.1 shall survive the Closing or the termination of this Agreement.

SECTION 9.2 Risk of Loss.

(a) Prior to the Closing, the risk of loss shall remain with Seller. If, on or before the Closing Date, the Real Property or any portion thereof shall be (i) damaged or destroyed by fire or other casualty or (ii) taken or threatened in writing to be taken as a result of any condemnation or eminent domain proceeding, Seller shall promptly notify Purchaser and, at Closing, Seller will credit against the Purchase Price payable by Purchaser an amount equal to the net proceeds (other than on account of business or rental interruption relating to the period prior to Closing), if any, received by Seller as a result of such casualty or condemnation, together with a credit for any deductible under such insurance, less any amounts spent by Seller to remedy unsafe conditions at the Real Property prior to Closing. If as of the Closing Date, Seller has not received any such insurance or condemnation proceeds, then the parties shall nevertheless consummate the conveyance of the Property on such date (without any credit for such insurance or condemnation proceeds except for a credit for any deductible under such insurance, less any amounts spent by Seller to remedy unsafe conditions at the Real Property prior to Closing), and at Closing Seller will assign to Purchaser all rights of Seller, if any, to the insurance or condemnation proceeds (other than on account of business or rental interruption relating to the period prior to Closing) and to all other rights or claims arising out of or in connection with such casualty or condemnation. Notwithstanding anything herein to the contrary, after the expiration of the Due Diligence Period, Seller shall not settle any insurance claim in connection with damage or destruction to the Real Property or any portion thereof by fire or other casualty or settle any condemnation or eminent domain action brought against the Real Property or any portion thereof without Purchaser's prior written consent, which shall not be unreasonably withheld, conditioned or delayed; provided, however, that in the event of a Material Casualty or Material Condemnation, Purchaser's consent will only be required after Purchaser's waiver of its right to terminate this Agreement pursuant to this Section 9.2 (and provided further that Purchaser shall not be required to waive its termination right until a casualty is determined to be a Material Casualty and a condemnation is determined to be a Material Condemnation).

(b) Notwithstanding the provisions of Section 9.2(a), if, on or before the Closing Date, the Real Property or any portion thereof shall be (i) damaged or destroyed by a Material Casualty or (ii) taken or threatened in writing to be taken as a result of a Material Condemnation, Purchaser shall have the right, exercised by written notice to Seller no more than five (5) Business Days after Purchaser has received written notice of such Material Casualty or Material Condemnation from Seller, to terminate this Agreement, in which event the Earnest Money shall be refunded to Purchaser and no party shall have any further rights or obligations hereunder other than those which expressly survive the termination of this Agreement. If Purchaser fails to timely terminate this Agreement in accordance with this Section 9.2(b), the provisions of Section 9.2(a) shall apply.

(c) A “Material Casualty” shall mean any damage to the Real Property or any portion thereof occurring at any time on or after the Effective Date by fire or other casualty that is expected to cost in excess of one and one half percent (1.5%) of the Purchase Price to repair (as determined by the independent insurance adjuster designated by Seller’s insurance company).

(d) A “Material Condemnation” shall mean any condemnation or conveyance in lieu of condemnation for the Real Property which: (i) permanently and materially impairs the current use or value of the Real Property; (ii) permanently and materially impairs access to the Real Property from public roads; (iii) reduces the number or utility of parking spaces; or (iv) prohibits, as a matter of applicable law, the rebuilding or repair of any Improvements as they currently exist.

(e) Seller and Purchaser hereby agree that the Uniform Vendor and Purchaser Risk Act, Section 5.007 of the Texas Property Code, shall not be applicable to this Agreement or the transaction contemplated hereby.

ARTICLE 10
ADJUSTMENTS

Unless otherwise provided below, the following are to be adjusted and prorated between Seller and Purchaser as of 11:59 pm Eastern Time on the day preceding the Closing the "Adjustment Point"), based upon a 365-day year, with Purchaser being deemed to be the owner of the Property during the entire day of the Closing Date and being entitled to receive all operating income of the Property, and being obligated to pay all operating expenses of the Property, with respect to the Closing Date, and the net amount thereof under this Article 10 shall be added to (if such net amount is in Seller's favor) or deducted from (if such net amount is in Purchaser's favor) the Purchase Price payable at Closing. Escrow Agent shall prepare the Closing Statement of the prorations and adjustments required by this Agreement and shall submit the same to Purchaser and Seller for review and approval at least three (3) Business Days prior to the Closing Date.

SECTION 10.1 Rents.

(a) All Rents (as hereinafter defined) paid by tenants under the Leases in connection with their occupancy of the Real Property shall be adjusted and prorated as of the Adjustment Point. Delinquent Rents shall not be prorated. Seller shall be entitled to all Rents under Leases attributable to the period prior to the Adjustment Point, and Purchaser shall be entitled to all Rents under Leases attributable to the period from and after the Adjustment Point. All prepaid Rents for periods of occupancy after the Adjustment Point shall be credited to Purchaser at Closing. Any Rents collected by Purchaser or Seller after Closing from any tenant who owes Rents for periods prior to Closing shall be applied (i) first, in payment of current Rents at the time of receipt, (ii) second, to delinquent Rents, if any, which became due after the Closing, and (iii) third, to delinquent Rents, if any, which became due and payable prior to the Closing or otherwise attributable to the period prior to Closing. "Rents" for purposes of this Agreement shall mean (whether paid in advance of the date when such payment is due or otherwise) all fixed rents and other charges or amounts payable by tenants under the Leases or in connection with their use or occupancy of the Real Property or any service or amenity relating thereto, including water, electricity, gas, sewage or other utilities charges or other pass-through fees and charges.

(b) For a period of one hundred twenty (120) days following Closing, Purchaser shall bill tenants who owe Rents for periods prior to the Closing and use commercially reasonable efforts to pursue collection of such past due Rents to the full extent that Purchaser would endeavor to collect delinquent Rents owed to Purchaser, but shall not be obligated to engage a collection agency or take legal action or other enforcement action under the applicable Lease to collect such amount. Purchaser shall pay to Seller, no later than seven (7) days after collection, any collected amount that is owed to Seller, it being understood that any Rent and other sums collected by Purchaser under any Lease subsequent to the Closing shall first be applied to Rent and income obligations owing to Purchaser for its period of ownership. For a period of one hundred twenty (120) days following Closing, Purchaser may not waive any delinquent (or unpaid) Rents or modify a Lease so as to reduce or otherwise affect amounts owed thereunder for any period in which Seller is entitled to receive a share of charges or amounts without first obtaining Seller's written consent. From and after Closing, Seller shall take no action with regards to obtaining delinquent Rent or other sums from existing tenants at the Property. With respect to delinquent or other uncollected Rents and any other amounts or other rights of any kind respecting tenants who are no longer tenants of the Property as of the Closing Date, Seller shall retain all of the rights relating thereto. Notwithstanding anything contained herein to the contrary, Seller acknowledges and agrees that Purchaser is under no obligation to collect delinquent Rents on Seller's behalf.

SECTION 10.2 Taxes and Assessments. All non-delinquent real estate, ad valorem real property and personal property taxes and assessments with respect to the Property for the tax year in which Closing occurs shall be prorated between Seller and Purchaser as of the Adjustment Point (on the basis of the most recent available tax bill if the current bill is not then available and on the basis of the actual number of days elapsed over the applicable tax year). Seller shall be responsible for the payment of any such real estate and personal property taxes for years prior to the local tax year in which Closing occurs. In no event shall Seller be charged with or be responsible for any increase in the taxes on the Property resulting from (a) any change in use of the Property on or after the Closing Date, or (b) any improvements made or leases entered into on or after the Closing Date. If any taxes or assessments on the Property are payable in installments, then the installment allocable to the current period shall be prorated (with Purchaser being allocated the obligation to pay any installments due on or after the Closing Date).

SECTION 10.3 Intentionally Deleted.

SECTION 10.4 Utility Charges.

(a) Water, sewer, gas, steam, electricity and other public utility charges will be paid by Seller to the utility company on or prior to the Closing Date. Seller shall arrange for a final reading of all utility meters (covering gas, water, steam and electricity) as of the Closing. To the extent necessary, Seller and Purchaser shall execute a letter to each such utility company advising it of the termination of Seller's responsibility for utilities furnished to the Real Property as of the Closing Date and commencement of Purchaser's responsibilities therefor from and after such date. If a bill is obtained from any such utility company as of Closing, Seller shall pay such bill on or before the Closing Date. Any utilities not read or billed as of the Closing Date will be prorated as of the Adjustment Point based on estimates at Closing, and adjusted after Closing once the final amounts are known. Additionally, Seller shall receive credits at Closing for the amount of any utility deposits with respect to the Real Property paid by Seller, to the extent Purchaser receives a credit from the applicable utility company on account of such deposit.

(b) Notwithstanding the foregoing, if Seller pays any utility bills and, directly or through a billing service, bills the tenants for such utilities, then at Closing, Seller shall receive a credit for the estimated amount of utility charges incurred by Seller and reimbursable to Seller from tenants under the Leases for periods prior to Closing ("RUBS"). The credit shall be for sixty (60) days of RUBS calculated based on the average RUBS payable by the tenants for the twelve (12) month period preceding the Closing Date. Such credit shall be final and shall not be subject to reproration pursuant to Section 10.10.

SECTION 10.5 Miscellaneous Revenues. Periodic revenues, if any, arising out of telephone booths, vending machines, laundry machines or other income-producing agreements shall be adjusted and prorated between Purchaser and Seller as of the Adjustment Point (provided that one-time inducement fees, "door fees" or similar non-recurring payments under Assumed Contracts shall not be prorated as of the Closing Date).

SECTION 10.6 Assumed Contracts. Amounts due under the Assumed Contracts shall be adjusted and prorated between Purchaser, on the one hand, and Seller, on the other hand, as of the Adjustment Point, with Purchaser to receive a credit at Closing for any amounts unpaid and attributable for the period prior to the Closing and Seller to receive a credit at Closing for any amounts previously paid and attributable to the period on and following the Closing.

SECTION 10.7 Association Fees. If applicable, all owners' association fees or similar fees and assessments due and payable with respect to the Real Property with respect to the applicable association's fiscal year in which the Closing occurs shall be adjusted and prorated based on the periods of ownership by Seller and Purchaser during each such association's fiscal year.

SECTION 10.8 Security Deposits. The actual amounts of the Refundable Security Deposits held by Seller as landlord under the Leases shall be credited to Purchaser against the balance of the Purchase Price at Closing. Any such Refundable Security Deposits in forms other than cash (including letters of credit) shall be transferred to Purchaser on the Closing Date by way of appropriate instruments of transfer or assignment.

SECTION 10.9 Other Adjustments. If applicable, the Purchase Price shall be adjusted at Closing to reflect the adjustment of any other item which, under the explicit terms of this Agreement, is to be apportioned at Closing. Any other items of operating income or operating expense that are customarily apportioned between the parties in real estate closings of comparable commercial properties in the metropolitan area where the Property is located shall be prorated as applicable; however, there will be no prorations for debt service, insurance premiums or payroll, because Purchaser is not acquiring or assuming Seller's financing, insurance or employees.

SECTION 10.10 Re-Adjustment. In the event any prorations or apportionments made under this Article 10 shall prove to be incorrect for any reason, then any party shall be entitled to an adjustment to correct the same. Any item that cannot be finally prorated because of the unavailability of information shall be tentatively prorated on the basis of the best data then available and reprorated when the information is available. Notwithstanding anything to the contrary set forth herein, all re-prorations contemplated by this Agreement shall be completed within three (3) months after the Closing Date (subject to extension solely as necessary due to the unavailability of final information but in no event to exceed four (4) months after the Closing Date); provided, however, the final date with respect to real estate, ad valorem real property and property taxes and assessments shall be thirty (30) days after the issuance of final bills or other final resolutions of any contest relating thereto. The obligations of Seller and Purchaser under this Article 10 shall survive Closing for the time periods set forth in this Section 10.10.

ARTICLE 11
INDEMNIFICATION

SECTION 11.1 Indemnification by Seller. Following Closing and subject to Sections 11.3, 11.4 and 11.5, Seller shall indemnify and hold Purchaser and each of its respective Affiliates, members, partners, shareholders, officers and directors (collectively, the “Purchaser-Related Entities”) harmless from and against any and all costs, fees, expenses, damages, deficiencies, interest and penalties (including, without limitation, reasonable attorneys’ fees and disbursements actually incurred) suffered or incurred by Purchaser in connection with any and all losses, liabilities, claims, damages and expenses (“Losses”), arising out of, or resulting from, (a) any breach of any representation or warranty of Seller contained in Section 3.1 of this Agreement or in any Closing Document executed by Seller (collectively, the “Seller Representations”), and (b) any breach of any covenant of Seller contained in this Agreement or in any Closing Document that expressly survives the Closing (collectively, the “Surviving Covenants”).

SECTION 11.2 Indemnification by Purchaser. From and after the Closing and subject to Sections 11.4, 11.5 and 11.7, Purchaser shall indemnify and hold Seller and each of its Affiliates, members, partners, shareholders, officers and directors (collectively, the “Seller-Related Entities”) harmless from any and all Losses arising out of, or in any way resulting from, (a) any breach of any representation or warranty by Purchaser contained in Section 4.1 of this Agreement or in any Closing Document executed by Purchaser, and (b) any breach of any covenant of Purchaser contained in this Agreement or in any Closing Document that expressly survives the Closing.

SECTION 11.3 Limitations on Indemnification by Seller. Notwithstanding the foregoing provisions of Section 11.1, (a) Seller shall not be required to indemnify Purchaser unless the amount for which an indemnity would otherwise be payable by Seller under Section 11.1 exceeds the Basket Limitation and, in such event, Seller shall be responsible for all such amounts from the first dollar of loss up to the Cap Limitation (provided that Seller’s obligations under Article 10 with respect to prorations and adjustments and Seller’s obligations under Section 14.2 with respect to brokers shall not be subject to the Basket Limitation or the Cap Limitation), (b) in no event shall the liability of Seller with respect to the indemnification provided for in Section 11.1 exceed the Cap Limitation (provided that Seller’s obligations under Article 10 with respect to prorations and adjustments and Seller’s obligations under Section 14.2 with respect to brokers shall not be subject to the Basket Limitation or the Cap Limitation), and (c) in the event Purchaser has actual knowledge or any Deemed Purchaser Knowledge of any inaccuracy or breach of any representation, warranty, or covenant of Seller contained in this Agreement (a “Purchaser Waived Breach”) after the Effective Date but prior to Closing, and nonetheless proceeds with and consummates Closing, then Purchaser shall be deemed to have waived and forever renounced any right to assert a claim for indemnification under this Article 11 for, or any other claim or cause of action under this Agreement, whether at law or in equity, on account of any such Purchaser Waived Breach. In no event shall Purchaser be entitled to seek or obtain consequential, speculative, special, punitive or exemplary damages against Seller.

SECTION 11.4 Survival. Seller Representations and Surviving Covenants shall survive for a period of one hundred eighty (180) days after the Closing Date (the “Survival Period”), unless a longer or shorter survival period is expressly provided for in this Agreement. Seller and Purchaser shall each have the right to bring an action or proceeding against the other for the breach of any such Seller Representations and Surviving Covenants, but only if the party bringing the action for breach (i) first learns of the breach after Closing, (ii) gives written notice of such breach to the other party within the Survival Period (unless a longer or shorter survival period is expressly provided for in this Agreement), and (iii) files such action for such breach no later than thirty (30) days after the written notice of the breach, unless a longer or shorter survival period is expressly provided for in this Agreement; provided, however, with respect to any actions brought by a party hereunder during the Survival Period but remaining unresolved as of the expiration of such period, the Survival Period shall extend solely as to such claims until the final adjudication (including appeals) or settlement of such claims.

SECTION 11.5 Notification. In the event that any indemnified party (“Indemnified Party”) becomes aware of any claim or demand for which an indemnifying party (an “Indemnifying Party”) may have liability to such Indemnified Party hereunder (an “Indemnification Claim”), such Indemnified Party shall promptly, but in no event more than thirty (30) days following such Indemnified Party’s having become actually aware of such Indemnification Claim, notify the Indemnifying Party in writing of such Indemnification Claim, the amount or the estimated amount of damages sought thereunder to the extent then ascertainable (which estimate shall not be conclusive of the final amount of such Indemnification Claim), any other remedy sought thereunder, any relevant time constraints relating thereto and, to the extent practicable, any other material details pertaining thereto; provided, that no delay on the part of the Indemnified Party in giving any such notice of a Indemnification Claim shall relieve the Indemnifying Party of any indemnification obligations hereunder except to the extent that the Indemnifying Party is prejudiced by such delay.

SECTION 11.6 Indemnification as Sole Remedy. If Closing has occurred, the sole and exclusive remedy available to a party in the event of a breach by the other party to this Agreement of any representation, warranty, covenant or other provision of this Agreement or any Closing Document which expressly survives the Closing shall be the indemnifications provided for under this Article 11, except as it relates to re-proration obligations under Article 10 and the indemnification obligations under Section 7.1 and Section 14.2.

SECTION 11.7 Limits on Indemnification by Purchaser. Notwithstanding the foregoing provisions of Section 11.2, (a) Purchaser shall not be required to indemnify Seller or any Seller-Related Entities under Section 11.2 unless the amount for which an indemnity would otherwise be payable by Purchaser under Section 11.2 exceeds the Basket Limitation and, in such event, Purchaser shall be responsible for all such amounts, (b) in no event shall the liability of Purchaser with respect to the indemnification provided for in Section 11.2 exceed the Cap Limitation (provided that Purchaser’s obligations under Article 10 with respect to re-prorations and adjustments shall not be subject to the Basket Limitation or the Cap Limitation), and (c) in the event that Seller obtains Knowledge of any inaccuracy or breach of any representation, warranty, or covenant of Purchaser contained in this Agreement (a “Seller Waived Breach”) after the Effective Date but prior to the Closing, and Seller nonetheless proceeds with and consummates the Closing, then Seller and any Seller-Related Entities shall be deemed to have waived and forever renounced any right to assert a claim for indemnification under this Article 11 for, or any other claim or cause of action under this Agreement, whether at law or in equity on account of any such Seller Waived Breach. In no event shall Seller be entitled to seek or obtain consequential, speculative, special, punitive or exemplary damages against Purchaser.

ARTICLE 12
TAX APPEALS

SECTION 12.1 Prosecution and Settlement of Proceedings. If any tax reduction proceedings in respect of the Real Property, relating to any tax years ending prior to the tax year in which the Closing occurs are pending at the time of Closing, Seller reserves and shall have the right to continue to prosecute and/or settle the same. Prior to Closing, Seller reserves and shall have the right to initiate and continue any tax reduction proceedings in respect of any of the Real Property relating to the tax year in which Closing occurs; provided, however, that Seller shall not settle any such proceeding without Purchaser's prior written consent, which consent shall not be unreasonably withheld or delayed. From and after Closing, Purchaser shall have the right to initiate or assume tax reduction proceedings in respect of the Real Property relating to the tax year in which Closing occurs and shall have the right to continue to prosecute and/or settle the same. Seller and Purchaser shall, from time to time, each keep the other reasonably informed of the status of any such tax reduction proceedings.

SECTION 12.2 Application of Refunds or Savings. Any refunds or savings in the payment of taxes resulting from such tax reduction proceedings applicable to taxes payable with respect to the period prior to the Closing Date shall belong to and be the property of Seller and any refunds or savings in the payment of taxes applicable to taxes with respect to the period on or after the Closing Date shall belong to and be the property of Purchaser. All reasonable attorneys' fees and other expenses incurred in obtaining such refunds or savings shall be apportioned between Seller, on the one hand, and Purchaser, on the other hand, in proportion to the gross amount of such refunds or savings payable to Seller and Purchaser, respectively; provided, however, that neither Seller nor Purchaser shall have any liability for any such fees or expenses in excess of the refund or savings paid to such party unless such party initiated such proceeding.

SECTION 12.3 Survival. The provisions of this Article 12 shall survive Closing until the final resolution of any such tax appeals, notwithstanding any earlier "true-up" deadline to the contrary.

ARTICLE 13
DEFAULT

SECTION 13.1 Purchaser's Default. If Purchaser fails to consummate the purchase of the Property pursuant to this Agreement or otherwise defaults on its obligations hereunder at or prior to Closing for any reason except failure by Seller to perform hereunder, or if prior to Closing any one or more of Purchaser's representations or warranties are breached in any material respect, and such default or breach is not cured by the earlier of the third (3rd) Business Day after written notice thereof from Seller or the Closing Date (provided that no notice or cure period shall apply if Purchaser fails to timely deposit any portion of the Earnest Money, or if Purchaser fails to timely consummate the purchase of the Property or the timely payment of the Purchase Price), Seller shall be entitled, as its sole remedy, to terminate this Agreement by giving Purchaser written notice of such election prior to or at Closing and recover the Earnest Money as liquidated damages and not as penalty, in full satisfaction of claims against Purchaser hereunder. Seller and Purchaser agree that Seller's damages resulting from Purchaser's default are difficult, if not impossible, to determine, and that the Earnest Money is a fair estimate of those damages which has been agreed to in an effort to cause the amount of such damages to be certain.

SECTION 13.2 Seller's Default. If Seller fails to consummate the sale of the Property pursuant to this Agreement or otherwise defaults on its obligations hereunder at or prior to Closing for any reason except failure by Purchaser to perform hereunder, or if prior to Closing any one or more of Seller's representations or warranties are breached in any material respect (i.e., in accordance with Section 3.2(g)), and such default or breach is not cured by the earlier of the fifth (5th) Business Day after written notice thereof from Purchaser or the Closing Date (provided that no notice or cure period shall apply if Seller fails to timely consummate the sale of the Property hereunder), Purchaser shall elect, as its sole remedy, either (i) to terminate this Agreement by giving Seller timely written notice of such election prior to or at Closing, and recover the Earnest Money and reimbursement of Purchaser's actual out-of-pocket third-party expenses incurred in connection with this Agreement, up to a maximum reimbursement of \$250,000.00, (ii) to enforce specific performance to consummate the sale of the Property hereunder; provided, however, that if Seller willfully conveys the Property to a third party or third parties, such that the remedy of specific performance is unavailable to Purchaser, Purchaser shall have the right to seek its actual damages against Seller in an amount not to exceed \$1,200,000.00, or (iii) to waive said failure or breach and proceed to Closing without any reduction in the Purchase Price. In no event shall Seller be liable for consequential, speculative, remote or punitive damages, or any other damages except as specifically provided herein, and Purchaser hereby waives and releases any right to seek or collect any such consequential, speculative, remote or punitive damages, or any damages. Notwithstanding anything herein to the contrary, Purchaser shall be deemed to have elected option (i) above if Purchaser fails to deliver to Seller written notice of its intent to file a claim or assert a cause of action for specific performance or actual damages against Seller on or before the date that is ten (10) Business Days following the scheduled Closing Date or, having given such notice, fails to file a lawsuit asserting such claim or cause of action for specific performance or damages in the county in which the Earnest Money is deposited within forty five (45) days following the scheduled Closing Date.

SECTION 13.3 Certain Limitations. Notwithstanding Sections 13.1 and 13.2 hereof, in no event shall the provisions of Sections 13.1 and 13.2 limit (a) either Purchaser's or Seller's obligation to indemnify the other party, or the damages recoverable by an indemnified party against the indemnifying party due to, a party's express obligation to indemnify another party in accordance with this Agreement, (b) Purchaser's or Seller's respective obligation to pay Closing costs under Section 9.1 hereof, or the damages recoverable by any party against another party due to a party's failure to pay such costs, or (c) either Purchaser's or Seller's obligations to pay another party's legal costs under Section 14.23 hereof.

SECTION 13.4 Cross Defaults under Affiliated Purchase Agreements.

(a) By Affiliated Sellers. Seller shall be in default under this Agreement immediately upon the default of any of the Affiliated Sellers under any of the Affiliated Purchase Agreements, and in such event, Purchaser may immediately exercise all rights and remedies set forth in Section 13.2 as to this Agreement.

(b) By Purchaser. Purchaser shall be in default under this Agreement immediately upon the default of Purchaser under any of the Affiliated Purchase Agreements, and in such event, Seller may immediately exercise all rights and remedies set forth in Section 13.1 as to this Agreement.

ARTICLE 14
MISCELLANEOUS

SECTION 14.1 Exculpation.

(a) Seller. Notwithstanding anything to the contrary contained herein (with the sole exception of the terms of the Parent Joinder attached to this Agreement), Seller's shareholders, partners, members, and managers, the partners, members or managers of such partners, members or managers, the shareholders of such partners, members or managers, and the trustees, officers, directors, employees, agents and security holders of Seller and its partners, members or managers assume no personal liability for any obligations entered into on behalf of Seller, and their individual assets shall not be subject to any claims of any Person relating to such obligations. The foregoing shall govern any direct and indirect obligations of Seller under this Agreement.

(b) Purchaser. Notwithstanding anything to the contrary contained herein, Purchaser's shareholders, partners, members, managers or the partners, members or managers of such partners members or managers, the shareholders of such partners, members or managers, and the trustees, officers, directors, employees, agents and security holders of Purchaser and its partners, members or managers assume no personal liability for any obligations entered into on behalf of Purchaser, and their individual assets shall not be subject to any claims of any Person relating to such obligations. The foregoing shall govern any direct and indirect obligations of Purchaser under this Agreement.

SECTION 14.2 Broker.

(a) Broker's Commission. The parties acknowledge that CB Richard Ellis, Inc. (the "Broker") has been retained by and represents Seller as broker in connection with the sale of the Property to Purchaser, and is to be compensated for its services by Seller, pursuant to a separate written agreement between the Seller Group and the Broker.

(b) Representation and Indemnity. Each of Seller, on the one hand, and Purchaser, on the other hand, hereby represents and warrants to the other that it has not disclosed this Agreement or the subject matter hereof to, and has not otherwise dealt with, any real estate broker, agent or salesman (other than the Broker) so as to create any legal right or claim in any such broker, agent or salesman (other than the Broker) for a real estate commission or similar fee or compensation with respect to the negotiation and/or consummation of this Agreement or the conveyance of the Property by Seller to Purchaser. Each of Seller, on the one hand, and Purchaser, on the other hand, shall indemnify, hold harmless and defend each other from and against any and claims and demands for a real estate brokerage commission or similar fee or compensation arising out of any claimed dealings with the indemnifying party and relating to this Agreement or the purchase and sale of the Property (including reasonable attorneys' fees and expenses and court costs actually incurred in defending any such claim or in enforcing this indemnity), except for the Broker, whose fee, if any, shall be paid by Seller.

(c) Texas Disclosure. The Texas Real Estate License Act requires a real estate agent to advise Purchaser that Purchaser should have an attorney examine an abstract of title to the Real Property being purchased; or a title insurance policy should be obtained.

(d) Survival. The indemnification provisions of this Section 14.2 shall survive the rescission, cancellation, termination or consummation of this Agreement.

SECTION 14.3 Confidentiality; Publicity; IRS Reporting Requirements.

(a) Confidentiality.

(i) Purchaser and Seller, and each of their respective Affiliates, shall hold as confidential all information disclosed in connection with the transaction contemplated hereby and concerning each other, the Property, this Agreement and the transactions contemplated hereby that is not generally known to or discoverable by the public, including without limitation the Seller's Deliveries (collectively, the "Confidential Information"). The Confidential Information obtained by or disclosed to Purchaser and Purchaser's Representatives shall be used by Purchaser and Purchaser's Representatives solely for the purpose of Purchaser's evaluation of the Property and for other uses related to the transaction contemplated by this Agreement. Neither Purchaser nor Seller shall release any Confidential Information to third parties without the prior written consent of the other party hereto, except (A) any information which was previously or is hereafter publicly disclosed (other than in violation of this Agreement, the Access Agreement, or other confidentiality agreements to which Affiliates of Purchaser or Seller are parties), (B) to such parties' respective partners, agents, employees, consultants, attorneys, engineers, accountants, licensees, investors, advisors and lenders (collectively, "Permitted Outside Parties") of any of the foregoing, provided that they are advised as to the confidential nature of such information, are instructed to maintain such confidentiality, and upon request of any other party, enter into confidentiality agreements with respect to the Confidential Information, and (C) as required by law, court order or other legal process.

(ii) Notwithstanding anything to the contrary herein, Confidential Information shall not include information which (A) is or becomes generally available to the public other than as a result of a disclosure by a party or the Permitted Outside Parties, (B) was available to a party or the Permitted Outside Parties on a non-confidential basis prior to its disclosure by any party or its representatives, (C) becomes available to a party or the Permitted Outside Parties on a non-confidential basis from a Person, other than Seller, Purchaser, or their respective representatives, who is not otherwise bound by a confidentiality agreement with such party not to transmit the information to the receiving party or the Permitted Outside Parties, or (D) is independently developed by any employee or agent of Seller, Purchaser or the Permitted Outside Parties who did not have access to the Confidential Information.

(iii) This Section 14.3(a) shall survive the termination of this Agreement, but shall not survive the Closing.

(b) Publicity; SEC filings. Until Closing, neither Seller nor Purchaser shall issue any advertisement, press release or other publicity concerning this transaction without the review and approval of the other party. Upon Closing, Seller or Purchaser may issue a press release or other publicity with respect to this Agreement and the transactions contemplated hereby, provided that the content of any such press release shall be subject to the prior written consent of Purchaser or Seller, as applicable, and in no event shall any such publicity disclose the identity of Purchaser's or Seller's direct or indirect beneficial owners by name, or the consideration paid for the Property. The foregoing notwithstanding, neither Seller nor any of its constituent parties shall be obligated to make prior disclosure to, or seek the approval of, Purchaser in connection with disclosures made to its or their attorneys, agents, and lenders, or any securities filings and associated press releases required in connection with the sale of the Property, including disclosures to investors or the filing of any Form 8-K or any related filings with the U.S. Securities and Exchange Commission. This Section 14.3(b) shall survive Closing or the termination of this Agreement.

(c) IRS Reporting Requirements. For the purpose of complying with any information reporting requirements or other rules and regulations of the IRS that are or may become applicable as a result of or in connection with the transaction contemplated by this Agreement, including, but not limited to, any requirements set forth in proposed Income Tax Regulation Section 1.6045-4 and any final or successor version thereof (collectively, the "IRS Reporting Requirements"), Seller and Purchaser hereby designate and appoint the Escrow Agent to act as the "Reporting Person" (as that term is defined in the IRS Reporting Requirements) to be responsible for complying with any IRS Reporting Requirements. The Escrow Agent hereby acknowledges and accepts such designation and appointment and agrees to fully comply with any IRS Reporting Requirements that are or may become applicable as a result of or in connection with the transaction contemplated by this Agreement. Without limiting the responsibility and obligations of the Escrow Agent as the Reporting Person, Seller and Purchaser hereby agree to comply with any provisions of the IRS Reporting Requirements that are not identified therein as the responsibility of the Reporting Person, including, but not limited to, the requirement that Seller and Purchaser each retain an executed counterpart of this Agreement for at least four (4) years following the calendar year of Closing. This Section 14.3(c) shall survive Closing for four (4) years following the calendar year of Closing.

SECTION 14.4 Escrow Provisions.

(a) Investment of Earnest Money. Escrow Agent shall invest the Earnest Money held by Escrow Agent pursuant to Purchaser's direction in an interest bearing account at a commercial bank whose deposits are insured by the Federal Deposit Insurance Corporation. The Escrow Agent shall notify Seller, no later than one (1) Business Day after receipt thereof, that the Escrow Agent has received any portion of the Earnest Money in immediately available funds, and is holding the same in accordance with the terms of this Agreement. The Escrow Agent shall invest the Earnest Money only in such accounts as will allow the Escrow Agent to disburse the Earnest Money or any portion thereof upon no more than one (1) Business Day's notice.

(b) Payment on Demand. Prior to the expiration of the Due Diligence Period, upon receipt of any written certification from Purchaser claiming the Earnest Money pursuant to the provisions of this Agreement, Escrow Agent shall promptly disburse the Earnest Money to Purchaser and shall thereupon be released and discharged from any further duty or obligation hereunder. Upon receipt of any written certification from Seller (at any time during the term of this Agreement) or Purchaser (following the expiration of the Due Diligence Period) claiming the Earnest Money pursuant to the provisions of this Agreement, Escrow Agent shall promptly forward a copy thereof to the other such party (i.e., Purchaser or Seller, whichever did not claim the Earnest Money pursuant to such notice) and, unless such other party within ten (10) days thereafter notifies the Escrow Agent of any objection to such requested disbursement of the Earnest Money (in which case the Escrow Agent shall retain the Earnest Money subject to Section 10.4 below), the Escrow Agent shall disburse the Earnest Money to the party demanding the same and shall thereupon be released and discharged from any further duty or obligation hereunder.

(c) Exculpation of Escrow Agent. It is agreed that the duties of the Escrow Agent are herein specifically provided and are purely ministerial in nature, and that the Escrow Agent shall incur no liability whatsoever except for its misconduct or negligence, so long as the Escrow Agent is acting in good faith. Except in the event of the Escrow Agent's willful misconduct or gross negligence, each of Seller and Purchaser does hereby release the Escrow Agent from any liability for any error of judgment or for any act done or omitted to be done by the Escrow Agent in the good faith performance of its duties hereunder and do each hereby indemnify the Escrow Agent against, and agree to hold, save, and defend the Escrow Agent harmless from, any costs, liabilities, and expenses incurred by the Escrow Agent in serving as the Escrow Agent hereunder and in faithfully discharging its duties and obligations hereunder. Seller and Purchaser are aware that Federal Deposit Insurance Corporation coverages apply to a maximum amount of \$250,000.00 per depositor (as may be modified from time to time). Further, Seller and Purchaser do not and will not hold the Escrow Agent liable for any loss occurring which arises from bank failure or error, insolvency or suspension, or a situation or event which falls under the above coverages.

(d) Stakeholder. It is acknowledged that the Escrow Agent is acting as a stakeholder only with respect to the Earnest Money. If there is any dispute as to whether the Escrow Agent is obligated to deliver the Earnest Money or as to whom the Earnest Money is to be delivered following the expiration of the Due Diligence Period, the Escrow Agent may refuse to make any delivery and may continue to hold the Earnest Money until receipt by the Escrow Agent of an authorization in writing, signed by Seller and Purchaser, directing the disposition of the Earnest Money, or, in the absence of such written authorization, until final determination of the rights of the parties in an appropriate judicial proceeding. If such written authorization is not given, or a proceeding for such determination is not begun, within thirty (30) days of notice to the Escrow Agent of such dispute, the Escrow Agent may bring an appropriate action or proceeding for leave to deposit the Earnest Money in a court of competent jurisdiction located in the City of New York, State of New York pending such determination. The Escrow Agent shall be reimbursed for all costs and expenses of such action or proceeding, including, without limitation, reasonable attorneys' fees and disbursements, by the party determined not to be entitled to the Earnest Money. Upon making delivery of the Earnest Money in any of the manners herein provided, Escrow Agent shall have no further liability or obligation hereunder.

(e) Interest; Taxpayer Identification Number. All interest and other income earned on the Earnest Money deposited with the Escrow Agent hereunder shall be reported for income tax purposes as earnings of Purchaser. Purchaser's taxpayer identification number shall be delivered to the Escrow Agent prior to Closing. Escrow Agent shall have no liability for any levies on the Earnest Money made by taxing authorities based upon the taxpayer identification number or numbers associated with the Earnest Money.

(f) Execution by Escrow Agent. Escrow Agent has executed this Agreement solely for the purpose of acknowledging and agreeing to the provisions of this Section 14.4. Escrow Agent's consent to any modification or amendment of this Agreement, other than to a modification or amendment of this Section 14.4, shall not be required.

SECTION 14.5 Successors and Assigns; No Third-Party Beneficiaries. The stipulations, terms, covenants and agreements contained in this Agreement shall inure to the benefit of, and shall be binding upon, the parties hereto and their respective permitted successors and assigns (including any successor entity after a public offering of stock, merger, consolidation, purchase or other similar transaction involving a party hereto) and nothing herein expressed or implied shall give or be construed to give to any Person, other than the parties hereto and such permitted assigns, any legal or equitable rights hereunder.

SECTION 14.6 Assignment.

(a) Assignments by Seller. Notwithstanding any provision of this Agreement to the contrary, Seller may assign or transfer its rights under this Agreement to a qualified intermediary as may be required for an Exchange under Section 14.25 hereof, without Purchaser's prior written consent, provided that Seller shall not be relieved of any obligations or liabilities under this Agreement as a result of such transfer.

(b) Intentionally Deleted.

(c) Assignments by Purchaser. This Agreement may not be assigned by Purchaser in whole or in part without the prior written consent of Seller. Any transfer of a majority of the direct or indirect interests in Purchaser shall be deemed to be an assignment of this Agreement by Purchaser. Notwithstanding the foregoing, however, Purchaser may assign its rights under this Agreement prior to Closing without prior written approval of Seller to: (i) any entity that is controlled by, controlling or under common control with Purchaser, or (ii) to any entity that is controlled by, controlling or under common control with KRE Topaz Portfolio Investor LLC; provided that (x) the Purchaser originally named in this Agreement will continue to remain liable under this Agreement notwithstanding any such assignment, (y) Purchaser shall deliver written notice to Seller of any such assignment at least five (5) Business Days prior to the Closing Date (which notice shall include the name, entity type, state of formation and signature block of the assignee), and (z) Purchaser and Purchaser's assignee shall execute and deliver an assignment and assumption agreement in form reasonably satisfactory to Seller prior to Closing.

SECTION 14.7 Further Assurances. From time to time, as and when requested by any party hereto, the other party shall execute and deliver, or cause to be executed and delivered, all such documents and instruments and shall take, or cause to be taken, all such further or other actions as such other party may reasonably deem necessary or desirable to consummate the transactions contemplated by this Agreement.

SECTION 14.8 Notices. Any notice, request or other communication required or permitted to be given hereunder shall be in writing and, except as otherwise specifically provided herein, shall be delivered by hand or overnight courier (such as United Parcel Service or Federal Express), or by e-mail provided that a hard copy of such notice is also transmitted by one of the foregoing methods on the same Business Day. Any such notice shall be considered given on the date of such notice (provided that, with respect to e-mail notices, the e-mail is sent prior to 5:00 pm Eastern Time and a hard copy is also transmitted in compliance with this Section 14.8). Rejection or other refusal to accept or inability to deliver because of changed address of which no notice was given shall be deemed to be receipt of the notice. By giving at least five (5) days' prior written notice thereof, any party may from time to time and at any time change its notice address hereunder. Any notice may be given by a party's counsel on such party's behalf.

The parties' respective addresses for notice purposes are as follows. Telephone numbers are provided for reference purposes only, and notice by telephone shall not be valid.

Notices to Seller:

c/o Bluerock Real Estate, L.L.C.
712 Fifth Avenue
9th Floor
New York, NY 10019
Attention: Ryan MacDonald
Telephone: (646) 278-4238
E-mail: rmacdonald@bluerockre.com

With a copy (which shall not constitute notice) to:

Bluerock Real Estate, L.L.C.
712 Fifth Avenue
9th Floor
New York, NY 10019
Attention: Michael L. Konig
Telephone: (908) 415-8869
E-mail: mkonig@bluerockre.com

And to:

Nelson Mullins Riley & Scarborough LLP
Atlantic Station
201 17th Street NW, Suite 1700
Atlanta, GA 30363
Attention: Eric R. Wilensky, Esq.
Telephone: (404) 322-6469
E-mail: eric.wilensky@nelsonmullins.com

Notices to Purchaser:

Carter-Haston Holdings, L.L.C.
1230 Peachtree Street NE, Suite 1909
Atlanta, GA 30309
Attention: James A. Shanks
Telephone: (615) 577-4648
E-mail: jshanks@carterhaston.com

With a copy (which shall not constitute notice) to:

KRE Topaz Portfolio Investor LLC
c/o Kohlberg Kravis Roberts & Co.
600 Travis Street, Suite 7200
Houston, TX 77002
Attention: Paul S. Wasserman
Telephone: (713) 332-8322
E-mail: paul.wasserman@kk.com

And to:

KRE Topaz Portfolio Investor LLC
c/o Kohlberg Kravis Roberts & Co.
9 West 57th Street, Suite 4200
New York, NY 10019
Attention: Michael Friedland
E-mail: michael.friedland@kk.com

And to:

Waller Lansden Dortch & Davis, LLP
511 Union Street, Suite 2700
Nashville, TN 37219
Attention: Philip F. Head, Esq.
Telephone: (615) 850-8152
E-mail: philip.head@wallerlaw.com

Notices to the Title Company/Escrow Agent:

First American Title Insurance Company
Six Concourse Parkway, Suite 2000
Atlanta, GA 30328
Attention: Barbara H. Morgan
Telephone: (770) 390-6524
E-mail: bmorgan@firstam.com

SECTION 14.9 Entire Agreement. This Agreement, along with the Exhibits and Schedules hereto, contains all of the terms agreed upon between the parties hereto with respect to the subject matter hereof, and all understandings and agreements heretofore had or made among the parties hereto are merged in this Agreement which alone fully and completely expresses the agreement of the parties hereto.

SECTION 14.10 Amendments. This Agreement may not be amended, modified, supplemented or terminated, nor may any of the obligations of Seller or Purchaser hereunder be waived, except by written agreement executed by the party or parties to be charged. The Escrow Agent's consent to any modification or amendment of this Agreement, other than to Section 14.4 hereof, shall not be required. Further, the consent of Parent to any modification or amendment of this Agreement, other than to the Parent Joinder attached hereto, shall not be required.

SECTION 14.11 No Waiver. No waiver by any party of any failure or refusal by any other party to comply with its obligations hereunder shall be deemed a waiver of any other or subsequent failure or refusal to so comply.

SECTION 14.12 Governing Law. This Agreement shall be governed by, interpreted under, and construed and enforced in accordance with, the laws of the State of New York.

SECTION 14.13 Submission to Jurisdiction; Waiver of Jury Trial. To the fullest extent permissible by Applicable Law, Seller and Purchaser irrevocably submit to the jurisdiction of the federal and state courts having jurisdiction in the City of New York, New York for the purposes of any suit, action or other proceeding arising out of this Agreement or any transaction contemplated hereby. Seller and Purchaser further agree that service of any process, summons, notice or document by U.S. registered mail to such party's or parties' respective address set forth above shall be effective service of process for any action, suit or proceeding in the State of New York with respect to any matters to which it has submitted to jurisdiction as set forth in the immediately preceding sentence. To the fullest extent permissible by Applicable Law, each of Seller and Purchaser also irrevocably and unconditionally waives trial by jury and any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the transactions contemplated hereby in the federal and state courts having jurisdiction in the City of New York, New York. To the fullest extent permissible by Applicable Law, each of Seller and Purchaser also irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

SECTION 14.14 Severability. If any term or provision of this Agreement or the application thereof to any Person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

SECTION 14.15 Headings. The headings of the various Articles and Sections of this Agreement have been inserted only for purposes of convenience, are not part of this Agreement and shall not be deemed in any manner to modify, explain, expand or restrict any of the provisions of this Agreement.

SECTION 14.16 Counterparts. This Agreement may be executed in two or more counterparts and by facsimile or electronic (e.g., pdf) signatures, which taken together still constitute collectively one agreement. In making proof of this Agreement it shall not be necessary to produce or account for more than one such counterpart with each party's counterpart, facsimile or electronic signature.

SECTION 14.17 Acceptance of Deed. The acceptance of the Deed by Purchaser shall be deemed full compliance by Seller of all of Seller's obligations under this Agreement, except for those obligations of Seller which are specifically stated to survive the delivery of the Deed or Closing hereunder pursuant to the terms of this Agreement.

SECTION 14.18 Construction. The parties acknowledge that the parties and their counsel have reviewed and revised this Agreement, and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or of any exhibits, schedules or amendments hereto.

SECTION 14.19 Recordation. Neither this Agreement nor any memorandum or notice of this Agreement may be recorded by any party hereto without the prior written consent of the other parties hereto; provided, however, Purchaser's recordation of a notice of lis pendens shall be permitted if Purchaser is seeking an action for specific performance. In furtherance of the foregoing, Purchaser hereby indemnifies Seller from and against any and all Losses arising out of a breach of this Section 14.19. The provisions of this Section 14.19 shall survive the Closing or any prior termination of this Agreement.

SECTION 14.20 Time is of the Essence. Seller and Purchaser agree that time is of the essence with respect to the parties' obligations under this Agreement.

SECTION 14.21 Business Days; Calculation of Time Periods. Seller and Purchaser agree that if any notice or action required or permitted by this Agreement falls on a date which is not a Business Day, then such date shall be extended to the next Business Day. The final day of any time period under this Agreement or any deadline under this Agreement shall include the period of time through and including such final day or deadline. The final day of any specified time period or deadline shall be deemed to end at 5:00 p.m. Eastern Time unless otherwise specifically indicated herein.

SECTION 14.22 Survival.

(a) Any obligations or liabilities of Seller or Purchaser hereunder shall survive Closing or earlier termination of this Agreement solely to the extent expressly provided herein.

(b) Unless expressly stated otherwise, all terms and provisions contained in this Agreement shall not survive Closing.

SECTION 14.23 Legal Costs. The parties hereto agree that they shall pay directly any and all legal costs which they have incurred on their own behalf in the preparation of this Agreement, and all deeds and other agreements pertaining to this transaction, and that such legal costs shall not be part of the Closing costs. In addition, if either Purchaser or Seller brings any suit or other proceeding with respect to the subject matter or the enforcement of this Agreement, the prevailing party (as determined by the court, agency or other authority before which such suit or proceeding is commenced), in addition to such other relief as may be awarded, shall be entitled to recover reasonable attorneys' fees, expenses and costs of investigation actually incurred. The foregoing includes reasonable attorneys' fees, expenses and costs of investigation (including those incurred in appellate proceedings), costs incurred in establishing the right to indemnification, or in any action or participation in, or in connection with, any case or proceeding under Chapter 7, 11 or 13 of the Bankruptcy Code (11 United States Code Sections 101 et seq.), or any successor statutes. The provisions of this Section 14.23 shall survive Closing or any termination of this Agreement without limitation.

SECTION 14.24 DTPA Waiver. PURCHASER IS A SOPHISTICATED REAL ESTATE INVESTOR AND HAS KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS THAT ENABLE IT TO EVALUATE THE MERITS AND RISKS OF THIS TRANSACTION. PURCHASER HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHTS, REMEDIES AND BENEFITS UNDER THE TEXAS DECEPTIVE TRADE PRACTICES-CONSUMER PROTECTION ACT (SECTIONS 17.41 AND FOLLOWING OF THE TEXAS BUSINESS AND COMMERCE CODE) (THE "DTPA") AND ANY OTHER SIMILAR CONSUMER PROTECTION LAW, WHETHER FEDERAL, STATE OR LOCAL. PURCHASER COVENANTS NOT TO SUE THE SELLERS UNDER THE DTPA OR ANY SUCH SIMILAR CONSUMER PROTECTION LAW IN THE STATES WHERE THE PROPERTIES ARE LOCATED. THE PROVISIONS OF THIS SECTION 14.24 SHALL SURVIVE CLOSING OR ANY TERMINATION OF THIS AGREEMENT.

SECTION 14.25 Exchange. Seller or Purchaser may desire to effectuate a tax-deferred “1031” exchange, including but not limited to a “reverse like kind exchange” (an “Exchange”) in connection with the purchase and sale of any or all of the Real Property. Purchaser and Seller hereby agree to reasonably cooperate with each other in connection with an Exchange, provided that: (a) all documents executed by any party in connection with an Exchange shall be subject to the prior reasonable approval of the other party, and all such Exchange documents shall acknowledge that the other party is acting solely as an accommodating party to such Exchange, the other party shall have no liability with respect thereto, the other party is making no representation or warranty that the transactions qualify as a tax-deferred exchange under Section 1031 of the Internal Revenue Code or any applicable state or local laws, and the other party shall have no liability whatsoever if any such transactions fail to so qualify; (b) no Exchange shall result in the non-exchanging party or parties incurring any additional costs or liabilities, and each party shall indemnify, defend and hold the other harmless against any such additional claims, causes of action, costs and liabilities; (c) no Exchange shall result in any increased risks or any adverse tax consequences to the non-exchanging party or parties; (d) in no event shall the non-exchanging party or parties be obligated to acquire any property or otherwise be obligated to take title, or appear in the records of title, to any property in connection with an Exchange; and (e) in no event shall an exchanging party’s consummation of such Exchange constitute a condition precedent to its obligations under this Agreement, and an exchanging party’s failure or inability to consummate such Exchange for any reason or for no reason at all shall not be deemed to excuse or release such party from its obligations under this Agreement. Any party pursuing an Exchange shall indemnify and hold the other parties harmless from and against all claims, demands, actions, proceedings, damages, losses, liabilities, costs and expenses resulting from such party’s Exchange. The indemnification provisions of this Section 14.25 shall survive Closing or any termination of this Agreement.

SECTION 14.26 Effect of Affiliated Purchase Agreements

(a) Contemporaneously herewith, (i) each of Sovereign Seller, Leigh House Seller, and Preston View Seller, as sellers, and Purchaser, as purchaser, have entered into the Three Property Purchase Agreement with respect to the purchase and sale of each of the Sovereign Property, the Leigh House Property, and the Preston View Property, (ii) ARIUM Palms Seller and Purchaser have entered into the ARIUM Palms Purchase Agreement with respect to the ARIUM Palms Property, and (iii) Landings at Four Corners Seller and Purchaser have entered into the Landings at Four Corners Purchase Agreement with respect to the Landings at Four Corners Property.

(b) Seller and Purchaser specifically agree and acknowledge that, except as otherwise specifically provided in Section 14.27 hereof, in Section 14.27 of the Three Property Purchase Agreement, in Section 14.27 of the Landings at Four Corners Purchase Agreement, or in Section 14.27 of the ARIUM Palms Purchase Agreement, (i) a termination of this Agreement shall also automatically terminate the Affiliated Purchase Agreements, and (ii) a termination of any of the Affiliated Purchase Agreements shall also automatically terminate this Agreement.

SECTION 14.27 Special Provisions Regarding Partial Termination.

(a) Purchaser’s Partial Termination Rights upon Special Casualty or Special Condemnation.

(i) As used in this Section 14.27(a):

(A) A “Special Casualty” shall mean any damage to the Real Property or any portion thereof by fire or other casualty that is expected to cost in excess of ten percent (10%) of the Purchase Price to repair (as determined by the independent insurance adjuster designated by Seller’s insurance company).

(B) A “Special Condemnation” shall mean any condemnation or conveyance in lieu of condemnation for the Real Property which meets the standards for a “Material Condemnation” under Section 9.2(d), and for which either (i) the cost of restoration is expected to exceed ten percent (10%) of the Purchase Price (as determined by a general contractor selected by Purchaser that is reasonably acceptable to Seller) or (ii) results in a diminution in value of the Property by more than ten percent (10%) of the Purchase Price (as determined by an MAI certified appraiser selected by Purchaser that is reasonably acceptable to Seller).

(C) A “Terminated Property” shall mean the Property, if the Property is affected by a Special Casualty or Special Condemnation, and if Purchaser therefore elects to terminate this Agreement pursuant to this Section 14.27(a).

(D) The “Remaining Properties” shall mean the remainder of the Property Group, if Purchaser has a right to terminate, and does terminate, this Agreement pursuant to this Section 14.27(a).

(ii) In the event of a Special Casualty or Special Condemnation at the Property, Purchaser may elect to terminate this Agreement by written notice to Seller, whereupon the Property shall thereafter constitute a Terminated Property, the remainder of the Property Group shall constitute Remaining Properties, and Purchaser shall proceed to close on the Remaining Properties under the Affiliated Purchase Agreements pursuant to the terms of such agreements, in which event: (A) the Earnest Money under this Agreement shall, at Purchaser’s election, either be applied to the payment of the purchase price for the Remaining Properties or returned to Purchaser, and (C) both parties shall be relieved from all obligations and liabilities arising hereunder related to the Property, except for any provisions hereof that expressly survive the termination of this Agreement (and then only to the extent such provisions apply to the Property). For the avoidance of doubt, if Purchaser exercises its rights as contemplated in this Section 14.27(a)(ii), the Affiliated Purchase Agreements shall remain in full force and effect notwithstanding anything herein or in the Affiliated Purchase Agreements to the contrary. If Purchaser elects to close over a Special Casualty or Special Condemnation, the terms of Section 9.2 shall apply.

(b) Purchaser’s Partial Termination Rights as to Affiliated Purchase Agreements.

(i) If Purchaser has a right to terminate, and does terminate, the Three Property Purchase Agreement pursuant to Section 14.27 thereof, then, notwithstanding anything in this Agreement to the contrary, such termination shall apply solely to the property terminated thereby, and in such event, this Agreement, the Three Property Purchase Agreement (as to the non-terminated properties) and the other Affiliated Purchase Agreements shall remain in full force and effect.

(ii) If Purchaser has a right to terminate, and does terminate, the Landings at Four Corners Purchase Agreement pursuant to Section 14.27 thereof, then, notwithstanding anything in this Agreement to the contrary, such termination shall apply solely to the Landings at Four Corners Purchase Agreement, and in such event, this Agreement and the remaining Affiliated Purchase Agreements shall remain in full force and effect.

(iii) If Purchaser has a right to terminate, and does terminate, the ARIUM Palms Purchase Agreement pursuant to Section 14.27 thereof, then, notwithstanding anything in this Agreement to the contrary, such termination shall apply solely to the ARIUM Palms Purchase Agreement, and in such event, this Agreement and the remaining Affiliated Purchase Agreements shall remain in full force and effect.

(c) In the event of a conflict between the terms of this Section 14.27 and any other provision of this Agreement, the terms of this Section 14.27 shall control.

**[REMAINDER OF PAGE LEFT BLANK;
SIGNATURES BEGIN ON NEXT PAGE]**

IN WITNESS WHEREOF, Seller and Purchaser have executed this Agreement, to be effective as of the Effective Date.

SELLER:

BR CARROLL PHILLIPS CREEK RANCH, LLC, a Delaware limited liability company

By: /s/ Jordan B. Ruddy _____

Name: Jordan B. Ruddy

Title: Authorized Signatory

[SIGNATURE PAGE TO PURCHASE AND SALE AGREEMENT]

[SIGNATURES CONTINUE ON THE FOLLOWING PAGES]

PURCHASER:

CARTER-HASTON HOLDINGS, L.L.C.,
a Delaware limited liability company

By: /s/ James A. Shanks

Name: James A. Shanks

Title: Authorized Member

[SIGNATURE PAGE TO PURCHASE AND SALE AGREEMENT]

[SIGNATURES CONTINUE ON THE FOLLOWING PAGES]

JOINDER OF ESCROW AGENT

Escrow Agent has executed this Agreement for the limited purposes set forth herein.

ESCROW AGENT:

FIRST AMERICAN TITLE INSURANCE COMPANY

By: /s/ Myra A. Kellner

Name: Myra A. Kellner

Title: Escrow Officer

[SIGNATURE PAGE TO PURCHASE AND SALE AGREEMENT]

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]

PARENT JOINDER

This joinder (this “Parent Joinder”) is attached to and made a part of the foregoing Agreement and all terms capitalized but not defined herein shall have the respective meanings given to them in the Agreement. The undersigned, BLUEROCK RESIDENTIAL GROWTH REIT, INC., a Maryland corporation (“Parent”), for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby duly executes with proper authority, joins in the execution of this Agreement, and agrees that it is a party to the Agreement and is jointly and severally liable, as a principal and not as a surety, solely for Seller’s obligations under Section 10.10 and for any indemnity obligations of Seller arising under Section 11.1 hereof; provided, however, that any claim brought hereunder must be brought within one hundred eighty (180) days following the Closing Date, failing which, Purchaser shall be deemed to have waived and forever renounced any right to assert a claim pursuant to this Parent Joinder under Sections 10.10 and 11.1 for any claim or cause of action under the Agreement, whether at law or in equity. Purchaser shall have the right to proceed directly against Parent without first making written demand to Seller (and without any obligation to bring suit against Seller) for the satisfaction of any such obligations.

Parent represents and warrants that its Tangible Net Worth (as hereinafter defined) exceeds the Cap Limitation. Until the expiration of the Survival Period (or if Purchaser makes a claim against any Seller during the Survival Period, until the final adjudication (including appeals) or settlement of such claim), Parent shall at all times: (i) remain an entity in good standing and not legally dissolve; (ii) maintain a Tangible Net Worth, measured on a consolidated basis, in an amount not less than the Cap Limitation, and (iii) not sell, dispose or make distributions of assets of Parent that would cause a breach of the foregoing financial covenants. “Tangible Net Worth” means the excess of total assets over total liabilities, in each case as determined in accordance with generally accepted accounting principles consistently applied (“GAAP”), excluding, however, from the determination of total assets all assets which would be classified as intangible assets under GAAP including goodwill, licenses, patents, trademarks, trade names, copyrights, and franchises.

Parent is an indirect owner of Seller, will derive substantial benefits from the transactions described in the Agreement and acknowledges that the execution of this Parent Joinder is a material inducement and condition to Purchaser’s execution of the Agreement. Parent represents and warrants that it has the legal right, power, authority and capacity to execute this Parent Joinder, that such execution does not violate the organizational documents of, or any other agreement or instrument by which Parent is bound, and that this Parent Joinder is binding and enforceable against Parent. Parent acknowledges and agrees that this Parent Joinder may not be assigned to any other Person without Purchaser’s prior written consent (which may be withheld in Purchaser’s sole discretion) and shall be binding upon Parent’s successors and assigns.

Parent unconditionally waives any guarantor or suretyship defenses that might otherwise be available to it with respect to its obligations under this Parent Joinder. The terms of this Joinder shall survive Closing until the expiration of the Survival Period (as the same may be extended pursuant to Section 11.4).

The provisions set forth in Section 14.1, Section 14.3, and Section 14.5 through Section 14.27, inclusive, of the Agreement are hereby incorporated by reference into this Parent Joinder as if fully set forth herein, provided that the undersigned shall be the "Seller" under such Sections.

**[REMAINDER OF PAGE LEFT BLANK;
SIGNATURES BEGIN ON NEXT PAGE]**

PARENT:

BLUEROCK RESIDENTIAL GROWTH REIT, INC., a Maryland corporation

By: /s/ Michael Konig

Name: Michael Konig

Title: Authorized Signatory

**[SIGNATURE PAGE TO PARENT JOINDER TO
PURCHASE AND SALE AGREEMENT]
[END OF SIGNATURES]**

Schedule A

LEGAL DESCRIPTION OF LAND

TRACT 1:

BEING ALL OF LOT 1, BLOCK A OF FINAL PLAT OF AVENUES OF PHILLIPS CREEK RANCH, AN ADDITION TO THE CITY OF FRISCO, DENTON COUNTY, TEXAS, ACCORDING TO THE PLAT THEREOF RECORDED IN DOCUMENT NUMBER 2014-379, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS.

TRACT 2: EASEMENT ESTATE

AN EASEMENT AND RIGHT TO CONSTRUCT, RECONSTRUCT, OPERATE, REPAIR, RE-BUILD, REPLACE, RELOCATE, ALTER, REMOVE AND PERPETUALLY MAINTAIN DRAINAGE FACILITIES GRANTED BY PCR LAND COMPANY LLC TO VILLAS PHILLIPS CREEK PARTNERS, LLC, BY INSTRUMENT DATED 05/09/2012, FILED 05/09/2012, CC# 2012-48976, REAL PROPERTY RECORDS OF DENTON COUNTY, TEXAS, UPON AND ACROSS CERTAIN REAL PROPERTY OWNED BY GRANTOR AND LOCATED IN THE CITY OF FRISCO, DENTON COUNTY, TEXAS, AS DESCRIBED THEREIN AND INCORPORATED HEREIN BY REFERENCE.

Schedule B

LIST OF SELLER'S DELIVERIES

LEGAL

- 1 Existing Title Policy with underlying documents
- 2 Existing ALTA As-Built Survey
- 3 Legal description of the property
- 4 City development agreements and impact fees
- 5 Restrictive covenants, easements, and common area agreements, including any invoices for prior 2 years associated therewith
- 6 Summary of all pending or threatened litigation, or written statement that none exists
- 7 Loss run from completion of the property
- 8 Ground Leases, Master Leases
- 9 Insurance certificates currently in place

OPERATIONS / PROPERTY MANAGEMENT

- 10 Inventory of Personal Property
- 11 All resident lease agreements and any amendments
- 12 Tenant demographic profile
- 13 Rent roll indicating unit number, square feet, lease beginning/ending dates, and market rents (in Excel)
- 14 Prospect traffic report
- 15 History of concessions, including a concession schedule reflecting all up-front concessions for lessees in place
- 16 Accounts Receivable Report for the training 12 months
- 17 List of security / pet deposits current in place
- 18 Parking and garage income / assignments by unit
- 19 Capital Expenditure Schedule for the past 12 months, with dollar amounts
- 21 Operating statements for the previous fiscal year as well as year-to-date statement (in Excel)
General Ledger (redacted for balance sheet / equity accounts)
- 24 Utility bills for the Property for the previous 12 months
- 25 Real estate tax bills and assessments for the Property for the previous year, including any appeal information
- 26 Any leasing and management reports and comparable property market surveys
- 27 Standard Lease Form
- 28 Prospective Tenant Lease Application Form Credit Report Form and detailed credit approval criteria
- 29 List of all employees involved in the operation of the Property with date of hire, salary, rent concessions and bonus schedule
- 30 List and copies of service contracts, equipment leases, maintenance agreements
- 31 All licenses, permits (including construction), Certificates of Occupancy for the Property

PHYSICAL ASSESSMENT

- 33 Floor plans (.jpeg or .eps format)
- 34 Complete construction drawings, including civil, architectural, MEP, landscaping and a structural (digital format)
- 35 As-built drawings and engineering calculations, including recent mechanical/electrical changes
- 38 Existing Environmental Reports, including any reports related to radon
- 39 Existing Soils / Geotech Reports if available
- *40 Any other physical reports of the Property in Seller's possession or obtainable by Seller, including asbestos and mechanical
- *41 List of Hazardous Material in use at the Property as well as any air quality inspections / surveys
- 42 Compliance letters (ADA, fire, building codes, etc.)
- 43 Most recent life safety inspection report and an invoice from vendor associated therewith
- 44 Any warranties and guaranties for building construction or systems, including from any general or sub-contractors if available
- 45 Temtite Report/ Bond and evidence of current payment
- 46 Zoning compliance letter of governmental authorities or similar evidence of zoning compliance.
Green Certifications (GreenPoint Rated New Home Multifamily, GreenPoint Rated Whole Building Existing Multifamily, Enterprise Green Communities Criteria, Green Globes Multifamily for Existing Buildings, Green Gobes Multifamily for New Construction, NGBS Green Home Remodeling Project Certification, NGBS Multifamily Certification, ILFI Zero Energy Certification, Passive House Institute Passive House Standard, PHIUS+, EarthCraft, ENERGY STAR® Certified Homes, ENERGY STAR® for Existing Multifamily Building, ENERGY STAR® Qualified Multifamily High-Rise-Prescriptive and Performance Path, LEED Building
- 47 Design and Construction, LEED for Homes, LEED Operations Maintenance if available

GENERAL

- 48 Aerial Photograph Indicating Site
- 49 Site Plans, Leasing Brochures, Maps, & Photographs (in .jpeg or .eps format)

Strictly Confidential

*both in Phase I

Schedule C-1

INVENTORY OF PERSONAL PROPERTY

Please see attached.

Schedule C-2

EXCLUDED PERSONAL PROPERTY

Please see attached.

Schedule 3.1

SELLER'S CORE DELIVERIES

Any and all information contained on that certain website with a domain name of: _____, f[NTD: At execution, download/delete privileges will be revoked and an email of the images of the site will be sent to both parties. A new site will be created for any incremental requests/documents.]

Schedule 3.1(h)

LITIGATION

Please see attached.

Schedule 3.1(i)

NOTICES OF VIOLATION

Please see attached.

Schedule 3.1(j)

CONTRACTS

Please see attached.

Schedule 3.1(k)

RENT ROLL

Please see attached.

Schedule 3.1(q)

INSURANCE CERTIFICATE

Please see attached.

Exhibit A

FORM OF BILL OF SALE AND ASSIGNMENT

**BILL OF SALE AND ASSIGNMENT AND ASSUMPTION OF
LEASES, CONTRACTS AND GENERAL INTANGIBLES**

This Bill of Sale and Assignment and Assumption of Leases, Contracts and General Intangibles (this “**Agreement**”) is made and entered into this ____ day of _____, 2019, by and between **BR CARROLL PHILLIPS CREEK RANCH, LLC**, a Delaware limited liability company (“Seller”), and _____, a _____ (“Purchaser”).

WITNESSETH:

WHEREAS, Seller and [Purchaser] have previously entered into that certain Purchase and Sale Agreement, dated as of June ____, 2019 [DESCRIBE AMENDMENTS, IF APPLICABLE] (the “Purchase Agreement”);

WHEREAS, concurrently with the execution and delivery of this Agreement and pursuant to the Purchase Agreement, Seller is conveying to Purchaser, by Special Warranty Deed, (i) that certain tracts or parcels of real property located in Denton County, Texas, and more particularly described on Exhibit A, attached hereto and made a part hereof (the “Land”), (ii) the rights, easements and appurtenances pertaining to the Land (the “Related Rights”), and (iii) the buildings, structures, fixtures and other improvements on and within the Land (the “Improvements”; and the Land, the Related Rights and the Improvements being sometimes collectively referred to as the “Real Property”);

WHEREAS, Seller has agreed to convey to Purchaser certain personal property and assign to Purchaser certain leases, service contracts, and intangible rights as hereinafter set forth;

NOW, THEREFORE, in consideration of the receipt of Ten Dollars (\$10.00), the assumptions by Purchaser hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser agree as follows:

1. Bill of Sale.

(a) Seller hereby sells, assigns, transfers and conveys to Purchaser, without representation or warranty, all of Seller’s right, title and interest in, to and under the Personal Property and the Intangible Property.

(b) “Personal Property” shall have the meaning ascribed to such term in the Purchase Agreement.

(c) “Intangible Property” shall have the meaning ascribed to such term in the Purchase Agreement.

(d) Seller hereby binds itself, its legal representatives, successors and assigns, to WARRANT, and FOREVER DEFEND title to the Personal Property and Intangible Property unto Purchaser, its legal representatives, successors and assigns, against every Person claiming by, through or under Seller, but against no other.

2. Assignment and Assumption of Leases.

(a) Seller hereby sells, assigns, transfers and conveys to Purchaser all of Seller’s right, title and interest as landlord in, to and those Leases (as defined in the Purchase Agreement) which are described in Exhibit B attached to this Agreement, together with any and all unapplied Refundable Security Deposits (as defined in the Purchase Agreement). The Refundable Security Deposits are set forth on Exhibit B. The assignment of the Refundable Security Deposits has been made by means of a credit or payment on the closing statement executed by Seller and Purchaser pursuant to the Purchase Agreement.

(b) Purchaser hereby assumes all of the covenants, agreements, conditions and other terms and provisions stated in the Leases which, under the terms of the Leases, are to be performed, observed, and complied with by the landlord from and after the date of this Agreement. Purchaser acknowledges that Purchaser shall become solely responsible and liable as landlord under the Leases for obligations arising or accruing from and after the date hereof. It is specifically agreed between Seller and Purchaser that Seller shall remain liable for the performance of the obligations to be performed by Seller under the described in Exhibit B which were required to be performed prior to (but not from and after) the date hereof.

(c) Purchaser shall indemnify, hold harmless and defend Seller from and against any and all claims, demands, causes of action, liabilities, losses, costs, damages and expenses (including reasonable attorneys’ fees and expenses and court costs incurred in defending any such claim or in enforcing this indemnity) that may be incurred by Seller by reason of the failure of Purchaser to perform, observe and comply with the landlord’s obligations under any of the Leases arising or accruing during the period from and after the date hereof, including without limitation, claims made by tenants with respect to the Refundable Security Deposits (to the extent paid or assigned to Purchaser or for which Purchaser has received a credit or payment at Closing). Seller shall indemnify, hold harmless and defend Purchaser from and against any and all claims, demands, causes of action, liabilities, losses, costs, damages and expenses (including reasonable attorneys’ fees and expenses and court costs incurred in defending any such claim or in enforcing this indemnity) that may be incurred by Purchaser by reason of the failure of Seller to perform, observe and comply with the landlord’s obligations under any of the Leases arising or accruing during the period prior to the date hereof, including without limitation, claims made by tenants with respect to the Refundable Security Deposits arising before the date hereof (to the extent such Refundable Security Deposits were not paid or assigned to Purchaser or for which Purchaser did not receive a credit or payment at Closing).

(d) For purposes of this Paragraph 2, the word “landlord” means the landlord, lessor or other equivalent party under any of the Leases, and the word “tenant” means the tenant, lessee or other equivalent party under any of the Leases.

3. Assignment and Assumption of Contracts.

(a) Seller hereby sells, assigns, transfers and conveys to Purchaser all of Seller’s right, title and interest in, to and under those service, supply and similar agreements set forth on Exhibit C, attached hereto and made a part hereof (the “Contracts”).

(b) Purchaser hereby assumes all of the covenants, agreements, conditions and other terms and provisions stated in the Contracts which, under the terms of the Contracts, are to be performed, observed, and complied with by the property owner from and after the date of this Agreement. Purchaser acknowledges that Purchaser shall become solely responsible and liable under the Contracts for obligations arising or accruing from and after the date hereof, including with respect to any and all payments coming due under the Contracts for which Purchaser has received a credit or payment on the closing statement executed by Purchaser and Seller (the “Credited Payments”). It is specifically agreed between Seller and Purchaser that Seller shall remain liable for the performance of the obligations to be performed by Seller under the Contracts which were required to be performed prior to (but not from and after) the date hereof.

(c) Purchaser shall indemnify, hold harmless and defend Seller from and against any and all claims, demands, causes of action, liabilities, losses, costs, damages and expenses (including reasonable attorneys’ fees and expenses and court costs incurred in defending any such claim or in enforcing this indemnity) that may be incurred by Seller by reason of the failure of Purchaser to perform, observe and comply with its obligations under any of the Contracts arising or accruing during the period from and after the date hereof, including without limitation, claims made by any other contract party with respect to the Credited Payments (to the extent paid or assigned to Purchaser or for which Purchaser received a credit or payment at Closing). Seller shall indemnify, hold harmless and defend Purchaser from and against any and all claims, demands, causes of action, liabilities, losses, costs, damages and expenses (including reasonable attorneys’ fees and expenses and court costs incurred in defending any such claim or in enforcing this indemnity) that may be incurred by Purchaser by reason of the failure of Seller to perform, observe and comply with its obligations under any of the Contracts arising or accruing during the period prior to the date hereof, including without limitation, claims made by any other contract party with respect to the Credited Payments, arising before the date hereof (to the extent such Credited Payments were not paid or assigned to Purchaser or for which Purchaser did not receive a credit or payment at Closing).

4. Qualifications. This Agreement is subject to those provisions of the Purchase Agreement limiting Seller’s liability to Purchaser, including but not limited to Article 11 of the Purchase Agreement.

5. Counterparts. This Agreement may be executed in two or more identical counterparts, and it shall not be necessary that any one of the counterparts be executed by all of the parties hereto. Each fully or partially executed counterpart shall be deemed an original, but all of such counterparts taken together shall constitute one and the same instrument.

6. Successors and Assigns. This Agreement shall inure to the benefit of, and be binding upon, the successors, executors, administrators, legal representatives and assigns of the parties hereto.

7. Governing Law. This Agreement shall be construed under and enforced in accordance with the laws of the State of New York.

EXECUTED effective as of the date first above written.

SELLER:

_____,
a _____

By: _____,
a _____

By: _____
Name: _____
Title: _____

PURCHASER:

_____,
a _____

By: _____
Name: _____
Title: _____

Exhibits to Bill of Sale and Assignment

A - Legal Description of Land

B - List of Assumed Contracts

Exhibit B

FORM OF TENANT NOTICE

NOTICE TO TENANT

_____, 2019

To: Tenants of Sorrel Phillips Creek Ranch Apartments

Re: Sale by **BR CARROLL PHILLIPS CREEK RANCH, LLC**, a Delaware limited liability company (the "Landlord"), to _____, a _____ (the "New Landlord"), of the property known as "Sorrel Phillips Creek Ranch Apartments" located at 5050 FM423, Frisco, Denton County, Texas 75036 (the "Property")

Dear Tenant:

Please be advised that the Property has been sold and your lease (the "Lease") has been assigned by Landlord to New Landlord. New Landlord has assumed all of the obligations under your Lease accruing from and after this day, including any obligations to return your security deposit, if any, in accordance with the terms of your Lease.

Until further notice, all correspondence and notices shall be directed, and all rents, additional rents and other charges under the Lease shall be paid, to New Landlord at the following address: _____.

Please make all rent checks payable to _____.

Your security deposit, if any, under the Lease has been transferred to New Landlord.

Thank you for your assistance and cooperation during this transition.

[Signatures commence on the following page]

LANDLORD:

**BR CARROLL PHILLIPS CREEK RANCH,
LLC**, a Delaware limited liability company

By: _____

Name: Jordan B. Ruddy

Title: Authorized Signatory

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

Exhibit C

FORM OF CONDOMINIUM CONVERSION PROHIBITION AGREEMENT

Return after recording to:

|

SPACE ABOVE THIS LINE FOR RECORDER'S USE

[_____]

**PROHIBITION AGAINST
CONDOMINIUM CONVERSION AGREEMENT**

THIS PROHIBITION AGAINST CONDOMINIUM CONVERSION AGREEMENT (the "Condominium Agreement") is made and entered into as of [_____], 2019, by and between _____ ("Purchaser"), and [_____], a [_____] ("Seller").

WITNESSETH:

WHEREAS, Seller and Purchaser, together with certain other parties, have entered into that certain Purchase and Sale Agreement dated as of June ____, 2019 (the "Sale Agreement") relating to, among other things, the sale by Seller to Purchaser of that parcel of real property located in [_____] County, [_____] and more particularly described on Exhibit "A" attached hereto (the "Land"), together with certain apartment buildings and related personal property and other rights located thereon and relating thereto (the "Improvements"; and the Land and the Improvements collectively referred to herein as the "Property").

WHEREAS, as a condition to Seller conveying the Property to Purchaser and in consideration of Seller accepting the purchase price and conveying the Property as set forth in the Sale Agreement to Purchaser, Purchaser has agreed with Seller to execute and record this Condominium Agreement providing for certain restrictions relating to the future use of the Property for a period of time after the date of this Condominium Agreement as more fully set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and undertakings set forth herein, and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, Seller and Purchaser hereby agree as follows:

Section 1. Definitions and Interpretation. The following terms shall have the respective meanings assigned to them in this Section I unless the context in which they are used clearly requires otherwise:

“Condominium Conversion” - Shall mean the filing or recording of any document providing for the conversion of the Property to a form of condominium ownership under any state or local statute or ordinance.

“County” - The county in which the Land is located.

“Deed” - Special Warranty Deed.

“Event of Default” - As defined in Section 11 hereof.

“First Mortgage” – As defined in Section 20(a) hereof.

“First Mortgagee” – As defined in Section 20(a) hereof.

“Hazardous Materials” or “Hazardous Substances” - Shall mean (i) hazardous wastes, hazardous materials, hazardous substances, hazardous constituents, toxic substances or related materials, whether solids, liquids or gases, including but not limited to substances defined as “hazardous wastes,” “hazardous materials,” “hazardous substances,” “toxic substances,” “pollutants,” “contaminants,” “radioactive materials,” “toxic pollutants”, or other similar designations in, or otherwise subject to regulation under, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (“CERCLA”), 42 U.S.C. § 9601 et seq.; the Toxic Substance Control Act (“TSCA”), 15 U.S.C. § 2601 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. § 1802; the Resource Conservation and Recovery Act (“RCRA”), 42 U.S.C. § 9601, et seq.; the Clean Water Act (“CWA”), 33 U.S.C. § 1251 et seq.; the Safe Drinking Water Act, 42 U.S.C. § 300f et seq.; the Clean Air Act (“CAA”), 42 U.S.C. § 7401 et seq.; any Regional Water Quality Control Board; and in any permits, licenses, approvals, plans, rules, regulations or ordinances adopted, or other criteria and guidelines promulgated pursuant to the preceding laws or other similar federal, state or local laws, regulations, rules or ordinance now or hereafter in effect relating to environmental matters; and (ii) any other substances, constituents or wastes subject to any applicable federal, state or local law, regulation or ordinance, including any environmental law, now or hereafter in effect, including but not limited to (A) petroleum, (B) refined petroleum products, (C) waste oil, (D) waste aviation or motor vehicle fuel and their byproducts, (E) asbestos, (F) lead in water, paint or elsewhere, (G) radon, (H) Polychlorinated Biphenyls (PCB’s), (I) ureaformaldehyde, (J) volatile organic compounds (VOC), (K) total petroleum hydrocarbons (TPH), (L) benzene derivative (BTEX), (M) petroleum byproducts and (N) methane gas or any of its derivatives.

“Improvements” - As defined in the Recitals hereof.

“Indemnified Parties” - As defined in Section 3 hereof.

“Land” - As defined in the Recitals hereof.

“Property” - As defined in the Recitals hereof.

“Property Conditions” - As defined in Section 3 hereof.

“Related Parties” – Bluerock Real Estate, L.L.C., a Delaware limited liability company, and its successors and assigns.

“Residential Rental Property” - Shall mean property used for the rental of apartments to the general public under leases providing for residential use by any occupant of any apartment.

“Purchaser” - As defined in the Preamble hereof. In the event more than one person and/or entity executes this Condominium Agreement as Purchaser, each such person and/or entity which comprises Purchaser under this Condominium Agreement shall be jointly and severally liable for all of the obligations, covenants, liabilities and indemnifications of the Purchaser under this Condominium Agreement.

“Seller” - As defined in the Preamble hereof.

“Term” - As defined in Section 7 herein.

“Units” - Shall mean any portion of the Property created in connection with any Condominium Conversion.

Section 2. No Condominium Conversion.

(a) During the Term of this Condominium Agreement:

(i) The Property shall not be subject to any Condominium Conversion and no portion of the Property shall be converted to Units for sale in connection with a Condominium Conversion, nor shall the title to any such Units be transferred to any party.

(ii) No part of the Property will at any time be owned or used as a cooperative housing corporation, community apartment property or stock corporation.

Section 3. Indemnification. In the event any of the provisions of Section 2 hereof are breached, the then current owner of the Property (“Indemnitor”) agrees to indemnify, defend and hold harmless the Seller, and each of its members, partners, officers, directors, trustees, affiliates (including, but not limited to, Bluerock Real Estate, L.L.C. and Bluerock Residential Growth REIT, Inc.)¹, parents, subsidiaries, shareholders, managers, beneficiaries, employees and agents (collectively, the “Indemnified Parties”) from any and all demands, claims, including claims for personal injury, property damage or death, legal or administrative proceedings, losses, liabilities, damages, penalties, fines, liens, judgments, costs or expenses whatsoever, whether in tort, contract or otherwise (including without limitation, court costs and reasonable attorneys’ fees and disbursements) arising out of, or in any way relating to: (a) claims made or brought by any party or parties who acquire or contract to acquire any Units in the Property (or any cooperative housing corporation, community apartment property or stock corporation interests in the Property) following the date hereof, their agents, employees and successors and assigns in connection with or related to (i) the physical condition of the Property, including, without limitation, latent or patent defects, and claims relating to the existence of asbestos, any other construction defects, claims relating to mold, all structural and seismic elements, all mechanical, electrical, plumbing, sewage, heating, ventilating, air conditioning and other systems, the environmental condition of the Property and the presence of Hazardous Materials or Hazardous Substances on, under or about the Property, and (ii) any law or regulation applicable to the Property, including, without limitation, any environmental law and any other federal, state or local law (the matters described in (i) and (ii) hereof collectively the “Property Conditions”); and (b) a breach of any of the covenants, terms and conditions of this Condominium Agreement by Indemnitor. Indemnitor consents to the right of Indemnified Parties to approve and appoint defense counsel and to participate in or assume the defense of any claim. Until any determination is made in any appropriate legal proceeding challenging the obligation of Indemnitor herein, Indemnitor’s obligations under all the terms and provisions of this Section shall remain in full force and effect. Indemnitor acknowledges that it is a sophisticated and experienced purchaser of real estate and has reviewed with its counsel the full meaning and affect of the foregoing indemnity.

Section 4. Consideration. In consideration of the Seller’s acceptance of the purchase price for the Property from Purchaser, Purchaser has entered into this Condominium Agreement and has agreed to restrict the uses to which the Property can be put on the terms and conditions set forth herein.

Section 5. Intentionally deleted.

Section 6. Intentionally deleted.

Section 7. Term. This Condominium Agreement shall become effective upon its execution and delivery and shall remain in full force and effect until the date which is ten (10) years from the date hereof (the “Term”). Upon the expiration of the Term, the parties hereto agree to execute, deliver and record appropriate instruments of release and discharge of the terms hereof; provided, however, that the execution and delivery of such instruments shall not be necessary or a prerequisite to the termination of this Condominium Agreement in accordance with its terms.

¹ OPEN—Sellers to verify.

Section 8. Covenants to Run With the Land. The Purchaser and Seller hereby subject the Property to the covenants, reservations and restrictions set forth in this Condominium Agreement. The Purchaser and the Seller hereby declare their express intent that the covenants, reservations and restrictions set forth herein shall be deemed covenants running with the land and shall pass to and be binding upon the Purchaser's successors in title to the Property; provided, however, that on the termination of this Condominium Agreement said covenants, reservations and restrictions shall expire. Each and every contract, deed or other instrument hereafter executed covering or conveying the Property or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instrument.

Section 9. Burden and Benefit. The Purchaser and Seller hereby declare their understanding and intent that the burden of the covenants set forth herein touch and concern the Land in that the Purchaser's legal interest in the Property is rendered less valuable thereby. The Purchaser and Seller hereby further declare their understanding and intent that the benefit of such covenants touch and concern the Land by enhancing and increasing the enjoyment and use of the Property by persons entitled to rent the apartments contained therein.

Section 10. Uniformity: Common Plan. The covenants, reservations and restrictions hereof shall apply uniformly to the entire Property in order to establish and carry out a common plan for the use of the Property.

Section 11. Enforcement. If the Purchaser or any of its successors or assigns defaults in the performance or observance of any covenant, agreement or obligation of the Purchaser and its successors or assigns set forth in this Condominium Agreement, then the Seller or any of the Indemnified Parties may declare an "Event of Default" to have occurred hereunder, and, at any of said Parties option, it may take any one or more of the following steps: (a) by mandamus or other suit, action or proceeding at law or in equity, to require the Purchaser and its successors and assigns to perform its obligations and covenants hereunder, or enjoin any acts or things which may be unlawful or in violation of the rights of the Seller hereunder; or (b) take such other action at law or in equity as may appear reasonably necessary to enforce the obligations, covenants and agreements of the Purchaser hereunder. All rights and remedies as set forth herein shall be cumulative and non-exclusive to the extent permitted by law.

Section 12. Recording and Filing. The Seller shall cause this Condominium Agreement and all amendments and supplements hereto and thereto, to be recorded and filed in the real property records of the County. The Seller shall pay all fees and charges incurred in connection with any such recording.

Section 13. Attorneys' Fees. In the event that a party to this Condominium Agreement brings an action against any other party to this Condominium Agreement by reason of the breach of any condition or covenant, representation or warranty in this Condominium Agreement, or otherwise arising out of this Condominium Agreement, the prevailing party in such action shall be entitled to recover from the other reasonable attorneys' fees to be fixed by the court which shall render a judgment, as well as the costs of suit.

Section 14. Governing Law. This Condominium Agreement shall be governed by the laws of the State of Texas.

Section 15. Amendments. This Condominium Agreement shall be amended only with the express written consent of the Seller, or by any one (1) of the Related Parties for or on behalf of the Seller, by a written instrument executed by the parties hereto or their successors in title, and duly recorded in the real property records of the County.

Section 16. Execution of Termination. Any one (1) of the Related Parties is authorized and empowered to execute a termination of this Condominium Agreement with the full force and effect as though it had been executed by the Seller.

Section 17. Notice. Any notice required to be given hereunder shall be made in writing and shall be given by personal delivery, overnight courier, or certified or registered mail, postage prepaid, return receipt requested, at the addresses specified below, or at such other addresses as may be specified in writing by the parties hereto:

TO SELLER:

c/o Bluerock Real Estate, L.L.C.
712 Fifth Avenue
9th Floor
New York, NY 10019
Attention: Ryan MacDonald

With a copy (which shall not constitute notice) to:

c/o Bluerock Real Estate, L.L.C.
712 Fifth Avenue
9th Floor
New York, NY 10019
Attention: Michael L. Konig

And to:

Nelson Mullins Riley & Scarborough LLP
Atlantic Station
201 17th Street NW, Suite 1700
Atlanta, GA 30363
Attention: Eric R. Wilensky, Esq.

TO PURCHASER:

c/o Carter-Haston Holdings, L.L.C.
1230 Peachtree St. NE, Suite 1909
Atlanta, GA 30309
Attention: James A. Shanks

With a copy (which shall not constitute notice) to:

KRE Topaz Portfolio Investor LLC
c/o Kohlberg Kravis Roberts & Co.
600 Travis Street, Suite 7200
Houston, Texas 77002
Attention: Paul S. Wasserman
Telephone: (713) 332-8322
E-mail: paul.wasserman@kkr.com

And to:

KRE Topaz Portfolio Investor LLC
c/o Kohlberg Kravis Roberts & Co.
9 West 57th Street, Suite 4200
New York, New York 10019
Attention: Michael Friedland
Telephone: _____
E-mail: michael.friedland@kkr.com

And to:

Waller Lansden Dortch & Davis, LLP
511 Union Street, Suite 2700
Nashville, Tennessee 37219
Attention: Philip F. Head, Esq.

Notice shall be deemed given three (3) Business Days after the date of mailing, by certified mail, postage prepaid, return receipt requested, or, if personally delivered or delivered by overnight courier, when received.

Section 18. Severability. If any provision of this Condominium Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby.

Section 19. Multiple Counterparts. This Condominium Agreement may be simultaneously executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original.

Section 20. Mortgagee's Rights.

(a) Definitions. For purposes of this Section 20, the following terms shall have the following meanings:

“First Mortgage” shall mean any bona-fide unpaid and outstanding mortgage or deed of trust on the Property or other instrument creating a security interest against the Property having priority of record over all other recorded liens except those governmental liens and statutory liens which are made superior by statute.

“First Mortgagee” shall mean the holder of any First Mortgage.

(b) Transfer of Property to or from First Mortgagee. Notwithstanding anything contained herein to the contrary, in the event of a sale, transfer, or other disposition of the Property including, but not limited to, a conveyance pursuant to a deed-in-lieu of foreclosure or the sale of the Property at a foreclosure to (i) a First Mortgagee, (ii) an affiliate of a First Mortgagee, (iii) a purchaser at a foreclosure sale, and (iv) any transferee of a First Mortgagee or affiliate of a First Mortgagee (collectively a “Foreclosure Purchaser”), shall have no obligation to indemnify, defend and hold harmless Seller or the Related Parties with respect to any Condominium Conversion occurring (x) prior to the date such Foreclosure Purchaser acquires title to the Property (regardless of whether such Foreclosure Purchaser consented to such Condominium Conversion prior to its acquisition of the Property), or (y) following the conveyance of the Property by such Foreclosure Purchaser to a third party purchaser, provided that such Foreclosure Purchaser did not commit a Condominium Conversion during such Foreclosure Purchaser’s period of ownership of the Property. In the event that Foreclosure Purchaser did commit a Condominium Conversion during such Foreclosure Purchaser’s period of ownership of the Property, then Foreclosure Purchaser shall have the obligation to indemnify, defend and hold harmless Seller and the Related Parties with respect to any Condominium Conversion during such Foreclosure Purchaser’s period of ownership. Any third party transferee of a Foreclosure Purchaser shall have the obligation to indemnify, defend and hold harmless Seller and the Related Parties with respect to any Condominium Conversion after such transferee’s acquisition of the Property. In the event of litigation arising out of such indemnifications, covenants or conditions, the prevailing party shall be entitled to recover its reasonable attorneys’ fees and costs of court from the non-prevailing party. Seller acknowledges that Foreclosure Purchaser’s liability under this Condominium Agreement shall be limited to Foreclosure Purchaser’s interest in the Property.

(c) No Amendments. No amendment of this Condominium Agreement shall be effective without the written consent and approval of any First Mortgagee, which shall not be unreasonably withheld, conditioned and/or delayed.

Section 21. Joint and Several Liability of Purchaser. In the event more than one person and/or entity executes this Condominium Agreement as Purchaser, each such person and/or entity which comprises Purchaser under this Condominium Agreement shall be jointly and severally liable for all of the obligations, covenants, liabilities and indemnifications of the Purchaser under this Condominium Agreement.

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

SELLER:

[_____] ,
a [_____]

By: _____
Name: _____
Title: _____

**[ADAPT TO ADD JURISDICTION-SPECIFIC ACKNOWLEDGMENT AND TO
SATISFY ANY OTHER RECORDING REQUIREMENTS]**

PURCHASER:

[_____,
a _____]

By: _____
Name: _____
Title: _____

**[ADAPT TO ADD JURISDICTION-SPECIFIC ACKNOWLEDGMENT AND TO
SATISFY ANY OTHER RECORDING REQUIREMENTS]**

Exhibits to Condominium Agreement

Exhibit A – Legal Description of Property

Exhibit E

FORM OF SELLER'S TITLE AFFIDAVIT

**AFFIDAVIT AS TO DEBTS AND LIENS AND PARTIES IN POSSESSION
(ENTITY OWNER)**

GF: _____

SUBJECT PROPERTY: Being a tract of land in _____ County, Texas, and being more fully described in the title commitment for the referenced GF#.

OWNER: _____

SALE TO: _____

STATE OF _____

COUNTY OF _____

BEFORE ME, the undersigned authority, on this day personally appeared the undersigned Affiant, personally known to me to be the person whose name is subscribed hereto and upon oath deposes and says that:

1. To the best knowledge and belief of Affiant:
 - a. The charges for all labor and materials that may have been furnished to the property or to the improvements thereon have been fully paid.
 - b. All contracts for the furnishing of labor or materials to the property or for improvements thereon have been completed and fully paid.
 - c. There are no security agreements or leases affecting any goods or chattels that have become attached, or that will at any later date become attached, to the property or improvements thereon as fixtures that have not been fully performed and satisfied, which are not shown on the referenced title commitment.
 - d. There are no loans of any kind on the property, which are not shown on the referenced title commitment.
 - e. There are no brokers that have a signed commission agreement with Owner under which a commission is claimed or earned and has not been paid, which are not shown on the settlement statements.
2. Affiant has no knowledge of a notice of change of use nor has Owner received written notice of change of use by the appraisal district.
3. The property is currently being used for the following purposes, and to the best knowledge and belief of Affiant, the improvements, if any, and such use does not violate any restrictive covenants affecting the property: **Multifamily apartment community.**
4. Affiant has no knowledge of any proceedings involving Owner, nor has Owner received written notice of, any proceedings, by any agency or authority, public or private, that levies taxes or assessments, which may result in taxes or assessments affecting the property and which are not shown by the referenced title commitment.

5. Affiant has no knowledge of any Judgments, Federal Tax Liens, or State Tax Liens against Owner and/or the property, nor has Owner received written notice of any of the foregoing; and, to Affiant's knowledge, neither Owner nor the Property is subject to a claim under the Medicaid Estate Recovery Program, nor has Owner received written notice of any such claim.
6. (a) All ad valorem and personal property taxes (if any), all "use" type business taxes (if any), including but not limited to hotel use and occupancy taxes, and all association/ maintenance type taxes or assessments (if any) that are currently due and payable have been paid or will be paid at closing and are shown on the settlement statements. (b) Any of the above referenced taxes which are the obligation of Owner and which have been prorated on the settlement statements are based on information approved by Owner.
7. Owner is the only occupant of the property, except (list any leases):

Rights of tenants, as tenants only, without purchase option or right of first refusal, under leases described on the rent roll attached hereto as Exhibit A.
8. Owner has not entered into any, and to Affiant's knowledge there are no, unrecorded contracts (other than service contracts pertaining to property operations); deeds; mortgages; mechanic's liens; options of any kind, including but not limited to options to purchase or lease; rights of first refusal or requirements of prior approval of a future purchaser or occupant; rights of reentry; rights of reverter; or rights of forfeiture affecting the property or improvements thereon, which are not shown on the referenced title commitment, other than _____ [describe PSA for property sale].
9. No proceedings in bankruptcy or receivership have ever been instituted by or against Owner, and Owner has never made an assignment for the benefit of creditors.
10. The property has curb cuts and driveways providing actual vehicular and pedestrian access to _____, which are open and in use.

[NO FURTHER TEXT ON THIS PAGE]

THIS affidavit is made to First American Title Insurance Company, as an inducement to them to complete the above referenced transaction, and Affiant realizes that First American Title Insurance Company, is relying upon the representations contained herein; and Affiant does hereby swear under the penalties of perjury that the foregoing information is true and correct in all respects, to the best knowledge and belief of Affiant, and that Affiant is authorized to make this affidavit on behalf of Owner.

EXECUTED effective as of _____, 2019.

By: _____
_____ of Owner

STATE OF _____

COUNTY OF _____

SWORN TO AND SUBSCRIBED BEFORE ME on _____, 2019, by _____.

Notary Public, State of

Notary's printed name: _____

My commission expires: _____

Exhibits to Affidavit as to Liens and Parties in Possession:

Exhibit A – Rent Roll

Exhibit F

FORM OF SELLER'S CLOSING CERTIFICATE

SELLER'S CLOSING CERTIFICATE

THIS SELLER'S CLOSING CERTIFICATE is made as of _____, 2019 by **BR CARROLL PHILLIPS CREEK RANCH, LLC**, a Delaware limited liability company ("Seller"), in favor of _____, a _____ ("Purchaser").

Seller hereby certifies to Purchaser that the representations and warranties of Seller set forth in Section 3.1 of that certain Purchase and Sale Agreement between Seller and _____ [**if applicable: as amended/assigned**] (the "Agreement") dated as of June _____, 2019, are true and correct in all material respects as of the date hereof, except as to:

- (a) The Rent Roll for the Property attached hereto as Exhibit A replaces the Rent Roll for the Property attached to the Agreement as Schedule 3.1(k); and]
- (b) [**If applicable: The items disclosed on Exhibit B attached hereto replace Seller's disclosures attached to the Agreement as Schedule(s) _____**].

The representations and warranties of Seller set forth in Section 3.1 of the Agreement, and as updated by this Seller's Closing Certificate, will survive only for a period of one hundred eighty (180) days from the date hereof.

This Seller's Closing Certificate is delivered pursuant to Section 6.2(i) of the Agreement, and Seller's liability hereunder is subject to Article 11 of the Agreement, including the Cap Limitation as defined therein.

SELLER:

BR CARROLL PHILLIPS CREEK RANCH, LLC, a Delaware limited liability company

By: _____

Name: Jordan B. Ruddy
Title: Authorized Signatory

Exhibits to Seller's Closing Certificate

Exhibit A — Updated Rent Roll

Exhibit B — Additional Disclosure Items [if applicable]

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Section 3: EX-10.2 (EXHIBIT 10.2)

Exhibit 10.2

FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT

THIS FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT (this "**Amendment**") is made as of the 17th day of June, 2019 (the "**Effective Date**"), by and between **BR CARROLL PHILLIPS CREEK RANCH, LLC**, a Delaware limited liability company ("**Seller**"), and **CARTER-HASTON HOLDINGS, L.L.C.**, a Delaware limited liability company ("**Purchaser**").

RECITALS

A. Seller and Purchaser are parties to that certain Purchase and Sale Agreement dated as of June 17, 2019 (the "**Agreement**") for the purchase and sale of the property located in Frisco, Denton County, Texas, commonly known as Sorrel Phillips Creek Ranch Apartments, and further described in the Agreement.

B. Seller and Purchaser desire to amend the terms of the Agreement pursuant to the terms and conditions of this Amendment.

NOW THEREFORE, in consideration of the mutual promises set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

AGREEMENT

1. Incorporation of Recitals; Definitions. The foregoing recitals are incorporated herein. Capitalized terms not otherwise defined herein shall have the meaning given such terms in the Agreement.

2. Seller Repair Covenant. Section 3.3 of the Agreement is hereby revised to insert the following new Section 3.3(h):

"(h) Repair Covenant. Seller agrees to use commercially reasonable efforts to correct the life safety items including replacing the alarm bell cover on the fire alarm on building 2, correcting the red tag on the building 3 alarm panel, and removing the existing red tags at the Property on or before Closing and pay for the work in full by Closing (collectively, the "**Repair Items**"). To the extent that the Repair Items are not substantially completed and paid in full by Closing, then Seller shall provide Purchaser with a credit at Closing for the amount of the unpaid balance of the foregoing, with such credit determined by Seller in its commercially reasonable discretion. For the avoidance of doubt, failure of Seller to complete the Repair Items prior to Closing shall in no event be a default of Seller under the Agreement and Purchaser's sole remedy for the same shall be a credit from Seller at Closing as provided in this Section 3.3(h).

3. Assignments by Purchaser. Clause (ii) in the third sentence of Section 14.6(c) of the Agreement is deleted in its entirety and replaced with the following:

“(ii) KRE Topaz Portfolio Investor LLC or any entity that is controlled by, controlling or under common control with KRE Topaz Portfolio Investor LLC”

4. Ratification and No Further Amendment. As modified by this Amendment, the Agreement is fully ratified, adopted and approved by the parties hereto effective as of the date hereof. Except as expressly set forth herein, the Agreement remains unmodified and in full force and effect.

5. Miscellaneous. This Amendment may be executed in multiple counterparts each of which shall be deemed an original but together shall constitute one and the same instrument.

6. Signatures. Signatures to this Amendment transmitted by telecopy or electronic transmission (for example, through use of a Portable Document Format or “PDF” file) shall be valid and effective to bind the party so signing.

[signature page next page]

IN WITNESS WHEREOF, Seller and Purchaser have caused this Amendment to be duly executed and delivered, effective as of the Effective Date.

SELLER:

BR CARROLL PHILLIPS CREEK RANCH, LLC, a Delaware limited liability company

By: /s/ Michael Konig

Name: Michael Konig

Title: Authorized Signatory

PURCHASER:

CARTER-HASTON HOLDINGS, L.L.C.,
a Delaware limited liability company

By: /s/ James A. Shanks

Name: James A. Shanks

Title: Authorized Member

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Section 4: EX-10.3 (EXHIBIT 10.3)

Exhibit 10.3

PURCHASE AND SALE AGREEMENT

between

BR WORLD GATEWAY, LLC, as Seller

and

KRE TOPAZ PORTFOLIO INVESTOR LLC, as Purchaser

Dated as of June 17, 2019

Topaz Portfolio – ARIUM Palms Sale

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PURCHASE AND SALE AGREEMENT

Topaz Portfolio – ARIUM Palms

THIS PURCHASE AND SALE AGREEMENT, dated effective as of June 17, 2019 (the “Effective Date”), is made by and between **BR WORLD GATEWAY, LLC**, a Delaware limited liability company (“Seller”), and **KRE TOPAZ PORTFOLIO INVESTOR LLC**, a Delaware limited liability company (“Purchaser”), and is joined by **CHRES/MANAGEMENT, L.L.C.**, a Tennessee limited liability company (“New Property Manager”), for the limited purpose of agreeing to the terms of Section 3.4(a) applicable to it.

RECITALS

A. Seller is the owner in fee simple of the real property commonly known as ARIUM Palms at World Gateway Apartments, located at 9000 Avenue Pointe Circle, Orlando, Orange County, Florida 32821 (the “Property”), which consists of (i) the land more particularly described on Schedule A annexed hereto (the “Land”), together with (ii) the Related Property (as defined below).

B. Seller desires to sell to Purchaser, and Purchaser desires to purchase from Seller, the Land and Seller’s right, title and interest in and to the Related Property on the terms and conditions hereinafter set forth.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

**ARTICLE 1
DEFINITIONS**

SECTION 1.1 Defined Terms. The capitalized terms used herein will have the following meanings.

“Access Agreement” shall mean the Access and Due Diligence Agreement between each member of the Seller Group, as sellers, and Purchaser, dated as of April 29, 2019.

“Additional Title Disapproval Matters” shall have the meaning assigned thereto in Section 8.1(e).

“Additional Title Disapproval Notice” shall have the meaning assigned thereto in Section 8.1(e).

“Additional Title Disapproval Response” shall have the meaning assigned thereto in Section 8.1(e).

“Additional Title Matters” shall have the meaning assigned thereto in Section 8.1(e).

“Additional Title Response Period” shall have the meaning assigned thereto in Section 8.1(e).

“Adjustment Point” shall have the meaning assigned thereto in Article 10.

“Affiliate” shall mean any Person (as defined below) that directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with another Person. The term “control” shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise, and shall in any event include the ownership or power to vote fifty percent (50%) or more of the outstanding equity or voting interests, respectively, of such other Person.

“Affiliated Purchase Agreements” shall mean the Three Property Purchase Agreement, the Sorrel Phillips Creek Ranch Purchase Agreement, and the Landings at Four Corners Purchase Agreement, collectively.

“Affiliated Sellers” shall mean the Sovereign Seller, the Leigh House Seller, the Preston View Seller, the Sorrel Phillips Creek Ranch Seller, and the Landings at Four Corners Seller, collectively.

“Agreement” shall mean this Purchase and Sale Agreement, together with the exhibits and schedules attached hereto, as the same may be amended, restated, supplemented or otherwise modified from time to time.

“Anti-Bribery, Anti-Money Laundering and Anti-Terrorism Laws” shall have the meaning assigned thereto in Section 3.1(g)(i).

“Applicable Law” shall mean all statutes, laws, common law, rules, regulations, ordinances, codes or other legal requirements of any Governmental Authority, board of fire underwriters and similar quasi-governmental agencies or entities, and any judgment, injunction, order, directive, decree or other judicial or regulatory requirement of any Governmental Authority of competent jurisdiction affecting or relating to the Person or property in question.

“Assumed Contracts” shall have the meaning assigned thereto in Section 3.4(c).

“Basket Limitation” shall mean an amount equal to \$25,000.00.

“Bill of Sale and Assignment” shall have the meaning assigned thereto in Section 6.1(a)(i).

“Broker” shall have the meaning assigned thereto in Section 14.2(a).

“BSA” shall have the meaning assigned thereto in Section 3.1(g)(ii).

“Business Day” shall mean any day other than a Saturday, Sunday or other day on which banks are authorized or required by law to be closed in the City of New York, New York or by United States federal laws.

“Cap Limitation” shall mean an amount equal to one and one half percent (1.5%) of the Purchase Price.

“Changed Condition” shall have the meaning assigned thereto in Section 3.2(d).

“Changed Condition Notice” shall have the meaning assigned thereto in Section 3.2(d).

“Changed Condition Threshold” shall have the meaning assigned thereto in Section 3.2(c)(ii).

“CGL” shall have the meaning assigned thereto in Section 7.1(b)(viii).

“Claims” shall have the meaning assigned thereto in Section 7.6(a).

“Closing” shall have the meaning assigned thereto in Section 2.3(a).

“Closing Date” shall mean **August 29, 2019**, or such earlier date as is mutually agreed to between Seller and Purchaser.

“Closing Documents” shall mean any conveyance document, certificate, instrument or other document delivered pursuant to this Agreement at Closing, including, without limitation, each of the documents to be delivered by Seller pursuant to Section 6.2 and by Purchaser pursuant to Section 6.1.

“Closing Funds” shall have the meaning assigned thereto in Section 2.2(a)(iii).

“Closing Statement” shall mean the closing statement for the purchase and sale of the Property, to be prepared by the Escrow Agent setting forth the prorations and adjustments to the Purchase Price required by this Agreement.

“Condition of the Property” shall have the meaning assigned thereto in Section 7.5(b).

“Condominium Conversion Prohibition Agreement” shall have the meaning assigned thereto in Section 6.1(a)(iii).

“Contracts” shall mean, collectively, all written agreements or contracts of Seller, or entered into on behalf of Seller or Existing Property Manager, relating to the ownership or operation of the Property, but excluding the Leases and the Existing Property Management Agreement, as more particularly described on Schedule 3.1(j) attached hereto

“Deed” shall have the meaning assigned thereto in Section 6.2(a).

“Deemed Purchaser Knowledge” shall mean that Purchaser shall be deemed to have knowledge of the matters set forth in Seller’s Core Deliveries and in the Permitted Exceptions.

“Disapproved Title Matter” shall have the meaning assigned thereto in Section 8.1(c).

“Due Diligence Period” shall mean the period of time from April 29, 2019 until 5:00 p.m. Eastern Time on **June 17, 2019**.

“Earnest Money” shall have the meaning assigned thereto in Section 2.2(a)(i).

“Earnest Money Escrow Account” shall mean a federally-insured interest-bearing bank account of Escrow Agent, to be reasonably acceptable to Seller and Purchaser.

“Effective Date” shall have the meaning assigned thereto in the Preamble to this Agreement.

“Environmental Laws” shall mean any of the Comprehensive Environmental Response, Compensation and Liability Act, as amended, 42 U.S.C. §9601 et seq., the Hazardous Materials Transportation Act, as amended, 49 U.S.C. §1801 et seq., the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. §6901 et seq., Section 311 of the Clean Water Act, 33 U.S.C. §1251 et seq., the Clean Air Act, 42 U.S.C. §7401 et seq., the Toxic Substances Control Act, 15 U.S.C. §2601 et seq., and the regulations and publications issued under any such laws, any state or local statutes, regulations and ordinances pertaining to Hazardous Materials or to the protection of human health and the environment.

“Escrow Agent” shall mean First American Title Insurance Company, Six Concourse Parkway, Suite 2000, Atlanta, Georgia 30328 (attention: Barbara H. Morgan).

“Estoppel” and “Estoppels” shall have the meanings assigned thereto in Section 3.3(a)(xiv).

“Exchange” shall have the meaning assigned thereto in Section 14.25.

“Excluded Assets” shall have the meaning assigned thereto in Section 2.1(c).

“Executive Order” and “Executive Orders” shall have the meanings assigned thereto in Section 3.1(g)(i).

“Existing Property Management Agreement” shall mean the existing property management agreement between Seller and Existing Property Manager with respect to management of the Property, as the same may be amended, modified or supplemented from time to time.

“Existing Property Manager” shall mean Carroll Management Group, LLC, a Georgia limited liability company.

“Forbidden Entity” shall have the meaning assigned thereto in Section 3.1(g)(i).

“Government List” shall mean any of (i) the two lists maintained by the United States Department of Commerce (Denied Persons and Entities), (ii) the list maintained by the United States Department of Treasury (Specially Designated Nationals and Blocked Persons), and (iii) the two lists maintained by the United States Department of State (Terrorist Organizations and Debarred Parties).

“Governmental Authority” shall mean any federal, state or local government or other political subdivision thereof, including, without limitation, any agency or entity exercising executive, legislative, judicial, regulatory or administrative governmental powers or functions, in each case to the extent the same has jurisdiction over the Person or property in question.

“Hazardous Materials” shall mean (i) those substances included within the definitions of any one or more of the terms “Hazardous Substances,” “Toxic Pollutants,” “Hazardous Materials,” “Toxic Substances,” and “Hazardous Waste” under Environmental Laws, (ii) petroleum, radon gas, lead-based paint, asbestos or asbestos-containing material and polychlorinated biphenyls, and (iii) mold or water conditions which may exist at the Real Property or other substances, wastes or materials listed or defined under Environmental Laws.

“Improvements” shall have the meaning assigned thereto in Section 2.1(b)(i).

“Indemnification Claim” shall have the meaning assigned thereto in Section 11.5.

“Indemnified Party” shall have the meaning assigned thereto in Section 11.5.

“Indemnifying Party” shall have the meaning assigned thereto in Section 11.5.

“Independent Contract Consideration” shall have the meaning assigned thereto in Section 2.2(c).

“IRS” shall mean the Internal Revenue Service.

“IRS Reporting Requirements” shall have the meaning assigned thereto in Section 14.3(c).

“ISO” shall have the meaning assigned thereto in Section 7.1(b)(viii).

“Landings at Four Corners Property” shall mean that certain improved real property located in Davenport, Florida and commonly known as Landings at Four Corners Apartments, as further described in the Landings at Four Corners Purchase Agreement.

“Landings at Four Corners Purchase Agreement” shall mean that certain Purchase and Sale Agreement dated as of even date herewith by and between Landings at Four Corners Seller and Purchaser, regarding the purchase and sale of the Landings at Four Corners Property, as such agreement may be amended and/or assigned from time to time.

“Landings at Four Corners Seller” shall mean BR Four Corners Orlando, DST, a Delaware statutory trust.

“Leases” shall mean any leases with residential tenants of the Real Property, including each amendment or supplement thereto.

“Lists” shall have the meaning assigned thereto in Section 3.1(g)(i).

“Loan Pay-Off Wire Deadline” shall have the meaning assigned thereto in Section 2.3(a).

“Losses” shall have the meaning assigned thereto in Section 11.1.

“Material Casualty” shall have the meaning assigned thereto in Section 9.2(c).

“Material Condemnation” shall have the meaning assigned thereto in Section 9.2(d).

“Monetary Encumbrance” shall have the meaning assigned thereto in Section 8.3(a).

“New Operating Budget” shall have the meaning assigned thereto in Section 3.4(b).

“New Property Management Agreement” shall have the meaning assigned thereto in Section 3.4(a).

“New Property Management Approval” shall have the meaning assigned thereto in Section 3.4(a).

“New Property Manager” shall have the meaning assigned thereto in the Preamble.

“Objectionable Contracts” shall have the meaning assigned thereto in Section 3.4(c).

“OFAC” shall have the meaning assigned thereto in Section 3.1(g)(i).

“Owner’s Policy” shall mean an ALTA Owner’s Policy of Title Insurance for the Property in an amount equal to the Purchase Price for the Property insuring fee simple title to the Property and the Improvements located thereon, which shall except from coverage only the Permitted Exceptions and shall specifically exclude all “preprinted” or “standard” title exceptions, to the extent that same can be removed by Seller’s execution and delivery of a title affidavit in the form attached to this Agreement.

“Patriot Act” shall have the meaning assigned thereto in Section 3.1(g)(ii).

“Permitted Exceptions” shall mean all of the following: (i) the matters set forth in the Title Commitment or the Updated Survey or any matters newly disclosed on any subsequent updates to the Title Commitment or to the Updated Survey, in each case which are approved or deemed approved by Purchaser pursuant to Article 8 of this Agreement, (ii) the rights of tenants, as tenants only without options to purchase or rights of first refusal, under the Leases existing as of the Effective Date and any other Lease entered into after the Effective Date in accordance with the terms of this Agreement, (iii) liens for current real estate taxes and special assessments which are not yet due and payable as of the Closing Date, (iv) the Condominium Conversion Prohibition Agreement, (v) standard pre-printed jacket exceptions contained in the Owner’s Policy, (vi) any exceptions caused by Purchaser or its Affiliates, agents, representatives, consultants or employees, and (vii) local, state and federal laws, ordinances or governmental regulations, including but not limited to, building, zoning and land use laws, ordinances and regulations, now or hereafter in effect relating to the Property.

“Person” shall mean a natural person, partnership, limited partnership, limited liability company, corporation, trust, estate, association, unincorporated association or other legal entity.

“Personal Property” shall have the meaning assigned thereto in Section 2.1(b)(3).

“PMA Termination” shall have the meaning assigned thereto in Section 6.1(a)(iv).

“Property” shall have the meaning assigned thereto in Recitals Paragraph A.

“Property Group” shall mean, collectively, the following improved real properties:

(i) The Property;

(ii) The improved real property currently owned by Sovereign Seller and commonly known as The Sovereign Apartments, located at 5301 North Tarrant Parkway, Fort Worth, Tarrant County, Texas 76244, and further described in the Three Property Purchase Agreement (the “Sovereign Property”);

(iii) The improved real property currently owned by Leigh House Seller and commonly known as Leigh House Apartments, located at 2421 Landmark Drive, Raleigh, Wake County, North Carolina 27607, and further described in the Three Property Purchase Agreement (the “Leigh House Property”);

(iv) The improved real property currently owned by Preston View Seller and commonly known as Preston View Apartments, located at 1000 Stony Court, Morrisville, Wake County, North Carolina 27560, and further described in the Three Property Purchase Agreement (the “Preston View Property”);

(v) The Sorrel Phillips Creek Ranch Property; and

(vi) The Landings at Four Corners Property.

“Purchase Price” shall have the meaning assigned thereto in Section 2.2(a).

“Purchaser” shall have the meaning assigned thereto in the Preamble to this Agreement.

“Purchaser Investigation” and “Purchaser Investigations” shall have the meanings assigned thereto in Section 7.1(a).

“Purchaser Representatives” shall have the meaning assigned thereto in Section 7.1(a).

“Purchaser Waived Breach” shall have the meaning assigned thereto in Section 11.3.

“Purchaser-Related Entities” shall have the meaning assigned thereto in Section 11.3.

“Purchaser’s Acquisition Lender” shall have the meaning assigned thereto in Section 5.4(b)(iii).

“Purchaser’s Acquisition Loan” shall have the meaning assigned thereto in Section 5.4(b)(iii).

“Real Property” shall mean the Land and the Improvements.

“Refundable Security Deposits” shall mean all Security Deposits that are refundable to tenants pursuant to Leases and have not been applied by Seller prior to the Closing Date.

“Related Property” shall have the meaning assigned thereto in Section 2.1(b).

“Released Parties” shall have the meaning assigned thereto in Section 7.6(a).

“Remaining Properties” shall have the meaning assigned thereto in Section 14.27(a)(i).

“Rent Roll” shall have the meaning assigned thereto in Section 3.1(k).

“Rents” shall have the meaning assigned thereto in Section 10.1(a).

“Reporting Person” shall have the meaning assigned thereto in Section 14.3(c).

“Representation Conditions” shall have the meaning assigned thereto in Section 3.2(c)(i).

“Required Cure Items” shall have the meaning assigned thereto in Section 8.1(d).

“RUBS” shall have the meaning assigned thereto in Section 10.4(b).

“Security Deposits” shall mean all security and escrow deposits received by Seller in connection with the Leases.

“Seller” shall have the meaning assigned thereto in the Preamble.

“Seller Group” shall mean, collectively:

- (i) Seller;
- (ii) BR Carroll Keller Crossing, LLC, a Delaware limited liability company (“Sovereign Seller”);
- (iii) BR-TBR Lake Boone NC Owner, LLC, a Delaware limited liability company, together with, if applicable, such entity’s permitted assignees under the Three Property Purchase Agreement (“Leigh House Seller”);

- (iv) BR Preston View, LLC, a Delaware limited liability company (“Preston View Seller”);
- (v) Sorrel Phillips Creek Ranch Seller; and
- (vi) Landings at Four Corners Seller.

“Seller Indemnified Parties” shall have the meaning assigned thereto in Section 7.1(c).

“Seller Representations” shall have the meaning assigned thereto in Section 11.1.

“Seller Waived Breach” shall have the meaning assigned thereto in Section 11.7.

“Seller-Related Entities” shall have the meaning assigned thereto in Section 11.2.

“Seller’s Closing Certificate” shall have the meaning assigned thereto in Section 6.2(h).

“Seller’s Core Deliveries” shall have the meaning assigned thereto in Section 3.1.

“Seller’s Deliveries” shall have the meaning assigned thereto in Section 7.2(a).

“Seller’s Knowledge” shall mean the actual knowledge of Seller based upon the actual knowledge of Ryan MacDonald, who is a principal of Seller, or the actual knowledge of Sarah Girand, who is a Senior Vice President Asset Management for the Property, in each case with respect to the Property, without any duty on the part of either such Person to conduct any independent investigation or make any inquiry of any Person, and shall not be construed, by imputation or otherwise, to refer to the knowledge of any property manager or broker, or to any other officer, agent, manager, representative or employee of Seller or any Affiliate of Seller. In no event shall Purchaser have any personal claim against either such Person as a result of the reference thereto in this Agreement, and Purchaser waives and releases all such claims which Purchaser now has or may later acquire against such Persons in connection with the transactions contemplated in this Agreement.

“Sorrel Phillips Creek Ranch Property” shall mean the improved real property currently owned by Sorrel Phillips Creek Ranch Seller and commonly known as Sorrel Phillips Creek Ranch Apartments, located at 5050 FM423, Frisco, Denton County, Texas 75036, and further described in the Sorrel Phillips Creek Ranch Purchase Agreement.

“Sorrel Phillips Creek Ranch Purchase Agreement” shall mean that certain Purchase and Sale Agreement dated as of even date herewith, by and between Sorrel Phillips Creek Ranch Seller, as seller, and Purchaser, as purchaser, with respect to the purchase and sale of the Sorrel Phillips Creek Ranch Property.

“Sorrel Phillips Creek Ranch Seller” shall mean BR Carroll Phillips Creek Ranch, LLC, a Delaware limited liability company.

“Surviving Covenants” shall have the meaning assigned thereto in Section 11.1.

“Terminated Property” shall have the meaning assigned thereto in Section 14.27(a)(i).

“Three Property Purchase Agreement” shall mean that certain Purchase and Sale Agreement dated as of even date herewith, by and between each of Sovereign Seller, Leigh House Seller, and Preston View Seller, as sellers, and Purchaser, as purchaser, with respect to the purchase and sale of each of the Sovereign Property, the Leigh House Property, and the Preston View Property.

“Title Affidavit” shall mean the affidavit and related title documentation described in Section 6.2(f) hereof.

“Title Commitment” shall have the meaning assigned thereto in Section 8.1(a).

“Title Company” shall mean First American Title Insurance Company.

“Title Cure Period” shall have the meaning assigned thereto in Section 8.1(d).

“Title Objection Notice” shall have the meaning assigned thereto in Section 8.1(c).

“Title Response Notice” shall have the meaning assigned thereto in Section 8.1(c).

“Title Review Period” shall have the meaning assigned thereto in Section 8.1(c).

“Transition Period” shall mean the period beginning immediately upon the effective date of the New Property Management Agreement and ending upon consummation of Closing (or, if applicable, the earlier termination of this Agreement).

“Updated Survey” shall have the meaning assigned thereto in Section 8.1(b).

ARTICLE 2

SALE, PURCHASE PRICE AND CLOSING

SECTION 2.1 Sale of Property.

(a) On the Closing Date and pursuant to the terms and subject to the conditions set forth in this Agreement, Seller shall sell to Purchaser, and Purchaser shall purchase from Seller, the Property.

(b) The transfer of the Property to Purchaser shall include the transfer of all Related Property. For purposes of this Agreement, “Related Property” shall mean all of Seller’s right, title and interest in and to the following:

(i) all of the buildings, structures, fixtures, parking facilities, and other improvements located on the Land (the “Improvements”);

(ii) all easements, licenses, covenants, privileges and other rights appurtenant to the Land or the Improvements and all right, title and interest of Seller, if any, in and to all development rights and any land lying in the bed of any street, road, avenue or alley, open or closed, in front of or adjoining the Land;

(iii) all furniture, furnishings, appliances, signs, carts, tools, supplies, fixtures, equipment and other personal property which are now, or may hereafter prior to the Closing Date be, placed in or attached to the Land or the Improvements and which are used solely in connection with the operation of the Real Property, including all of the items of personal property listed on Schedule C attached hereto (but not including items owned or leased by tenants or by Existing Property Manager, or which are leased by Seller, or any Excluded Assets) (collectively, the "Personal Property");

(iv) to the extent they may be freely transferred by Seller under Applicable Law without third-party consent (unless any such consent is obtained by Purchaser at Purchaser's sole cost and expense), all licenses, certificates of occupancy, permits, approvals and authorizations presently issued in connection with the operation of all or any part of the Real Property as it is presently being operated;

(v) to the extent freely assignable by Seller without any third party's consent (unless any such consent is obtained by Purchaser at Purchaser's sole cost and expense), all guaranties and warranties, if any, in favor of Seller by any manufacturer or contractor in connection with construction or installation of equipment or any component of the Improvements;

(vi) all Leases, together with all Refundable Security Deposits;

(vii) all other intangible property relating to the Real Property or the Personal Property and not otherwise described or excluded herein, including, but not limited to, assignable telephone exchanges; architectural drawings, plans and specifications, as-built drawings and advertising materials (in each case, solely to the extent delivered to Purchaser prior to the Effective Date or located on-site as of the Closing Date); and assignable development rights;

(viii) all Assumed Contracts pertaining to the Property, other than those terminated on or prior to the Closing Date pursuant to Section 3.4(c); and

(ix) resident and tenant files for current residents as of the Closing Date and other non-confidential and non-proprietary records owned by Seller and used in connection with the Real Property and located on-site as of the Closing Date.

(c) Notwithstanding anything to the contrary contained in this Agreement, it is expressly agreed by the parties hereto that the following items are expressly excluded from the Property to be sold to Purchaser (collectively, the "Excluded Assets"):

(i) all Security Deposits that do not constitute Refundable Security Deposits (including, without limitation, non-refundable pet deposits if any);

(ii) all right, title and interest in any purchase agreement or other closing document entered into in connection with Seller's acquisition of the Real Property, except to the extent that the rights or obligations under any such closing document "run with the land" and so benefit or burden any of the Real Property;

(iii) any fixtures, personal property, equipment, trademarks or other intellectual property or other assets which are owned by (A) the supplier or vendor under any Contract, (B) the tenant under any Lease or (C) Existing Property Manager;

(iv) any insurance claims or proceeds arising out of or relating to events that occur prior to the Closing subject to the terms of Section 9.2(a);

(v) any proprietary or confidential materials (including any materials relating to the background or financial condition of a present or prior direct or indirect partner or member of Seller, but the Seller's Deliveries shall not be deemed to be proprietary or confidential), the internal books and records of Seller relating to contributions and distributions prior to Closing, any software owned or licensed by Seller, the name "Bluerock" and any derivations thereof (including "BR") and any trademarks, trade names, brand marks, brand names, trade dress or logos relating thereto, the names "Carroll," "ARIUM" or any derivations thereof, and any trademarks, trade names, brand marks, brand names, trade dress or logos relating thereto, any development bonds, letters of credit or other collateral held by or posted with any Governmental Authority or other third party with respect to any improvement, subdivision or development obligations concerning any of the Real Property or any other real property, any items listed on Schedule D attached hereto and made a part hereof, and any other intangible property that is not used exclusively in connection with any of the Real Property; provided, however, that Purchaser shall have the right to maintain the existing exterior signage at the Property for up to one hundred twenty (120) days following the Closing, so long as Purchaser covers the existing signage and name "ARIUM" within thirty (30) days following the Closing;

(vi) the Existing Property Management Agreement;

(vii) any Objectionable Contracts terminated effective as of or prior to the Closing Date pursuant to Section 3.4(c);

(viii) any items leased to Seller;

(ix) computer software and computer files; and

(x) cash and cash equivalents (except to the extent prorated at Closing), and any reserves or other deposits funded or made in connection with any financing encumbering the Property or Seller's interests therein.

SECTION 2.2 Purchase Price.

(a) The consideration to be paid by Purchaser to Seller for the purchase of the Property shall be an amount equal to FORTY SIX MILLION EIGHT HUNDRED FORTY SIX THOUSAND AND NO/100 DOLLARS (\$46,846,000.00) (the "Purchase Price"). The Purchase Price shall be paid by Purchaser to Seller on the Closing Date as follows:

(i) Within three (3) Business Days after the Effective Date, Purchaser shall deliver to Escrow Agent cash in an amount equal to ONE MILLION EIGHT HUNDRED ONE THOUSAND SEVEN HUNDRED SIXTY NINE AND NO/100 DOLLARS (\$1,801.769.00) (together with all accrued interest thereon, the "Earnest Money") in immediately available funds by wire transfer to the Earnest Money Escrow Account. If the Earnest Money is not deposited by Purchaser as and when due and payable hereunder, Seller shall have the right in its sole and absolute discretion to terminate this Agreement by written notice to Purchaser and Escrow Agent, whereupon no party shall have any further rights or obligations hereunder except for those that expressly survive the termination of this Agreement.

(ii) Purchaser agrees and acknowledges that the entire Earnest Money shall be non-refundable to Purchaser from and after the Effective Date except as otherwise specifically provided in this Agreement.

(iii) Prior to the Loan Pay-Off Wire Deadline on the Closing Date, or prior to the Closing Date, Purchaser shall deposit with the Escrow Agent, by wire transfer of immediately available funds (through the escrow described in Section 2.3), the Purchase Price, as adjusted by the application of the Earnest Money, and by the adjustments, prorations and credits provided herein. The amount to be paid under this Section 2.2(a)(iii) is referred to herein as the "Closing Funds."

(b) Upon delivery by Purchaser to Escrow Agent, the Earnest Money will be deposited by Escrow Agent in the Earnest Money Escrow Account, and shall be held in escrow in accordance with the provisions of Section 14.4. All interest earned on the Earnest Money while held by Escrow Agent shall be paid to the party to whom the Earnest Money is paid, except that if Closing occurs, Purchaser shall receive a credit against the Purchase Price for such interest in accordance with the terms of this Agreement.

(c) Notwithstanding any other provision of this Agreement to the contrary, in the event this Agreement is terminated by either Seller or Purchaser prior to the Closing (as hereinafter defined) pursuant to any right to do so in this Agreement, ONE HUNDRED DOLLARS (\$100.00) of the Earnest Money (the "Independent Contract Consideration") shall be paid to Seller, which amount the parties bargained for and agreed to as consideration for Purchaser's right to inspect and purchase the Real Property pursuant to this Agreement and for Seller's execution, delivery and performance of this Agreement. The Independent Contract Consideration, if paid, shall be in addition to and independent of any other consideration or payment provided in this Agreement and it is deemed to have been fully earned as of the Effective Date.

(d) No adjustment shall be made to the Purchase Price except as explicitly set forth in this Agreement.

SECTION 2.3 Closing Procedure.

(a) Closing. The closing of the sale and purchase of the Property (the “Closing”) shall be held on the Closing Date, not later than 3:00 pm (Eastern Time) (the “Loan Pay-Off Wire Deadline”) by mutually acceptable escrow arrangements with Escrow Agent. There shall be no requirement that Seller and Purchaser physically attend the Closing, and all funds and documents to be delivered at the Closing shall be delivered to the Escrow Agent unless the parties hereto mutually agree otherwise. Purchaser and Seller hereby authorize their respective attorneys to execute and deliver to the Escrow Agent any additional or supplementary instructions as may be necessary or convenient to implement the terms of this Agreement and to facilitate Closing; provided, however, that such instructions shall be consistent with and merely supplement this Agreement and shall not in any way modify, amend or supersede this Agreement.

(b) Closing Deliveries. Purchaser shall be required to deposit the Closing Funds with Escrow Agent on or prior to the Closing Date, and in no event later than the Loan Pay-Off Wire Deadline. The parties shall endeavor to “pre-close” the transaction by making commercially reasonable efforts to deliver to Escrow Agent, no later than the date which is one (1) Business Day prior to the Closing Date, their respective Closing Documents pursuant to the terms of Article 6.

(c) Payments to Seller. All amounts payable to Seller under this Agreement, including the Earnest Money and the Purchase Price, shall be paid at the Closing to Seller in accordance with its written instructions.

ARTICLE 3
REPRESENTATIONS, WARRANTIES AND COVENANTS OF SELLER

SECTION 3.1 Seller Representations and Warranties. Subject to the information disclosed on those Seller’s Deliveries identified on Schedule 3.1 attached hereto and made a part hereof (collectively, “Seller’s Core Deliveries”), and further subject to the Permitted Exceptions, Seller hereby represents and warrants to Purchaser as follows with respect to itself or the Property, as applicable:

(a) Formation; Existence. Seller is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware, and is duly qualified to transact business and is in good standing in the State of Florida.

(b) Power and Authority. Seller has all requisite power and authority to enter into this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement, the sale of the Property and the consummation of the transactions provided for in this Agreement have been duly authorized by all necessary action on its part. This Agreement has been duly executed and delivered by Seller and constitutes Seller’s legal, valid and binding obligation, enforceable against Seller in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors’ rights and by general principles of equity (whether applied in a proceeding at law or in equity).

(c) No Consents. Seller has obtained all consents and permissions (if any) related to the transactions herein contemplated and required under any organizational or governing documents of Seller or under covenant, agreement, encumbrance, law or regulation by which Seller is bound.

(d) No Conflicts. Seller's execution, delivery and compliance with, and performance of the terms and provisions of, this Agreement, and the sale of the Property, will not conflict with or result in any violation of Seller's organizational or governing documents.

(e) Foreign Person. Seller is not a "foreign person" as defined in Internal Revenue Code Section 1445 and the regulations issued thereunder.

(f) Bankruptcy. Seller has not (i) made a general assignment for the benefit of creditors, (ii) filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by Seller's creditors, (iii) suffered the appointment of a receiver to take possession of all, or substantially all, of Seller's assets, which remains pending or (iv) suffered the attachment or other judicial seizure of all, or substantially all of Seller's assets, which remains pending.

(g) Anti-Terrorism Laws.

(i) OFAC Compliance. Seller is in compliance with the requirements of Executive Order No. 13224, 66 Fed. Reg. 49079 (Sept. 23, 2001) (the "Executive Order") and other similar requirements contained in the rules and regulations of the Office of Foreign Assets Control, Department of the Treasury ("OFAC") and in any enabling legislation or other Executive Orders or regulations in respect thereof (the Executive Order and such other rules, regulations, legislation, or orders are collectively called the "Executive Orders"). Neither (a) Seller, any Affiliate of Seller nor any Person controlled by Seller; nor (b) to the best of Seller's Knowledge, after making due inquiry, any Person who owns a controlling interest in or otherwise controls Seller; nor (c) to the best of Seller's Knowledge, after making due inquiry, if Seller is a privately held entity, any Person otherwise having a direct or indirect beneficial interest (other than with respect to an interest in a publicly traded entity) in Seller; nor (d) any Person for whom Seller is acting as agent or nominee in connection with this investment, is a country, territory, Person, organization, or entity named the Specially Designated Nationals and Blocked Persons List maintained by OFAC pursuant to the Order and/or on any other list of terrorists or terrorist organizations maintained pursuant to any of the rules and regulations of OFAC or pursuant to any other applicable Orders (the "Lists"), nor is a prohibited country, territory, Person, organization, or entity under any economic sanctions program administered or maintained by OFAC (a "Forbidden Entity"). For purposes of this paragraph, "Affiliate" means, with respect to a particular Person, any other Person who is Controlled by, under common Control with, or in Control of, such particular Person; "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities or other beneficial interests, by contract or otherwise; and "Person" means any individual, company, trust or other legal entity of any kind whatsoever, or other organization, whether or not a legal entity.

(ii) Patriot Act. Seller is in compliance with all applicable anti-money laundering and anti-terrorist laws, regulations, rules, executive orders and government guidance, including the reporting, record keeping and compliance requirements of the Bank Secrecy Act (“BSA”), as amended by The International Money Laundering Abatement and Financial Anti-Terrorism Act of 2001, Title III of the USA PATRIOT Act (the “Patriot Act”), and other authorizing statutes, executive orders and regulations administered by OFAC, and related Securities and Exchange Commission, SRO or other agency rules and regulations (collectively, the “Anti-Bribery, Anti-Money Laundering and Anti-Terrorism Laws”), and has policies, procedures, internal controls and systems that are reasonably designed to ensure such compliance.

(iii) Senior Foreign Political Figure. Seller is not a Senior Foreign Political Figure, or an Immediate Family Member or a Close Associate of a Senior Foreign Political Figure, Seller is not controlled by a Senior Foreign Political Figure, or an Immediate Family Member or a Close Associate of a Senior Foreign Political Figure, and, to the best of Seller’s Knowledge, after making due inquiry, none of the direct or indirect owners of ten percent (10%) or more of Seller (other than any owner(s) of any interest(s) in a publicly-traded entity) is a Senior Foreign Political Figure, or an Immediate Family Member or a Close Associate of a Senior Foreign Political Figure. For purposes of this paragraph, “Senior Foreign Political Figure” means a senior official in the executive, legislative, administrative, military or judicial branches of a foreign government (whether elected or not), a senior official of a major foreign political party, or a senior executive of a foreign government-owned corporation, and includes any corporation, business or other entity that has been formed by, or for the benefit of, such senior official or executive; “Immediate Family Member” of a Senior Foreign Political Figure typically includes the Senior Foreign Political Figure’s parents, siblings, spouse, children and in-laws; and “Close Associate” of a Senior Foreign Political Figure means a person who is widely and publicly known to maintain an unusually close relationship with Senior Foreign Political Figure, and includes a person who is in a position to conduct substantial domestic and international financial transactions on behalf of the Senior Foreign Political Figure.

(h) No Litigation. Except as set forth on Schedule 3.1(h) attached hereto, Seller has not received written notice of and has no Knowledge of any pending or threatened (in writing) action, suit, arbitration, administrative or judicial proceeding, or unsatisfied order or judgment against Seller which pertains to the Property or the transaction contemplated by this Agreement, which in either case, if adversely determined, would have an effect on the use, operation, or value of the Property or on Seller’s ability to consummate the transaction contemplated herein; provided, however, this Section 3.1(h) shall not apply as to any pending or future dispossessory or similar actions as to Property tenants.

(i) No Violations of Law. Except as set forth on Schedule 3.1(i) attached hereto, Seller has not received written notice from any Governmental Authority of any violation of or non-compliance with, any Applicable Law affecting the Property or any portion thereof, which remains unresolved.

(j) Contracts. To Seller’s Knowledge, except for the Contracts listed on attached Schedule 3.1(j), there are no other Contracts with respect to the Property. Seller is not in default under any Contracts, subject to the running of any applicable notice and cure periods under such Contracts. As of the Closing Date, there shall be no earned but unpaid management fees owed by Seller to any third parties with respect to the Property.

(k) Rent Roll. The rent roll for the Property attached hereto as Schedule 3.1(k) (the “Rent Roll”) is a copy of the Rent Roll that Seller relies upon and uses in the ordinary course of its business. In respect of each of the Leases, to Seller’s Knowledge, except as otherwise set forth in the Rent Roll or delinquency report for the Property, Seller has not received written notice of any material default by Seller under any of the Leases. Notwithstanding anything in this Agreement to the contrary, Seller does not covenant or represent that tenants under Leases will not be in default under their respective Leases, and the existence of any default by any tenant under its Lease shall not affect the obligations of Purchaser hereunder. No security deposits have been paid by any tenants under the Leases which have not heretofore been returned, except as listed on the Rent Roll.

(l) Environmental Laws. Seller has not received written notice from any Governmental Authority that it has violated or is potentially liable under any Environmental Laws.

(m) No Brokers. There are no broker’s or listing agreements or any broker’s or finder’s fees or commissions (whether in connection with the Leases or otherwise) for which Purchaser shall be responsible after Closing. All leasing and brokerage commissions with respect to the Leases (including renewals, extensions or expansions thereof whether pursuant to the express provisions of the Leases or otherwise) have been paid in full, or will be paid by Closing.

(n) Contractors. All contractors, subcontractors, suppliers, architects, engineers, and others who have performed services, labor, or supplied material in connection with Seller’s ownership, operation, maintenance, repair and management of the Property have been or at the Closing will be paid in full and all liens arising therefrom (or claims which with the passage of time or notice or both, could mature into liens) have been satisfied and released, or shall be satisfied and released by the Closing Date.

(o) Operating Statements. The operating statements for the Property that are provided as a part of Seller’s Core Deliveries are copies of such documents that Seller uses and relies upon in the ordinary course of its business.

(p) Licenses and Permits. To Seller’s Knowledge, the operation of the Property as currently utilized does not violate any zoning, subdivision, building or similar law, ordinance, order or regulation or any certificate of occupancy issued with respect to the Property. To Seller’s Knowledge, no portion of the Property and no provision in any of the Leases is in violation of any law, ordinance, order, regulation of any Governmental Authority or requirement or the requirements of any local board of fire underwriters (or other body exercising similar functions).

(q) Insurance. Seller now has in full force and effect casualty, liability and business interruption insurance coverages in the amounts and types reflected in the insurance certificate or certificates attached hereto as Schedule 3.1(q).

(r) Tenants. To Seller’s Knowledge, no tenant or any third party has any right or option to purchase the Property or any portion thereof.

(s) Employees. Seller has no employees.

(t) No Condemnation. There is no pending or, to Seller's Knowledge, threatened (in writing) condemnation or similar proceeding relating to or affecting the Property or any portion thereof, including, without limitation, Seller's title to the Property or any rights and interest in the Property, nor does Seller have any Seller's Knowledge that any such action(s) is presently contemplated. Seller agrees to give Purchaser prompt notice of any actual or threatened (in writing) condemnation or similar proceeding between the Effective Date and the Closing.

(u) Bonds and Letters of Credit. There are no development bonds, letters of credit or other collateral held by or posted with any Governmental Authority or other third party with respect to any improvement, subdivision or development obligations concerning any of the Real Property.

SECTION 3.2 Amendments to Schedules, Limitations on and Breaches of Representations and Warranties of Seller.

(a) Seller shall have the right to amend and supplement the schedules to this Agreement from time to time prior to the Closing by providing a written copy of such amendment or supplement to Purchaser; provided, however, that any amendment or supplement to the schedules to this Agreement shall have no effect for the purposes of determining whether a Seller breach has occurred, but shall only establish such amendments and supplements as a Purchaser Waived Breach in the event Purchaser proceeds to Closing following receipt of such information and shall therefore apply only as a defense to limit the indemnification obligations of Seller in Article 11 of this Agreement for the inaccuracy or untruth of the representation or warranty qualified by such amendment or supplement following Closing. Seller hereby acknowledges and agrees that Purchaser expressly reserves and may freely exercise all rights and remedies available to it under Section 13.2 of this Agreement following Seller's amendment or supplement of the schedules and exhibits to this Agreement.

(b) Notwithstanding anything in this Agreement to the contrary, if the representations and warranties relating to the Rent Roll as set forth in Section 3.1(k) and the status of the tenants thereunder were true and correct in all material respects as of the Effective Date, no change in circumstances or status of such tenants (e.g., defaults, bankruptcies, below market status or other adverse matters relating to such tenants or a tenant's exercise following the Effective Date of any Lease termination rights not caused by the acts or omissions of Seller) occurring after the Effective Date shall permit Purchaser to terminate this Agreement or constitute grounds for Purchaser's failure to close or otherwise constitute a breach of any representation or warranty by Seller.

(c) For purposes of this Section 3.2:

(i) "Representation Conditions" shall mean that all representations or warranties of Seller were true, correct and complete in all material respects when made.

(ii) “Changed Condition Threshold” shall mean a Changed Condition (as hereinafter defined) whose cost of cure will exceed \$500,000.00 for the Property individually or for the Property Group collectively, as determined by a third party that is mutually acceptable to the parties in their commercially reasonable discretion.

(d) If, after the Effective Date and prior to the Closing Date, Seller’s representations or warranties become untrue, inaccurate or incorrect (a “Changed Condition”), Seller shall give Purchaser written notice thereof within five (5) Business Days (but, in any event, prior to Closing) of Seller’s Knowledge of the Changed Condition (a “Changed Condition Notice”).

(e) If the Representation Conditions have been satisfied, but the Changed Condition does not meet the Changed Condition Threshold, Seller shall use commercially reasonable efforts to cause the Changed Condition to be cured at or prior to Closing. In the event that, despite commercially reasonable efforts, Seller is unable to cure the Changed Condition by Closing, Seller shall not be in default hereunder, but Purchaser shall be entitled to a credit against the Purchase Price at Closing equal to the estimated remaining cost to cure the Changed Condition, which shall be determined by a third party that is mutually acceptable to the parties in their commercially reasonable discretion.

(f) If the Representation Conditions have been satisfied and the Changed Condition meets or exceeds the Changed Condition Threshold, within five (5) Business Days after the delivery of the Changed Condition Notice, Seller shall notify Purchaser in writing of whether Seller (i) elects to cure the Changed Condition by Closing, or (ii) declines to cure the Changed Condition. If Seller elects to cure the Changed Condition by Closing pursuant to this Section 3.2(f), then Purchaser shall be obligated to close on the Property pursuant to the terms of this Agreement, and Seller shall be obligated to cure the Changed Condition at or prior to Closing. If Seller does not timely make an election under this subsection (f), Seller shall be deemed to have declined to cure the Changed Condition. If Seller declines to cure the Changed Condition, or is deemed to have declined to do so, then Purchaser shall have five (5) Business Days thereafter, to elect, as its sole and exclusive remedy (and the Closing shall be automatically extended to account for such five (5) Business Day period, if necessary), in its sole and absolute discretion, by written notice to Seller within said five (5) Business Day period, (x) to continue with the purchase of the Property without adjustment of the Purchase Price, or (y) to terminate this Agreement by providing written notice thereof to Seller. If Purchaser elects to terminate this Agreement pursuant to this Section 3.2(f), the Earnest Money shall be immediately returned to Purchaser, and thereafter the parties shall be released from further liability or obligation hereunder, except for those matters which specifically survive the termination hereof. If Purchaser fails to notify Seller and Escrow Agent of its election to terminate this Agreement within said five (5) Business Day time period provided above, Purchaser shall be deemed to have accepted the Changed Condition and to have elected to purchase the Property without adjustment to the Purchase Price. If Seller elects to cure the Changed Condition by Closing, but thereafter fails to do so, Seller shall be in material default under this Agreement, and all remedies set forth in Section 13.2 shall be available to Purchaser due to such default.

(g) For the avoidance of doubt, in the event a representation or warranty of Seller is untrue, incorrect or incomplete in any material respect when made, or becomes untrue, incorrect or incomplete in any material respect on or after the Effective Date due to a breach of any of Seller's obligations or covenants under this Agreement, then Seller shall be in default under this Agreement (subject to any applicable notice and cure rights), and all remedies set forth in Section 13.2 shall be available to Purchaser.

SECTION 3.3 Covenants of Seller Prior to Closing.

(a) From the Effective Date until the Closing or earlier termination of this Agreement (or such earlier date as set forth below), Seller or Seller's agents shall:

(i) Operation. Operate and maintain the Property in a manner generally consistent with Seller's past practices with respect to the Property (including entering into new Leases), except that Seller shall not be required to make any capital improvements to the Real Property.

(ii) Notices. Notify Purchaser promptly upon receipt of written notices of (i) violation, litigation, arbitration proceeding or administrative hearing (including condemnation) before any Governmental Authority which affects Seller or the Property, and is instituted after the Effective Date; (ii) default with respect to any Contract; (iii) litigation commenced or threatened in writing against Seller or Seller's Property; (iv) litigation commenced or threatened in writing by Seller (other than residential tenant eviction proceedings); and (v) any other material written notice or communication received by Seller which could have a material effect on the operation of Seller's Property or on the transactions contemplated under this Agreement.

(iii) Insurance. Keep the Property insured against fire and other hazards in such amounts and under such terms as are consistent with Seller's existing insurance program, provided that Seller may make adjustments in its insurance coverage for the Property which are consistent with Seller's Affiliates' general insurance program for apartment properties as in effect from time to time.

(iv) Performance under Leases. Perform, or cause its agents to perform, in all material respects, all material obligations of landlord or lessor under the Leases.

(v) Leasing Activity. Except for Leases or amendments to Leases entered into pursuant to renewal notices mailed prior to the Effective Date, unless Purchaser agrees otherwise in writing (or, during the Transition Period, unless Purchaser or New Property Manager agrees otherwise in writing, or New Property Manager actually enters into a non-compliant new lease or Lease renewal), any new leases or renewals of existing leases for apartment units entered into by Seller after the Effective Date until the Closing or earlier termination of this Agreement shall be on Seller's standard apartment lease form for the Property, and shall be for terms of no less than six (6) months and no more than thirteen (13) months. In all cases, Seller shall retain the discretion to set rent rates, concessions and other terms of occupancy consistent with then-extant market conditions for the Property. After the expiration of the Due Diligence Period, Purchaser shall have the right to participate in a weekly call with Seller and Existing Property Manager or New Property Manager, as applicable, to discuss operation of the Property, which shall be scheduled by Seller at the request of Purchaser, and which for the avoidance of doubt shall be a separate call from Seller's operation calls with its property manager.

(vi) Contracts. Comply with all obligations of Seller under the Contracts, and, unless Purchaser agrees in writing (or, during the Transition Period, unless Purchaser or New Property Manager agrees otherwise in writing, or New Property Manager actually enters into such Contract), not enter into any service or other new Contract (or renew any existing Contract) that will be binding on Purchaser or the Property after Closing, other than Contracts necessary for emergency purposes in Seller's commercially reasonable discretion.

(vii) Conveyances or Encumbrances of Property. Not sell, further pledge, encumber or otherwise transfer or dispose of all or any part of the Property (except for (A) such items of fixtures and tangible personal property as become obsolete or are disposed of in the ordinary course, and only if replaced by an item of like quality and functionality (unless the same is no longer necessary for the operation of the Property, as determined by Seller in its commercially reasonable discretion), and (B) such other transfers and conveyances as are specifically permitted under this Agreement).

(viii) Updated Rent Roll. From time to time, upon written request by Purchaser (but in no event more often than once per week), Seller shall provide to Purchaser an updated Rent Roll with respect to the Property, which shall be in substantially the same format as the Rent Roll attached hereto as a portion of Schedule 3.1(k).

(ix) Property Changes. Not request or consent to any change, variance or other modification to the zoning, permits, entitlements or development incentives applicable to the Property, without Purchaser's prior written consent which shall not be unreasonably withheld.

(x) Condition of Vacant Units. Make rent-ready all apartment units at the Property which become vacant five (5) or more Business Days prior to the Closing, or to credit Purchaser at Closing in the amount of \$750.00 for each apartment unit at the Property which is vacant on the Closing Date, which was vacant five (5) or more Business Days prior to the Closing Date, and which has not been made rent-ready. For purposes of this paragraph, "rent-ready condition" shall mean the condition in which Seller currently delivers vacant units to new tenants at the Property in Seller's ordinary course of business and operations, freshly painted and cleaned, with all appliances, fixtures, and equipment therein in good working order.

(xi) Intentionally omitted.

(xii) Legal Compliance. Not use or occupy, or knowingly allow the use or occupancy of, the Property in any manner which violates any governmental requirements or which constitutes waste or a public or private nuisance or which makes void, voidable or cancelable, or increases the premium of, any insurance then in force with respect thereto. Seller shall maintain, or cause to be maintained, in full force and effect all permits and licenses required to operate the Property and to execute Leases for the Property and collect rent thereunder.

(xiii) Intentionally omitted.

(xiv) Estoppels. Use commercially reasonable efforts to obtain and deliver to Purchaser any estoppels Purchaser may reasonably require in connection with the Permitted Exceptions (each individually an “Estoppel,” and collectively the “Estoppels”); provided, however, Seller shall not be obligated to incur any non de-minimis expense or fee to so obtain Estoppels other than may be required by the terms of the Permitted Exception or to obtain any Estoppels from residential tenants at the Property.

(xv) Alterations. After the expiration of the Due Diligence Period, not perform, nor permit the performance of, any material alterations, renovations or improvements to the Property without Purchaser’s prior written consent, which consent may be granted or withheld in Purchaser’s sole discretion, except for alterations or improvements required to ensure the safety of its Property.

(xvi) Transition. Cooperate with Purchaser in transitioning ownership and management of the Property to Purchaser or Purchaser’s designee, including, without limitation, ensuring that all rents from and after the Closing Date received by Seller are paid over to Purchaser or its designee.

(b) Existing Property Management Agreement. If Seller has not previously terminated the Existing Property Management Agreement and entered into the New Property Management Agreement, then Seller shall cause the Existing Property Management Agreement to be terminated by the Closing.

(c) Assumed Contracts. If Purchaser delivers a written notice of objection to any Contract prior to the expiration of the Due Diligence Period, then, to the extent a termination right in favor of Seller is provided for in such Contract, or if such Contract does not prohibit termination, Seller shall cause Existing Property Manager to provide a notice of termination within two (2) Business Days of the expiration of the Due Diligence Period to the vendor thereunder with respect to each such Contract to which Purchaser has timely objected (collectively, the “Objectionable Contracts”); provided, however, that (i) Purchaser may not object to any of the Contracts marked as “must assume” on Schedule 3.1(j) and shall assume the same at Closing pursuant to the Bill of Sale and Assignment; (ii) Seller shall have no obligation to terminate any Contract which by its terms is not terminable or which cannot be terminated without payment of an express termination fee or penalty, unless Purchaser agrees in writing to pay such termination fee or penalty; (iii) if the termination of any Objectionable Contract cannot be made effective upon the Closing Date (it being agreed and acknowledged that Seller shall not be obligated to pay any money to accomplish such termination), then such Objectionable Contract shall be assumed by Purchaser at Closing pursuant to the Bill of Sale and Assignment (together with all Assumed Contracts with respect to the Property that do not constitute Objectionable Contracts) for the remaining period of such Contract until its effective date of termination; and (iv) Purchaser shall be responsible for any termination fees payable with respect to the termination of any Objectionable Contracts. Notwithstanding the foregoing, Purchaser shall not be required or entitled to assume: (x) any Contract that, by its terms, may not be assigned to and assumed by Purchaser without the consent of a third party, unless such third party’s written consent is actually obtained at or before Closing; or (y) any Contract that is not reflected on Schedule 3.1(j). All Contracts that Purchaser is required to assume or elects to assume hereunder are collectively referred to herein as the “Assumed Contracts.”

(d) Anti-Terrorism Law. Seller shall take any actions that may be required to comply with the terms of the Anti-Bribery, Anti-Money Laundering and Anti-Terrorism Laws, as amended, any regulations promulgated under the foregoing Applicable Laws, any sanctions program administered by the U.S. Department of Treasury's Office of Foreign Property Control or Financial Crimes Enforcement Network, or any other Applicable Laws designed to combat corruption, bribery, terrorism, drug-trafficking or money laundering.

(e) Exclusivity. From the Effective Date until the Closing or earlier termination of this Agreement, neither Seller, nor any of its brokers, Affiliates or agents, shall engage in discussions directly or through its brokers, agents or representatives or otherwise negotiate with any Person or party, other than with Purchaser, in connection with the sale of the Property or any joint venture or similar transaction relating to the Property.

(f) Intentionally omitted.

(g) Excluded Assets. Nothing in this Section 3.3 shall restrict Seller's rights with respect to any Excluded Assets or give Purchaser any approval, consent or other rights with respect thereto.

SECTION 3.4 Property Management During Transition Period.

(a) New Property Management Approval. Seller shall use best efforts to obtain its lender's written approval ("New Property Management Approval") of the following no later than **June 28, 2019**: (i) the removal of Existing Property Manager by termination of the Existing Property Management Agreement; and (ii) the appointment of New Property Manager, an affiliate of Purchaser, as the new manager of the Property, by means of Seller's and New Property Manager's execution and delivery of a new property management agreement in substantially the form of Exhibit G-1 attached hereto (the "New Property Management Agreement"), with such material changes to the form as Seller's lender may require and as Seller, Purchaser and New Property Manager may approve in their reasonable discretion. Purchaser and New Property Manager shall reasonably cooperate with Seller and Seller's lender in connection with Seller's pursuit of the New Property Management Approval, including but not limited to entering into any commercially reasonable loan documentation required by Seller's Lender as a condition of the New Property Management Approval. Notwithstanding anything herein to the contrary, Seller shall be in material default hereunder if New Property Management Approval is not obtained on or before August 1, 2019, and in such event Purchaser shall be entitled to all remedies set forth in Section 13.2.

(b) New Property Management Agreement. Provided that this Agreement is not previously terminated, upon ten (10) days written notice from Purchaser (provided that such notice may not be given until the New Property Management Approval is obtained), Seller shall (i) cause the Existing Property Management Agreement to be terminated, and (ii) enter into the New Property Management Agreement with New Property Manager. New Property Manager shall manage the Property during the Transition Period pursuant to the approved operating budget attached hereto as Exhibit G-2 (the “New Operating Budget”), with such deviations as are permitted under the terms of the New Property Management Agreement. For the avoidance of doubt, Seller agrees and acknowledges that the New Operating Budget is not intended to impose minimum Property performance standards for New Property Manager’s management of the Property during the Transition Period. Seller hereby waives any tortious interference claims under this Agreement due to New Property Manager’s breach of any leasing covenants contained in the New Property Management Agreement to the extent that such breach arises as a result of market degradation.

(c) Relationship Between This Agreement and New Property Management Agreement. Upon its execution and delivery, the New Property Management Agreement will remain in effect for as long as this Agreement remains effective and has not been terminated. Specifically, Seller, Purchaser and New Property Manager agree and acknowledge that, except as otherwise specifically provided in this Agreement, neither Seller nor Property Manager shall have the right to terminate the New Property Management Agreement without cause during the Transition Period. For the avoidance of doubt, Seller, Purchaser and New Property Manager, where applicable, further agree as follows:

(i) Effect of Termination of This Agreement. Seller, Purchaser and New Property Manager acknowledge and agree that, if either Seller or Purchaser has the right to terminate this Agreement during the Transition Period (including due to the failure of a Closing condition hereunder), and such party does terminate this Agreement during the Transition Period, then Seller and New Property Manager shall have the right to terminate the New Property Management Agreement at any time thereafter, without prejudice to the respective rights of Seller and New Property Manager under the New Property Management Agreement to pursue all remedies available to such party based on any then-extant default thereunder.

(ii) Effect of New Property Manager Default under New Property Management Agreement. Upon the occurrence of a default by New Property Manager under the New Property Management Agreement that would entitle Seller to terminate the New Property Management Agreement (after the expiration of any applicable notice and/or cure periods under the New Property Management Agreement), then such default shall also constitute a default by Purchaser under Section 13.1 of this Agreement. Purchaser and New Property Manager acknowledge and agree that if Seller elects to terminate this Agreement pursuant to such Section 13.1, then Seller shall have the right to terminate the New Property Management Agreement at any time thereafter, and that thereafter Seller shall have the rights and remedies available to it both under Section 13.1 hereof and under the Property Management Agreement.

(iii) Effect of Seller Default under New Property Management Agreement. Upon the occurrence of a default by Seller under the New Property Management Agreement that would entitle New Property Manager to terminate it (after the expiration of any applicable notice and/or cure periods), then such default shall also constitute a default by Seller under Section 13.2 of this Agreement. Seller acknowledges that if Purchaser elects to terminate this Agreement pursuant to such Section 13.2, then the New Property Management Agreement shall terminate thirty (30) days thereafter, New Property Manager shall have the rights and remedies available to it upon termination due to a default by Seller under the New Property Management Agreement, and Purchaser shall also have the remedies available to it under such Section 13.2.

ARTICLE 4
REPRESENTATIONS, WARRANTIES AND COVENANTS OF PURCHASER

SECTION 4.1 Representations and Warranties of Purchaser. Purchaser hereby represents and warrants to Seller as follows:

(a) Formation; Existence. Purchaser is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware.

(b) Power; Authority. Purchaser has all requisite power and authority to enter into this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement, the purchase of the Property and the consummation of the transactions provided for herein have been duly authorized by all necessary action on the part of Purchaser. This Agreement has been duly executed and delivered by Purchaser and constitutes the legal, valid and binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights and by general principles of equity (whether applied in a proceeding at law or in equity).

(c) No Consents. No consent, license, approval, order, permit or authorization of, or registration, filing or declaration with, any court, administrative agency or commission or other Governmental Authority, is required to be obtained or made in connection with the execution, delivery and performance of this Agreement by Purchaser or any of Purchaser's obligations in connection with the transactions required or contemplated hereby (other than the New Property Management Approval, as to the transactional matters associated with such approval).

(d) No Conflicts. Purchaser's execution, delivery and compliance with, and performance of the terms and provisions of, this Agreement, and the purchase of the Property, will not (i) conflict with or result in any violation of its organizational documents, (ii) conflict with or result in any violation of any provision of any bond, note or other instrument of indebtedness, contract, indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which Purchaser is a party in its individual capacity, or (iii) violate any Applicable Law relating to Purchaser or its assets or properties, except, in each case, for (A) any conflict or violation which will not materially adversely affect Purchaser's ability to consummate the transactions contemplated by this Agreement, and (B) the transactional matters subject to prior issuance of the New Property Management Approval.

(e) Bankruptcy. Purchaser has not (i) made a general assignment for the benefit of creditors, (ii) filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by Purchaser's creditors, (iii) suffered the appointment of a receiver to take possession of all, or substantially all, of Purchaser's assets, which remains pending, or (iv) suffered the attachment or other judicial seizure of all, or substantially all of Purchaser's assets, which remains pending.

(f) Anti-Terrorism Laws. Neither Purchaser nor to Purchaser's knowledge any beneficial owner of Purchaser: (i) is listed in the Executive Order and/or on any other list of terrorists or terrorist organizations maintained pursuant to any of the rules and regulations of OFAC or pursuant to any other applicable Orders; (ii) is a person or entity who has been determined by competent authority to be subject to the prohibitions contained in the Executive Orders; (iii) to Purchaser's knowledge, is owned or controlled by, or acts for or on behalf of, any person or entity on the Lists or any other person or entity who has been determined by competent authority to be subject to the prohibitions contained in the Executive Order, or (iv) is or has engaged in any dealings or transactions, or is otherwise associated, with any Forbidden Entity. The foregoing does not apply to any person or entity to the extent that such person's interest in Purchaser is through a US publicly traded entity.

SECTION 4.2 Covenants of Purchaser. From the Effective Date until the Closing or earlier termination of this Agreement, Purchaser or Purchaser's agents shall take any actions that may be required to comply with the terms of the Anti-Bribery, Anti-Money Laundering and Anti-Terrorism Laws, as amended, any regulations promulgated under the foregoing Applicable Laws, any sanctions program administered by the U.S. Department of Treasury's Office of Foreign Property Control or Financial Crimes Enforcement Network, or any other Applicable Laws designed to combat corruption, bribery, terrorism, drug trafficking or money laundering.

ARTICLE 5

CONDITIONS PRECEDENT TO CLOSING

SECTION 5.1 Conditions Precedent to Seller's Obligations. Seller's obligation to consummate the transfer of the Property to Purchaser on the Closing Date is subject to the satisfaction (or waiver by Seller in writing) as of Closing of the following conditions; provided, however, if the failure of any such condition is due to a default by Purchaser, Seller shall have the rights and remedies provided in Section 13.1:

(a) Each of the representations and warranties made by Purchaser in this Agreement shall be true and correct in all material respects when made and on and as of the Closing Date as though such representations and warranties were made on and as of the Closing Date (unless such representation or warranty is made on and as of a specific date, in which case it shall be true and correct in all material respects as of such date).

(b) Purchaser shall have performed or complied in all material respects with each obligation and covenant required by this Agreement to be performed or complied with by Purchaser for Closing.

(c) Seller or Escrow Agent shall have received all of the documents required to be delivered by Purchaser under Section 6.1.

(d) Seller or Escrow Agent shall have received the Purchase Price in accordance with Section 2.2 and all other amounts due to Seller hereunder.

(e) Subject to Section 14.27 hereof, Section 14.27 of the Three Property Purchase Agreement, Section 14.27 of the Sorrel Phillips Creek Ranch Purchase Agreement, and Section 14.27 of the Landings at Four Corners Purchase Agreement, the transactions contemplated by such Affiliated Purchase Agreements shall have been consummated in accordance with the terms and conditions thereof.

SECTION 5.2 Conditions Precedent to Purchaser's Obligations. Purchaser's obligation to purchase and pay for the Property on the Closing Date is subject to the satisfaction (or waiver by Purchaser in writing) as of Closing of the following conditions; provided, however, if the failure of any such condition is due to a default by Seller, Purchaser shall have the right and remedies provided in Section 13.2:

(a) Each of the representations and warranties made by Seller in this Agreement shall be true and correct in all material respects when made and on and as of the Closing Date as though such representations and warranties were made on and as of the Closing Date (unless such representation or warranty is made on and as of a specific date, in which case it shall be true and correct in all material respects as of such date), subject, in all respects, to the rights and obligations of the parties set forth in Section 3.2 of this Agreement.

(b) Seller shall have performed or complied in all material respects with each obligation and covenant required by this Agreement to be performed or complied with by Seller for Closing.

(c) Subject to Section 14.27 hereof, Section 14.27 of the Three Property Purchase Agreement, Section 14.27 of the Sorrel Phillips Creek Ranch Purchase Agreement, and Section 14.27 of the Landings at Four Corners Purchase Agreement, the transactions contemplated by such Affiliated Purchase Agreements shall have been consummated in accordance with the terms and conditions thereof.

(d) The Title Company shall be prepared and irrevocably committed to issue an Owner's Policy for the Property in the full amount of the Purchase Price, subject only to the Permitted Exceptions; provided, however, if the Title Company is unable or unwilling to issue the Owner's Policy, before Purchaser shall have the right to terminate this Agreement under this subsection (d), the parties shall first make commercially reasonable efforts to secure the Owner's Policy from another title insurer satisfactory to Purchaser, and if necessary the Closing Date shall be extended by a period of up to five (5) Business Days to attempt to arrange such replacement coverage.

SECTION 5.3 Waiver of Conditions Precedent. The occurrence of the Closing shall constitute conclusive evidence that Seller and Purchaser have respectively waived any conditions which are not satisfied as of the Closing.

SECTION 5.4 Failure of Conditions Precedent.

(a) General. In the event that any condition precedent to Closing has not been timely satisfied, then the party whose condition to Closing has not been satisfied shall have the right to terminate this Agreement by written notice delivered to the other party at Closing. In connection with any such termination, Purchaser shall be entitled to a return of the Earnest Money (less the Independent Contract Consideration), and Seller and Purchaser shall be released from further obligation or liability hereunder (except for those obligations and liabilities which expressly survive termination); provided, however, nothing herein shall be deemed to constitute a waiver of any right or remedy which the parties may have under Article 13.

(b) Certain Failures of Purchaser Conditions Precedent. Notwithstanding Section 5.4(a) hereof, the following terms shall apply beginning on **July 15, 2019**, if, and only if, (A) a Purchaser condition precedent under Section 5.2 is not timely satisfied, (B) a Seller default has not also occurred under Section 13.2 of this Agreement (in which event the Seller default provisions under this Agreement shall apply), and (C) Purchaser has the right to terminate this Agreement, and does terminate this Agreement, due to the condition failure:

(i) Escrow Agent shall return the Earnest Money (less the Independent Contract Consideration) to Purchaser.

(ii) Seller shall reimburse Purchaser for up to \$75,000.00 of Purchaser's actual, out of pocket expenses incurred for the transaction.

(iii) If Purchaser has deposited any funds with its mortgage lender ("Purchaser's Acquisition Lender") as a rate lock deposit with respect to Purchaser's acquisition financing ("Purchaser's Acquisition Loan") pursuant to a final written mortgage loan commitment from Purchaser's Acquisition Lender, and such mortgage lender refuses to return all or substantially all of such deposit, then Seller shall also reimburse Purchaser for Purchaser's actual out of pocket losses for the non-refundable portion of such deposit, not to exceed one percent (1.0%) of the amount of Purchaser's Acquisition Loan as shown in Purchaser's Acquisition Lender's written loan commitment.

(iv) Upon completion of subsections (i) through (iii) above, Seller and Purchaser shall be released from further obligation or liability hereunder (except for those obligations and liabilities which expressly survive termination).

ARTICLE 6
CLOSING DELIVERIES

SECTION 6.1 Purchaser's Closing Deliveries. Purchaser shall deliver the following to the Escrow Agent for Closing, in compliance with Section 2.3 hereof:

(a) With respect to the Property:

(i) Purchaser's duly executed counterpart to a Bill of Sale and Assignment of Leases, Contracts and General Intangibles (the "Bill of Sale and Assignment") for the Property, in substantially the form of Exhibit A attached hereto;

(ii) Intentionally Deleted;

(iii) Purchaser's duly executed counterpart to a Prohibition Against Condominium Conversion Agreement for the Property (the "Condominium Conversion Prohibition Agreement"), in substantially the form of Exhibit C attached hereto;

(iv) New Property Manager's duly executed counterpart of a Termination Agreement with regards to the New Property Management Agreement (the "PMA Termination"); and

(v) Purchaser's duly executed counterpart to the Closing Statement.

(b) With respect to the transactions contemplated hereunder:

(i) The Purchase Price as specified in Section 2.2, as adjusted by the application of the Earnest Money, and by the adjustments, prorations and credits provided herein;

(ii) to the extent that same are required to be executed by Purchaser under Applicable Law, all transfer tax returns or forms required for the conveyance of the Property, in each case, as prepared by Seller in coordination with and reasonably acceptable to Purchaser and duly executed by Purchaser;

(iii) such evidence as the Title Company may reasonably require as to the authority of the Person or Persons executing documents on behalf of Purchaser, and as to the legal existence and good standing of Purchaser;

(iv) a certificate dated as of the Closing Date and duly executed by Purchaser, stating that the representations and warranties of Purchaser contained in Article 4 of this Agreement are true and correct in all material respects as of the Closing Date; and

(v) such additional documents as shall be reasonably requested by the Escrow Agent or the Title Company to consummate the transaction contemplated by this Agreement; provided, however, that in no event shall Purchaser be required to indemnify the Title Company, the Escrow Agent, Seller, or any other party pursuant to any such documents, or undertake any other material liability not expressly contemplated in this Agreement, unless Purchaser elects to do so in its sole discretion.

SECTION 6.2 Seller's Closing Deliveries. Seller shall deliver the following to the Escrow Agent for Closing, in compliance with Section 2.3 hereof:

(a) Deed. A Florida special warranty deed in substantially the form of Exhibit D attached hereto duly executed by Seller for the Real Property, together with, as applicable, a quitclaim deed for the Real Property in accordance with Section 8.1(b) hereof;

(b) Condominium Conversion Prohibition Agreements. The Condominium Conversion Prohibition Agreement, as duly executed by Seller;

- (c) Bill of Sale and Assignment. The Bill of Sale and Assignment, as duly executed by Seller;
- (d) Tenant Notice. A duly executed notice letter to the tenants at the Property (the “Tenant Notice”), in substantially the form of Exhibit B attached hereto. Purchaser shall promptly deliver the same to all tenants following the Closing;
- (e) Vendor Notices. To the extent not already provided to Purchaser, letters to the vendors under Assumed Contracts for the Property, duly executed by Seller;
- (f) Title Affidavit. A Florida Owner’s Affidavit in substantially the form of Exhibit E attached hereto, duly executed by Seller (the “Title Affidavit”);
- (g) FIRPTA Affidavit. A duly executed and notarized affidavit from Seller that Seller is not a “foreign person” within the meaning of the Foreign Investment in Real Property Tax Act of 1980, as amended;
- (h) Seller’s Closing Certificate. A duly executed certificate in the form attached hereto as Exhibit F (the “Seller’s Closing Certificate”) from Seller dated as of the Closing Date, stating that the representations and warranties of Seller contained in Article 3 of this Agreement are true and correct in all material respects as of the Closing Date;
- (i) Intentionally omitted;
- (j) Closing Statement. Seller’s duly executed counterpart to the Closing Statement;
- (k) Rent Roll. An updated Rent Roll for the Property, dated no earlier than the date that is five (5) Business Days prior to the Closing Date (which Seller’s property manager may provide), for purposes of preparing the Closing Statement and attaching as an exhibit to the Seller’s Closing Certificate and to the Title Affidavit;
- (l) Transfer Tax Forms. All transfer tax returns or forms required for the conveyance of the Property, in each case as prepared by Seller in coordination with Purchaser and, to the extent required under Applicable Law, duly executed Seller;
- (m) Leases. To the extent in Seller’s possession or reasonable control, originals (or copies if the Property maintains the Leases solely through an electronic database) of the Leases, which requirement may be satisfied by delivery at the on-site property management office for the Property, rather than by delivery to the Escrow Agent;
- (n) Seller Authority Documents. Such evidence as the Title Company may reasonably require as to the authority of the Person or Persons executing documents on behalf of Seller, and as to the legal existence and good standing of Seller;

(o) Broker Documents. If required by the Title Company for a given Property, a broker's lien waiver or affidavit regarding such Property from the Broker or Brokers, and/or an affidavit regarding commercial real estate brokers from the applicable Seller, in form and substance reasonably acceptable to the Title Company;

(p) Possession. Possession of the Property, subject only to the Permitted Exceptions;

(q) PMA Termination. Seller's duly executed counterpart of the PMA Termination; and

(r) Miscellaneous. Such additional documents as shall be reasonably requested by the Escrow Agent or the Title Company to consummate the transaction contemplated by this Agreement; provided, however, that in no event shall Seller be required to indemnify the Title Company, the Escrow Agent, Purchaser, or any other party pursuant to any such documents, or undertake any other material liability not expressly contemplated in this Agreement, unless Seller elects to do so in its sole discretion.

ARTICLE 7
INSPECTIONS; DUE DILIGENCE; RELEASE

SECTION 7.1 Inspections.

(a) Purchaser Investigations. During the Due Diligence Period and until Closing or the earlier termination of this Agreement, Purchaser and Purchaser's partners, agents, employees, lenders, investors, property managers, representatives, attorneys, accountants, engineers, contractors, consultants and licensees (collectively, "Purchaser's Representatives") shall have the right to enter upon the Property and make such nondestructive on-site investigations, inspections, audits, analyses, appraisals, studies and tests, including, without limitation, surveys and engineering studies and reviewing Seller's Deliveries (individually, a "Purchaser Investigation" and collectively, the "Purchaser Investigations"), as Purchaser deems necessary or advisable; provided, however, that Purchaser shall not be permitted to conduct (i) any physically invasive inspection, sampling or test, or (ii) testing or sampling required for a Phase II environmental site assessment at the Property without Seller's prior written consent, which shall not be unreasonably withheld, conditioned or delayed to the extent any Phase I environmental assessment identifies a recognized environmental condition (meeting the ASTM E1527-13 standard) and recommends further testing, but may otherwise be withheld in Seller's sole discretion.

(b) Procedures. Purchaser and Purchaser's Representatives shall conduct all Purchaser Investigations strictly in accordance with the following procedures:

(i) All Purchaser Investigations at the Property shall be conducted during the normal business hours of the Property on Business Days, unless Seller otherwise approves in writing and upon appropriate notice to tenants as required under any Leases.

(ii) Purchaser shall deliver to Seller a written notice of Purchaser's intent to perform any Purchaser Inspection at the Property, in each case at least one (1) Business Day prior to the intended date of entry (notice to Brian Rideout by electronic mail at brideout@bluerockmi.com shall satisfy this notice requirement). Each such notice shall specify the Property and shall provide (A) the intended date of entry and the portion of the Property to be entered, (B) a description of the proposed Purchaser Investigations, including, without limitation, a list of contractors who will be performing the proposed Purchaser Investigations, and (C) in the instance of a physically invasive test otherwise permitted hereunder, a copy of Purchaser's testing plan outlining the tests that Purchaser intends to perform, and such other information reasonably requested by Seller in connection with such physically invasive testing. Neither Purchaser nor any Purchaser's Representative shall enter any portion of any Property until Seller has given written approval of both the request and any testing plan, which approval may be given by electronic mail to Jamie Shanks at jshanks@carterhaston.com.

(iii) A representative of Seller shall have the right, but not the obligation, to be present during any Purchaser Investigation.

(iv) Neither Purchaser nor any Purchaser's Representative shall interfere unreasonably with the use, occupancy or enjoyment rights of any tenants, occupants, invitees, employees or contractors of Seller at the Property or of any such tenants' or occupants' employees, contractors, customers or guests.

(v) Purchaser shall have no right to make inquiries of tenants, occupants, invitees, employees or contractors of Seller without Seller's prior written consent, which may be conditioned upon an agent or representative of Seller accompanying Purchaser or Purchaser's Representatives during such inquiries.

(vi) Purchaser shall have the right to make customary inquiries to confirm existing factual matters or to request publicly available information, in either case, with regard to the Property, arising in connection with (A) a Phase I environmental site assessment, (B) a third-party zoning compliance report, (C) a zoning compliance letter from applicable governmental authorities, (D) a request for copies of permits and licenses, including certificates of occupancy, (E) a request to the applicable Governmental Authorities as to the status of the existing development rights or entitlements with respect to the Property, or (F) taxes attributable to the Property. Notwithstanding the foregoing, neither Purchaser nor any Purchaser Representative shall affirmatively request any governmental or quasi-governmental agency to undertake any action which would or could lead to a hearing before any governmental or quasi-governmental agency, or which would or could lead to a note or notice of violation of law or municipal ordinance, order or requirement imposed by such an agency, at the Property, or any change in zoning, licenses, permits or other entitlements or any investigation or restriction on the use of the Property or any part thereof by such an agency, except to the extent that Seller provides prior written consent to such inquiries in Seller's sole discretion.

(vii) Following each entry by Purchaser or any Purchaser's Representative with respect to any Purchaser Investigation, Purchaser shall promptly restore, or cause to be restored, the Property to substantially the same condition as existed immediately prior to the Purchaser Investigation. Except in connection with radon testing, Purchaser shall not have the right to submit any samples or other materials to any testing laboratory or similar facility without obtaining the prior written consent of Seller in Seller's sole discretion. The restoration provisions of this subsection shall survive the termination or expiration of this Agreement.

(viii) Prior to entering onto the Property to conduct any Purchaser Investigation, Purchaser shall obtain (or shall cause Purchaser's Representatives to obtain), and during the period of all Purchaser Investigations shall maintain or cause to be maintained, at the sole expense of Purchaser or Purchaser's Representatives, with respect to the Property: (A) commercial general liability ("CGL") insurance, issued on a form at least as broad as Insurance Services Office ("ISO") Commercial General Liability Coverage "occurrence" form CG 00 01 10 01 or another "occurrence" form providing equivalent coverage, including contractual liability coverage with respect to Purchaser's obligations under this Agreement and personal injury liability coverage, with limits of not less than Two Million Dollars (\$2,000,000) for any one occurrence and Five Million Dollars (\$5,000,000) in the aggregate; (B) comprehensive automobile liability insurance (covering any automobiles owned or operated by Purchaser or Purchaser's Representatives) issued on a form at least as broad as ISO Business Auto Coverage form CA 00 01 07 97 or other form providing equivalent coverage; (C) worker's compensation insurance, and (D) employer's liability insurance. Such automobile liability insurance shall be in an amount not less than One Million Dollars (\$1,000,000) for each accident. Such worker's compensation insurance shall carry minimum limits as defined by the law of the jurisdiction in which the applicable Property is located (as the same may be amended from time to time). Such employer's liability insurance shall be in an amount not less than Two Million Dollars (\$2,000,000) for each accident, Two Million Dollars (\$2,000,000) disease-policy limit, and Two Million Dollars (\$2,000,000) disease-each employee. Seller (and, upon Seller's request, the Property Manager and Property mortgagee(s)) shall be named as additional insureds on the CGL and automobile liability insurance policies with respect to liability arising out of the named insured's acts or omissions relating to the Property. Each such insurance policy shall be subject to Seller's prior written approval, not to be unreasonably withheld or delayed (for avoidance of doubt, such written approval shall be deemed given by Seller allowing Purchaser and Purchaser's Representatives on the Property to the extent the insurance policy otherwise satisfies the coverage types and amounts set forth in this Section 7.1(b)(viii)). Prior to making any entry upon the Property, Purchaser or Purchaser's Representatives shall furnish to Seller a certificate of insurance evidencing the foregoing coverages for the Property, which certificate of insurance shall be in form and substance reasonably satisfactory to Seller.

(ix) Purchaser agrees (A) to promptly pay when due all costs associated with the Purchaser Investigations and (B) not to cause, permit or suffer any lien or encumbrance to be asserted against the Property related to the Purchaser Investigations. The provisions of this subsection shall survive the termination or expiration of this Agreement.

(x) Purchaser shall comply with all Applicable Law which might in any way relate to the Purchaser Investigations.

(xi) Neither Purchaser nor any Purchaser's Representative shall damage any part of the Property or any personal property owned or held by any tenant, occupant or third party.

(c) Indemnification. Purchaser shall indemnify, hold harmless and defend Seller, and its members, officers, managers, employees and shareholders (collectively, the “Seller Indemnified Parties”) from and against any and all Claims actually incurred by Seller or any other indemnified party and caused by and arising out of (i) any Purchaser Investigation (i.e., without regard to the phrase “*nondestructive*” included in the definition of Purchaser Investigation) conducted by or at the behest of Purchaser and/or any Purchaser’s Representative, or (ii) any breach by Purchaser and/or any Purchaser’s Representative of the terms of this Section 7.1. Notwithstanding the foregoing, Purchaser shall have no liability for (and no obligation to indemnify, defend and/or hold any of the Seller Indemnified Parties harmless from) Claims arising from (A) pre-existing conditions merely discovered by Purchaser Investigations and not exacerbated by Purchaser or Purchaser’s Representatives (and in any event, only to the extent of such exacerbation), (B) the gross negligence or intentional wrongdoing of Seller, the Seller Indemnified Parties, or any Property’s tenants, occupants and invitees (other than Purchaser and Purchaser’s Representatives), or (C) any consequential, punitive, special or other similar damages. For the avoidance of doubt, Purchaser acknowledges that this Section 7.1(c) also applies to Claims arising during the portion of the Due Diligence Period that preceded the Effective Date of this Agreement. This Section 7.1(c) shall survive Closing or any termination of this Agreement.

(d) WAIVER AND RELEASE. PURCHASER, FOR ITSELF AND ALL OF PURCHASER’S REPRESENTATIVES, HEREBY WAIVES AND RELEASES EACH OF SELLER AND ITS MEMBERS, OFFICERS, MANAGERS, EMPLOYEES AND SHAREHOLDERS FROM ALL CLAIMS RESULTING DIRECTLY OR INDIRECTLY FROM ACCESS TO, ENTRANCE UPON, OR INSPECTION OF THE PROPERTY BY PURCHASER OR ANY OF PURCHASER’S REPRESENTATIVES FROM AND AFTER THE COMMENCEMENT OF THE DUE DILIGENCE PERIOD, UNLESS ARISING FROM THE WRONGFUL MISCONDUCT OR GROSS NEGLIGENCE OF SELLER. THE PROVISIONS OF THIS SECTION 7.1(D) SHALL SURVIVE CLOSING OR ANY TERMINATION OF THIS AGREEMENT. FOR THE AVOIDANCE OF DOUBT, PURCHASER ACKNOWLEDGES THAT THIS SECTION 7.1(D) ALSO APPLIES TO ALL CLAIMS ARISING DURING THE PORTION OF THE DUE DILIGENCE PERIOD THAT PRECEDED THE EFFECTIVE DATE OF THIS AGREEMENT.

SECTION 7.2 Seller’s Deliveries.

(a) To the extent that it has not already done so under the Access Agreement, Seller will make available to Purchaser and Purchaser’s Representatives for their review, in an online data room and/or at the Property, items and information pertaining to the Property set forth on Schedule B attached hereto (collectively referred to as the “Seller’s Deliveries”). Except as otherwise set forth in this Agreement, the Seller’s Deliveries are made available to Purchaser without representation or warranty by, or recourse against, Seller, it being agreed that Purchaser shall not rely on such documents and shall independently verify the truth, accuracy and completeness of said information and/or items contained therein.

(b) If this Agreement is terminated prior to Closing, within seven (7) days from the date of Seller's request, Purchaser shall return or cause to be returned to Seller or destroy or cause to be destroyed all of the Seller's Deliveries (and provide written confirmation of such destruction to Seller). This Section 7.2(b) shall survive the termination of this Agreement.

SECTION 7.3 Purchaser's Termination Right.

(a) On or before the expiration of the Due Diligence Period, Purchaser shall deliver written notice (the "Diligence Notice") to Seller stating either (i) that Purchaser elects to terminate this Agreement, in which event the Escrow Agent shall return the Earnest Money to Purchaser without the consent of Seller or any other Person and no party shall have any further rights or obligations under this Agreement (except for provisions hereof that are expressly stated to survive a termination of this Agreement), or (ii) that Purchaser elects not to terminate this Agreement, in which event (A) Purchaser shall thereupon be deemed to have waived any right to terminate this Agreement pursuant to the provisions of this Section 7.3(a) and this Agreement shall continue in full force and effect in accordance with its terms and (B) the Earnest Money shall thereupon become nonrefundable, except as expressly specified in this Agreement. Purchaser's failure to timely deliver the Diligence Notice to Seller shall be deemed to constitute Purchaser's election not to terminate this Agreement (i.e. to elect clause (ii) above). For the avoidance of doubt, Purchaser's right to terminate this Agreement pursuant to clause (i) above shall be made at the sole discretion of Purchaser and can be made for any reason or no reason.

(b) Purchaser hereby agrees that in the event Purchaser delivers (or is deemed to have delivered) a Diligence Notice electing not to terminate this Agreement, the same shall constitute Purchaser's acknowledgment that Purchaser has had adequate opportunity to consider, inspect and review to its satisfaction the physical, environmental, economic and legal condition of the Property and all files and information in Seller's possession that Purchaser deems material to the purchase of the Property.

SECTION 7.4 Seller's Disclaimer. Purchaser acknowledges the following:

ANY INFORMATION PROVIDED OR TO BE PROVIDED BY OR ON BEHALF OF SELLER WITH RESPECT TO THE PROPERTY IS PROVIDED SOLELY FOR PURCHASER'S CONVENIENCE. SUCH INFORMATION WAS OR WILL BE OBTAINED FROM A VARIETY OF SOURCES, INCLUDING FROM SELLER'S PROPERTY MANAGER. SELLER HAS NOT MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION AND MAKES NO (AND EXPRESSLY DISCLAIMS ALL) REPRESENTATIONS AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION, EXCEPT AS SET FORTH IN THIS AGREEMENT OR IN THE CLOSING DOCUMENTS TO BE DELIVERED BY SELLER. EXCEPT AS OTHERWISE PROVIDED HEREIN OR IN SELLER'S CLOSING DOCUMENTS, SELLER SHALL NOT BE LIABLE FOR ANY MISTAKES, OR OMISSIONS, OR FOR ANY PARTY'S FAILURE TO INVESTIGATE THE PROPERTY, NOR SHALL SELLER BE BOUND IN ANY MANNER BY ANY VERBAL OR WRITTEN STATEMENTS, REPRESENTATIONS, APPRAISALS, ENVIRONMENTAL SITE ASSESSMENTS OR OTHER INFORMATION PERTAINING TO THE PROPERTY OR THE OPERATION THEREOF, FURNISHED BY SELLER, SELLER'S PROPERTY MANAGER, SELLER'S REPRESENTATIVES OR ANY OTHER PERSON ACTING ON BEHALF OF SELLER, EXCEPT AS SET FORTH IN THIS AGREEMENT OR IN SELLER'S CLOSING DOCUMENTS.

(a) IN ENTERING INTO THIS AGREEMENT, PURCHASER HAS NOT BEEN INDUCED BY AND HAS NOT RELIED UPON ANY WRITTEN OR ORAL REPRESENTATIONS, WARRANTIES OR STATEMENTS, WHETHER EXPRESS OR IMPLIED, MADE BY SELLER, OR ANY AFFILIATE, AGENT, EMPLOYEE, OR OTHER REPRESENTATIVE OF SELLER, OR BY ANY BROKER OR ANY OTHER PERSON REPRESENTING OR PURPORTING TO REPRESENT SELLER WITH RESPECT TO THE PROPERTY, THE CONDITION OF THE PROPERTY OR ANY OTHER MATTER AFFECTING OR RELATING TO THE TRANSACTIONS CONTEMPLATED HEREBY, OTHER THAN THOSE EXPRESSLY SET FORTH IN THIS AGREEMENT OR IN THE SELLER'S CLOSING DOCUMENTS. PURCHASER'S OBLIGATIONS UNDER THIS AGREEMENT SHALL NOT BE SUBJECT TO ANY CONTINGENCIES, DILIGENCE OR CONDITIONS EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT. DURING ITS DUE DILIGENCE PERIOD AND PURSUANT TO THE TERMS OF THIS AGREEMENT, PURCHASER IS ENCOURAGED TO CONDUCT AN INDEPENDENT INVESTIGATION AND INSPECTION OF THE PROPERTY, UTILIZING SUCH EXPERTS AS PURCHASER DEEMS TO BE NECESSARY FOR AN INDEPENDENT ASSESSMENT OF THE IMPROVEMENTS AND EQUIPMENT USED IN THE OPERATION OF THE PROPERTY, AND COMPLIANCE OF THE PROPERTY (INCLUDING SPECIFICALLY THE IMPROVEMENTS) WITH APPLICABLE LAWS, INCLUDING THE FEDERAL AMERICANS WITH DISABILITIES ACT AND/OR APPLICABLE ENVIRONMENTAL LAWS. PURCHASER AGREES THAT THE PROPERTY WILL BE SOLD AND CONVEYED TO (AND ACCEPTED BY) PURCHASER AT CLOSING IN THE THEN-EXISTING CONDITION OF THE PROPERTY, AS IS, WHERE IS, WITH ALL FAULTS, AND WITHOUT ANY WRITTEN OR VERBAL REPRESENTATIONS OR WARRANTIES WHATSOEVER, WHETHER EXPRESS OR IMPLIED OR ARISING BY OPERATION OF LAW, OTHER THAN AS EXPRESSLY SET FORTH IN THIS AGREEMENT OR IN SELLER'S CLOSING DOCUMENTS. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, EXCEPT AS SET FORTH IN THIS AGREEMENT OR IN SELLER'S CLOSING DOCUMENTS, THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT ARE WITHOUT STATUTORY, EXPRESS OR IMPLIED WARRANTY, REPRESENTATION, AGREEMENT, STATEMENT OR EXPRESSION OF OPINION OF OR WITH RESPECT TO THE CONDITION OF THE PROPERTY OR ANY ASPECT THEREOF, INCLUDING, WITHOUT LIMITATION, (I) ANY AND ALL STATUTORY, EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES RELATED TO THE SUITABILITY FOR HABITATION, MERCHANTABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS FOR USE OR ACCEPTABILITY FOR THE PURPOSE INTENDED BY PURCHASER OR ANY WARRANTIES OR COVENANTS UNDER FLORIDA STATUTE WITH RESPECT TO ANY OF THE REAL PROPERTY OR ITS CONDITION OR THE CONSTRUCTION, PROSPECTS, OPERATIONS OR RESULTS OF OPERATIONS OF THE PROPERTY, (II) ANY STATUTORY, EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES CREATED BY ANY AFFIRMATION OF FACT OR PROMISE, BY ANY DESCRIPTION OF THE PROPERTY OR BY OPERATION OF LAW, AND (III) ALL OTHER STATUTORY, EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES BY SELLER OF ANY TYPE WHATSOEVER. PURCHASER ACKNOWLEDGES THAT PURCHASER HAS KNOWLEDGE AND EXPERTISE IN FINANCIAL AND BUSINESS MATTERS THAT ENABLE PURCHASER TO EVALUATE THE MERITS AND RISKS OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

(b) FOR PURPOSES OF THIS AGREEMENT, THE TERM "CONDITION OF THE PROPERTY" MEANS THE FOLLOWING MATTERS:

(i) PHYSICAL CONDITION OF THE REAL PROPERTY. THE QUALITY, NATURE AND ADEQUACY OF THE PHYSICAL CONDITION OF THE REAL PROPERTY, INCLUDING, WITHOUT LIMITATION, THE QUALITY OF THE DESIGN, LABOR AND MATERIALS USED TO CONSTRUCT THE IMPROVEMENTS INCLUDED IN THE REAL PROPERTY; THE CONDITION OF STRUCTURAL ELEMENTS, FOUNDATIONS, ROOFS, GLASS, MECHANICAL, PLUMBING, ELECTRICAL, HVAC, SEWAGE, AND UTILITY COMPONENTS AND SYSTEMS; THE CAPACITY OR AVAILABILITY OF SEWER, WATER, OR OTHER UTILITIES; THE GEOLOGY, FLORA, FAUNA, SOILS, SUBSURFACE CONDITIONS, GROUNDWATER, LANDSCAPING, AND IRRIGATION OF OR WITH RESPECT TO THE REAL PROPERTY, THE LOCATION OF THE REAL PROPERTY IN OR NEAR ANY SPECIAL TAXING DISTRICT, FLOOD HAZARD ZONE, WETLANDS AREA, PROTECTED HABITAT, GEOLOGICAL FAULT OR SUBSIDENCE ZONE, HAZARDOUS WASTE DISPOSAL OR CLEAN-UP SITE, OR OTHER SPECIAL AREA, THE EXISTENCE, LOCATION, OR CONDITION OF INGRESS, EGRESS, ACCESS, AND PARKING; THE CONDITION OF THE PERSONAL PROPERTY AND ANY FIXTURES; AND THE PRESENCE OF ANY ASBESTOS OR OTHER HAZARDOUS MATERIALS, DANGEROUS, OR TOXIC SUBSTANCE, MATERIAL OR WASTE IN, ON, UNDER OR ABOUT THE REAL PROPERTY AND THE IMPROVEMENTS LOCATED THEREON.

(ii) ADEQUACY OF THE PROPERTY. THE ECONOMIC FEASIBILITY, CASH FLOW AND EXPENSES OF THE PROPERTY, AND HABITABILITY, MERCHANTABILITY, FITNESS, SUITABILITY AND ADEQUACY OF THE REAL PROPERTY FOR ANY PARTICULAR USE OR PURPOSE.

(iii) LEGAL COMPLIANCE OF THE PROPERTY. THE COMPLIANCE OR NON-COMPLIANCE OF SELLER OR THE OPERATION OF THE PROPERTY OR ANY PART THEREOF IN ACCORDANCE WITH, AND THE CONTENTS OF, (A) ALL CODES, LAWS, ORDINANCES, REGULATIONS, AGREEMENTS, LICENSES, PERMITS, APPROVALS AND APPLICATIONS OF OR WITH ANY GOVERNMENTAL AUTHORITIES ASSERTING JURISDICTION OVER THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THOSE RELATING TO ZONING, BUILDING, PUBLIC WORKS, PARKING, FIRE AND POLICE ACCESS, HANDICAP ACCESS, LIFE SAFETY, SUBDIVISION AND SUBDIVISION SALES, AND HAZARDOUS MATERIALS, DANGEROUS, AND TOXIC SUBSTANCES, MATERIALS, CONDITIONS OR WASTE, INCLUDING, WITHOUT LIMITATION, THE PRESENCE OF HAZARDOUS MATERIALS IN, ON, UNDER OR ABOUT THE PROPERTY THAT WOULD CAUSE STATE OR FEDERAL AGENCIES TO REQUIRE CLEANUP OR MITIGATION WORK AT THE PROPERTY UNDER ANY APPLICABLE LEGAL REQUIREMENTS AND (B) ALL AGREEMENTS, COVENANTS, CONDITIONS, RESTRICTIONS (PUBLIC OR PRIVATE), CONDOMINIUM PLANS, DEVELOPMENT AGREEMENTS, SITE PLANS, BUILDING PERMITS, BUILDING RULES, AND OTHER INSTRUMENTS AND DOCUMENTS GOVERNING OR AFFECTING THE USE, MANAGEMENT, AND OPERATION OF THE PROPERTY.

(iv) SELLER'S CORE DELIVERIES. THE MATTERS DISCLOSED IN SELLER'S CORE DELIVERIES.

(v) INSURANCE. THE AVAILABILITY, COST, TERMS AND COVERAGE OF LIABILITY, HAZARD, COMPREHENSIVE AND ANY OTHER INSURANCE OF OR WITH RESPECT TO THE PROPERTY.

(vi) CONDITION OF TITLE. SUBJECT TO SECTION 8.3, THE CONDITION OF TITLE TO THE REAL PROPERTY, INCLUDING, WITHOUT LIMITATION, VESTING, LEGAL DESCRIPTION, MATTERS AFFECTING TITLE, TITLE DEFECTS, LIENS, ENCUMBRANCES, BOUNDARIES, ENCROACHMENTS, MINERAL RIGHTS, OPTIONS, EASEMENTS, AND ACCESS; VIOLATIONS OF RESTRICTIVE COVENANTS, ZONING ORDINANCES, SETBACK LINES, OR DEVELOPMENT AGREEMENTS; THE AVAILABILITY, COST, AND COVERAGE OF TITLE INSURANCE; LEASES, RENTAL AGREEMENTS, OCCUPANCY AGREEMENTS, RIGHTS OF PARTIES IN POSSESSION OF, USING, OR OCCUPYING THE REAL PROPERTY; AND STANDBY FEES, TAXES, BONDS AND ASSESSMENTS.

SECTION 7.6 RELEASE.

(a) SUBJECT TO THE TERMS OF THIS AGREEMENT AND THE CLOSING DOCUMENTS, PURCHASER HEREBY AGREES THAT EFFECTIVE AS OF THE CLOSING DATE, SELLER, AND EACH OF SELLER'S PARTNERS, MEMBERS, TRUSTEES, DIRECTORS, OFFICERS, EMPLOYEES, REPRESENTATIVES, PROPERTY MANAGERS, ASSET MANAGERS, AGENTS, ATTORNEYS, AFFILIATES AND RELATED ENTITIES, HEIRS, SUCCESSORS, AND ASSIGNS (COLLECTIVELY, THE "RELEASED PARTIES") SHALL BE, AND ARE HEREBY, FULLY AND FOREVER RELEASED AND DISCHARGED FROM ANY AND ALL LIABILITIES, LOSSES, CLAIMS (INCLUDING THIRD PARTY CLAIMS), DEMANDS, DAMAGES (OF ANY NATURE WHATSOEVER), CAUSES OF ACTION, COSTS, PENALTIES, FINES, JUDGMENTS, REASONABLE ATTORNEYS' FEES, CONSULTANTS' FEES AND COSTS AND EXPERTS' FEES (COLLECTIVELY, "CLAIMS") WITH RESPECT TO ANY AND ALL CLAIMS, WHETHER DIRECT OR INDIRECT, KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, THAT MAY ARISE ON ACCOUNT OF OR IN ANY WAY BE CONNECTED WITH THE PROPERTY INCLUDING, WITHOUT LIMITATION, THE PHYSICAL, ENVIRONMENTAL AND STRUCTURAL CONDITION OF THE PROPERTY OR THE REAL PROPERTY OR ANY LAW OR REGULATION APPLICABLE THERETO, INCLUDING, WITHOUT LIMITATION, ANY CLAIM OR MATTER (REGARDLESS OF WHEN IT FIRST APPEARED) RELATING TO OR ARISING FROM (A) THE PRESENCE OF ANY ENVIRONMENTAL PROBLEMS, OR THE USE, PRESENCE, STORAGE, RELEASE, DISCHARGE, OR MIGRATION OF HAZARDOUS MATERIALS ON, IN, UNDER OR AROUND THE REAL PROPERTY REGARDLESS OF WHEN SUCH HAZARDOUS MATERIALS WERE FIRST INTRODUCED IN, ON OR ABOUT THE REAL PROPERTY, (B) ANY PATENT OR LATENT DEFECTS OR DEFICIENCIES WITH RESPECT TO THE PROPERTY, (C) ANY AND ALL MATTERS RELATED TO THE PROPERTY OR ANY PORTION THEREOF, INCLUDING WITHOUT LIMITATION, THE CONDITION AND/OR OPERATION OF THE PROPERTY AND EACH PART THEREOF, (D) ANY AND ALL MATTERS RELATED TO THE CURRENT OR FUTURE ZONING OR USE OF THE REAL PROPERTY, AND (E) THE PRESENCE, RELEASE AND/OR REMEDIATION OF ASBESTOS AND ASBESTOS-CONTAINING MATERIALS IN, ON OR ABOUT THE REAL PROPERTY REGARDLESS OF WHEN SUCH ASBESTOS AND ASBESTOS CONTAINING MATERIALS WERE FIRST INTRODUCED IN, ON OR ABOUT THE REAL PROPERTY; PROVIDED, HOWEVER, THAT IN NO EVENT SHALL RELEASED PARTIES BE RELEASED FROM ANY CLAIMS ARISING PURSUANT TO THE PROVISIONS OF THIS AGREEMENT OR SELLER'S OBLIGATIONS, IF ANY, UNDER THE CLOSING DOCUMENTS. EFFECTIVE AS OF THE CLOSING DATE, PURCHASER HEREBY WAIVES AND AGREES NOT TO COMMENCE ANY ACTION, LEGAL PROCEEDING, CAUSE OF ACTION OR SUITS IN LAW OR EQUITY, OF WHATEVER KIND OR NATURE, INCLUDING, BUT NOT LIMITED TO, ANY CAUSE OF ACTION OR SUIT UNDER ENVIRONMENTAL LAWS, AGAINST THE RELEASED PARTIES OR THEIR AGENTS IN CONNECTION WITH THE RELEASED CLAIMS DESCRIBED ABOVE.

(b) TO THE GREATEST EXTENT PERMITTED BY LAW SUBJECT TO THE TERMS OF THIS AGREEMENT AND THE CLOSING DOCUMENTS, PURCHASER HEREBY ACKNOWLEDGES AND AGREES THAT FACTUAL MATTERS NOT KNOWN TO IT MAY HAVE GIVEN OR MAY HEREAFTER GIVE RISE TO CAUSES OF ACTION, CLAIMS, DEMANDS, DEBTS, CONTROVERSIES, DAMAGE, COSTS, LOSSES AND EXPENSES WHICH ARE PRESENTLY UNKNOWN, UNANTICIPATED AND UNSUSPECTED. PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT THE WAIVERS AND RELEASES HEREIN HAVE BEEN NEGOTIATED AND AGREED UPON IN LIGHT THE FOREGOING SENTENCE AND THAT, EFFECTIVE AS OF THE CLOSING DATE, SUBJECT TO THE TERMS OF THIS AGREEMENT AND THE CLOSING DOCUMENTS, PURCHASER NEVERTHELESS HEREBY INTENDS TO RELEASE, DISCHARGE AND ACQUIT SELLER FROM ANY SUCH UNKNOWN CLAIMS, DEBTS, AND CONTROVERSIES WHICH MIGHT IN ANY WAY BE INCLUDED AS A MATERIAL PORTION OF THE CONSIDERATION GIVEN TO SELLER BY PURCHASER IN EXCHANGE FOR THE SELLER'S PERFORMANCE HEREUNDER.

(c) THIS RELEASE SHALL BE GIVEN FULL FORCE AND EFFECT ACCORDING TO EACH OF ITS EXPRESSED TERMS AND PROVISIONS, INCLUDING THOSE RELATING TO UNKNOWN AND UNSUSPECTED CLAIMS, DAMAGES AND CAUSES OF ACTION.

(d) SELLER HAS GIVEN PURCHASER MATERIAL CONCESSIONS REGARDING THIS TRANSACTION IN EXCHANGE FOR PURCHASER'S AGREEING TO THE PROVISIONS OF THIS SECTION 7.6. THE PROVISIONS OF THIS SECTION 7.6 SHALL SURVIVE CLOSING WITHOUT LIMITATION AND SHALL NOT BE DEEMED MERGED INTO ANY INSTRUMENT OR CONVEYANCE DELIVERED AT CLOSING.

(e) NOTHING IN THIS AGREEMENT SHALL BE INTERPRETED AS WAIVING ANY CLAIM OF PURCHASER WITH RESPECT TO (A) ANY BREACH BY SELLER OF ANY EXPRESS REPRESENTATIONS, WARRANTIES OR COVENANTS MADE BY SELLER IN THIS AGREEMENT OR THE CLOSING DOCUMENTS, OR (B) ANY THIRD PARTY (INCLUDING GOVERNMENTAL) CLAIM, DEMAND, OR ACTION AGAINST PURCHASER REGARDING THE PROPERTY THAT RESULTS FROM THE ACTS OR OMISSIONS OF A RELEASED PARTY OR OTHER EVENTS OCCURRING DURING SELLER'S PERIOD OF OWNERSHIP OF THE PROPERTY. FURTHER, NOTWITHSTANDING ANYTHING IN IN THIS AGREEMENT TO THE CONTRARY: (I) PURCHASER SHALL HAVE THE RIGHT TO DEFEND GOVERNMENT AND THIRD-PARTY CLAIMS BY ALLEGING THAT SELLER, A RELEASED PARTY OR SOMEONE ACTING ON SELLER'S BEHALF, NOT PURCHASER, IS LIABLE FOR SUCH CLAIMS AND PURCHASER HAS NO OBLIGATION TO INDEMNIFY A RELEASED PARTY FOR GOVERNMENTAL OR THIRD PARTY CLAIMS ASSERTED BEFORE OR AFTER THE CLOSING AS A RESULT OF ANY ACT OR OMISSION TAKEN OR FAILED TO BE TAKEN BY OR ON A RELEASED PARTY'S BEHALF PRIOR TO THE CLOSING; AND (II) THE ACKNOWLEDGMENTS, WAIVERS AND RELEASES SET FORTH BY PURCHASER IN THIS AGREEMENT SHALL NOT APPLY TO THIRD-PARTY TORT CLAIMS RELATING TO THE PROPERTY AND OCCURRING DURING SELLER'S OWNERSHIP OF THE PROPERTY. ADDITIONALLY, SELLER AND PURCHASER HEREBY ACKNOWLEDGE AND AGREE THAT THE WAIVERS AND RELEASES SET FORTH BY PURCHASER IN THIS AGREEMENT ARE NOT INTENDED TO BE AND SHALL NOT BE CONSTRUED AS A WAIVER OF SIMILAR CLAIMS AGAINST ANY OF SELLER'S PREDECESSORS-IN-TITLE WITH RESPECT TO THE PROPERTY ("PREDECESSORS"), OR ANY SUCH PREDECESSOR'S OFFICERS, MEMBERS, MANAGERS, DIRECTORS, PARTNERS, EMPLOYEES, AGENTS OR CONTRACTORS, OR ANY OTHER PERSON ACTING ON BEHALF OF ANY SUCH PREDECESSORS.

(f) **ADDITIONALLY, NOTWITHSTANDING ANY PROVISION HEREOF TO THE CONTRARY, THE ACKNOWLEDGMENTS, WAIVERS AND RELEASES SET FORTH IN THIS AGREEMENT BY PURCHASER AND THE SURVIVAL PERIOD (AS SET FORTH IN SECTION 11.4 OF THIS AGREEMENT) SHALL NOT APPLY TO ANY CLAIM WITH RESPECT TO ANY FRAUDULENT MISREPRESENTATION BY SELLER; PROVIDED, HOWEVER, IN THE EVENT THAT PURCHASER BRINGS AN ACTION AGAINST SELLER ALLEGING FRAUD AND PURCHASER THEREAFTER FAILS TO OBTAIN A FINAL, UNAPPEALABLE JUDGMENT AGAINST SELLER ON THE BASIS OF FRAUD, THEN PURCHASER SHALL PROMPTLY PAY TO SELLER AS LIQUIDATED DAMAGES, AND NOT AS A PENALTY, THE AMOUNT OF TWO MILLION FIVE HUNDRED THOUSAND DOLLARS (\$2,500,000.00). PURCHASER AND SELLER AGREE THAT SELLER'S DAMAGES RESULTING FROM AN ALLEGATION OF FRAUD ARE DIFFICULT, IF NOT IMPOSSIBLE, TO DETERMINE, AND THAT THE AMOUNT SET FORTH IN THIS SECTION 7.6(f) IS A FAIR ESTIMATE OF THOSE DAMAGES WHICH HAS BEEN AGREED TO IN AN EFFORT TO CAUSE THE AMOUNT OF SUCH DAMAGES TO BE CERTAIN.**

SECTION 7.7 Effect of Purchaser Waiver of Lead-Based Paint Inspections. Purchaser acknowledges that it has had or will have the opportunity to undertake studies, inspections or investigations of the Real Property as Purchaser deemed or deems necessary to evaluate the presence of lead-based paint and/or lead-based paint hazards on the Real Property. To the extent that Purchaser has waived or otherwise declined the opportunity to undertake such inspections and investigations as a condition to the completion of the transaction under the terms of the Agreement, Purchaser has knowingly and voluntarily done so. Purchaser understands and acknowledges that certain of the Improvements or portions thereof may have been built prior to 1978, and that lead-based paint and/or lead-based paint hazards may be present on the Real Property. Except as otherwise set forth in this Agreement or the Closing Documents, Seller shall have no responsibility or liability with respect to any such presence of lead-based paint at the Property.

ARTICLE 8
TITLE AND PERMITTED EXCEPTIONS

SECTION 8.1 Title Insurance and Survey.

(a) Title Commitment. Seller has delivered to Purchaser a title commitment for an ALTA Owner's Title Insurance Policy (the "Title Commitment") issued by the Title Company covering the Real Property providing for the issuance at the Closing to Purchaser of the Owner's Policy. Upon issuance, the Owner's Policy will except from coverage only those exceptions which become Permitted Exceptions pursuant to this Agreement. Except as permitted under this Agreement, no additional encumbrances may be created on the Property by Seller from and after the date of the Title Commitment without the prior written consent of Purchaser.

(b) Updated Survey. Seller has provided a copy of Seller's most recent survey of the Real Property to Purchaser as part of Seller's Deliveries. Seller has also delivered to Purchaser a new ALTA/NSPS survey for the Real Property (the "Updated Survey"). If the legal description for the Land on the Updated Survey differs from the legal description attached to this Agreement for the Land, upon Purchaser's request, Seller shall execute and deliver to Purchaser at Closing a quitclaim deed, without representation or warranty, that uses the legal description set forth on the Updated Survey.

(c) Disapproved Title Matters. Purchaser notified Seller in writing (the "Title Objection Notice") on **May 31, 2019** (the expiration date of Purchaser's "Title Review Period") as to which matters within the Title Commitment and which survey matters disclosed on the Updated Survey are not acceptable to Purchaser (individually, a "Disapproved Title Matter"). Any matter within the Title Commitment and the Updated Survey that Purchaser failed to so disapprove in the Title Objection Notice shall be conclusively deemed to have been approved by Purchaser and shall constitute a "Permitted Exception." Seller notified Purchaser in writing on **June 7, 2019**, as supplemented by written notice to Purchaser on **June 14, 2019** (collectively, the "Title Response Notice"), regarding whether Seller either (i) agreed to remove each such Disapproved Title Matter from title to the Real Property on or before the Closing, or (ii) declined to remove such Disapproved Title Matter from title to the Real Property. If Seller failed to timely deliver a Title Response Notice as to a particular Disapproved Title Matter, then Seller shall be deemed to have made the election in clause (ii) above as to such Disapproved Title Matter.

(d) Regarding the Disapproved Title Matters in Purchaser's Title Objection Notice as to which Seller has elected (or is deemed to have elected) not to remove such matters from title (i.e. Seller has made the election in clause (c)(ii) above), Purchaser acknowledges that it has elected to accept the condition of title to the Real Property subject to such Disapproved Title Matters, and that such uncured Disapproved Title Matters shall hereafter constitute "Permitted Exceptions."

(e) Required Cure Items. Notwithstanding anything contained herein to the contrary, Seller shall be obligated, at Closing, to cause Title Company to remove (i) deeds of trust, mortgages, security deeds or other security liens encumbering the Property; (ii) judgment liens encumbering the Property; (iii) mechanic's or materialmen's liens encumbering the Property; (iv) any instrument or other matter of record evidencing a lien or monetary encumbrance against the Property, or that may be discharged or satisfied through the payment of money; (v) matters created or appearing of record after the date of the Title Commitments and caused by the act or omission of Seller without the prior written consent of Purchaser; and (vi) any outstanding water bills, sewer bills, gas bills, electric bills or other utility bills due and owing (items i, ii, iii, iv, v and vi above are collectively referred to as the "Required Cure Items"). Seller shall be entitled to cure any Required Cure Items by compliance with a statutory bonding procedure that has the legal effect of removing the Required Cure Item as a lien on the Real Property, provided that such bonding procedure also causes the subject item to be removed as an exception in the Owner's Policy. If Seller agrees in writing to cure a Disapproved Title Matter prior to Closing but thereafter subsequently fails to do so, Seller shall be in material default hereunder and Purchaser shall be permitted to pursue the remedies provided in Section 13.2 hereof, subject to any notice and cure provisions relating thereto.

(f) Written approval by Purchaser of any additional materially adverse title exceptions, defects, encumbrances or other title matters not shown on the Title Commitment or Updated Survey disclosed in writing to Purchaser after the expiration of the Title Review Period or new exceptions, defects, encumbrances or other title matters not shown on the Title Commitment solely due to an error by the Title Company in omitting the same and for which Purchaser had no prior knowledge (collectively, "Additional Title Matters") shall be a condition precedent to Purchaser's obligations to purchase the Property. Unless Purchaser gives written notice (an "Additional Title Disapproval Notice") that it disapproves any Additional Title Matters, stating the Additional Title Matters so disapproved (the "Additional Title Disapproval Matters"), before the sooner to occur of the Closing or five (5) Business Days after receipt of written notice of such Additional Title Matters, Purchaser shall be deemed to have approved such Additional Title Matters and any such Additional Title Matters shall thereafter constitute "Permitted Exceptions." Seller shall have until three (3) Business Days after receipt of any Additional Title Disapproval Notice (the "Additional Title Response Period") to notify Purchaser in writing (an "Additional Title Disapproval Response") of the Additional Title Disapproval Matters, if any, which Seller will cure prior to Closing. Seller's failure to timely provide such Additional Title Disapproval Response shall be deemed to constitute Seller's election not to cure any Additional Title Disapproval Matters. If Seller does not agree to cure all Additional Disapproved Matters, then Purchaser may, at its option, terminate this Agreement upon written notice to Seller, but only if given prior to the sooner to occur of Closing or five (5) Business Days after Purchaser receives the Additional Title Disapproval Response, or if Seller does not provide the Additional Title Disapproval Response, five (5) Business Days after the end of the Additional Title Response Period, in which case this Agreement shall immediately terminate, Purchaser shall be entitled to a return of the Earnest Money, and Seller and Purchaser shall have no further rights or obligations hereunder, except for the provisions hereof that expressly survive termination of this Agreement. If Purchaser fails to give such termination notice by such date, Purchaser shall be deemed to have waived its objection to, and to have approved, the matters set forth in Seller's notice, and any such uncured Additional Title Disapproval Matters shall become "Permitted Exceptions." Notwithstanding the foregoing, in the event that any such matter not set forth on the original Title Commitment or original Updated Survey, as applicable, constitutes a breach of Seller's obligations under this Agreement, then Seller shall be in default under this Agreement, and Purchaser shall be permitted to pursue the remedies provided in Section 13.2 hereof, subject to any notice and cure provisions relating thereto.

SECTION 8.2 Intentionally Deleted.

SECTION 8.3 Certain Exceptions to Title; Inability to Convey.

(a) Seller's interest in the Real Property shall be conveyed by Seller, and Purchaser agrees to acquire Seller's interest in the Real Property, subject only to the Permitted Exceptions. Notwithstanding anything in this Agreement to the contrary, Seller shall be obligated at or prior to the Closing to cause the release or discharge, at Seller's sole cost and expense, of any Required Cure Items. The parties acknowledge and agree that Seller shall have the right to apply or cause the Escrow Agent to apply all or any portion of the Purchase Price to cause the release or discharge of any Required Cure Items when escrow is broken at Closing.

(b) Notwithstanding anything herein to the contrary, if Seller notifies Purchaser in writing that it will cure a title objection of the Purchaser but subsequently fails to cure such objection at or prior to Closing, Seller shall be in default under this Agreement and all remedies set forth in Section 13.2 shall be available to Purchaser.

(c) Except as expressly set forth in Section 8.1 or in Section 8.3(a), nothing contained in this Agreement shall be deemed to require Seller to take or bring any action or proceeding or any other steps to remove any title exception or to expend any moneys therefor, and except in connection with a Seller default under this Agreement, Purchaser shall not have any right of action against Seller, at law or in equity, for Seller's inability to convey its interest in the Real Property subject only to the Permitted Exceptions.

SECTION 8.4 Purchaser's Right to Accept Title.

(a) Notwithstanding the foregoing provisions of this Article 8, Purchaser may, by written notice given to Seller at any time prior to the earlier of (x) the Closing Date and (y) the termination of this Agreement, elect to accept such title as Seller can convey, notwithstanding the existence of any title or survey exceptions that are not Permitted Exceptions and which Seller is not required to remove or cure pursuant to this Agreement. In such event, this Agreement shall remain in effect and the parties shall proceed to Closing, but Purchaser shall not be entitled to any abatement of the Purchase Price, any credit or allowance of any kind or any claim or right of action against Seller for damages or otherwise by reason of the existence of any title exceptions which are not Permitted Exceptions and which Seller is not required to remove or cure pursuant to this Agreement.

(b) Purchaser shall be entitled to request that the Title Company provide such endorsements (or amendments) to the Owner's Policy as Purchaser may reasonably require, provided that (i) such endorsements (or amendments), other than any curative endorsements that Seller may elect to obtain pursuant to Section 8.1 or Section 8.3(a), shall be at no cost to, and shall impose no additional liability on, Seller, (ii) Purchaser's obligations under this Agreement shall not be conditioned upon Purchaser's ability to obtain such endorsements (other than any curative endorsements that Seller may elect to obtain pursuant to Section 8.1 or Section 8.3(a)), and, if Purchaser is unable to obtain such endorsements, Purchaser shall nevertheless be obligated to proceed to close the transactions contemplated by this Agreement without reduction of or setoff against the Purchase Price, and (iii) the Closing shall not be delayed as a result of Purchaser's request hereunder.

ARTICLE 9
TRANSACTION COSTS; RISK OF LOSS

SECTION 9.1 Transaction Costs.

(a) Purchaser and Seller agree to comply with all real estate transfer tax laws applicable to the sale of the Property.

(b) At Closing, Seller shall pay or cause to be paid the following: (i) any title search and exam fees and the base Owner's Policy premium (Purchaser specifically agreeing and acknowledging that Seller shall also be entitled to any rebate or discount associated with such title premium); (ii) any costs in connection with discharging any encumbrances that Seller specifically agrees to or is obligated to pay, discharge, remove or cure pursuant to the terms of this Agreement; (iii) any state or local transfer tax, excise tax or documentary stamps payable on the conveyance of the Property to Purchaser; (iv) Broker's commission; and (v) one-half (1/2) of all escrow or closing charges of the Escrow Agent.

(c) At Closing, Purchaser shall pay or cause to be paid the following: (i) except to the extent that any such costs are to be paid by Seller under Section 9.1(b) hereof, all other costs for the Owner's Policy and any lender's title policy or policies on the Property, including premiums for any extended coverage, endorsements, update charges and other title charges; (ii) Purchaser's cost to obtain the Updated Survey; (iii) all other fees, costs or expenses in connection with Purchaser's due diligence reviews and analyses hereunder; (iv) document recording fees for the Deed, the Condominium Conversion Prohibition Agreement and any other recordable conveyance documents for the Property; (v) all costs associated with Purchaser's acquisition financing, if any, including any state or local documentary stamps, intangibles tax or mortgage tax and recording fees for any recordable loan documents; and (vi) one-half (1/2) of all escrow or closing charges of the Escrow Agent (not to exceed \$750.00). Except as otherwise expressly provided in this Agreement, each party shall pay the fees of its own attorneys, accountants and other professionals.

(d) Each of Purchaser, on the one hand, and Seller, on the other hand, shall indemnify the other and their respective successors and assigns from and against any and all loss, damage, cost, charge, liability or expense (including court costs and reasonable attorneys' fees actually incurred) which such other party may sustain or incur as a result of the failure of either such party to timely pay any of the aforementioned fees or other charges for which it has assumed responsibility under this Section 9.1. The provisions of this Section 9.1 shall survive the Closing or the termination of this Agreement.

SECTION 9.2 Risk of Loss.

(a) Prior to the Closing, the risk of loss shall remain with Seller. If, on or before the Closing Date, the Real Property or any portion thereof shall be (i) damaged or destroyed by fire or other casualty or (ii) taken or threatened in writing to be taken as a result of any condemnation or eminent domain proceeding, Seller shall promptly notify Purchaser and, at Closing, Seller will credit against the Purchase Price payable by Purchaser an amount equal to the net proceeds (other than on account of business or rental interruption relating to the period prior to Closing), if any, received by Seller as a result of such casualty or condemnation, together with a credit for any deductible under such insurance, less any amounts spent by Seller to remedy unsafe conditions at the Real Property prior to Closing. If as of the Closing Date, Seller has not received any such insurance or condemnation proceeds, then the parties shall nevertheless consummate the conveyance of the Property on such date (without any credit for such insurance or condemnation proceeds except for a credit for any deductible under such insurance, less any amounts spent by Seller to remedy unsafe conditions at the Real Property prior to Closing), and at Closing Seller will assign to Purchaser all rights of Seller, if any, to the insurance or condemnation proceeds (other than on account of business or rental interruption relating to the period prior to Closing) and to all other rights or claims arising out of or in connection with such casualty or condemnation. Notwithstanding anything herein to the contrary, after the expiration of the Due Diligence Period, Seller shall not settle any insurance claim in connection with damage or destruction to the Real Property or any portion thereof by fire or other casualty or settle any condemnation or eminent domain action brought against the Real Property or any portion thereof without Purchaser's prior written consent, which shall not be unreasonably withheld, conditioned or delayed; provided, however, that in the event of a Material Casualty or Material Condemnation, Purchaser's consent will only be required after Purchaser's waiver of its right to terminate this Agreement pursuant to this Section 9.2 (and provided further that Purchaser shall not be required to waive its termination right until a casualty is determined to be a Material Casualty and a condemnation is determined to be a Material Condemnation).

(b) Notwithstanding the provisions of Section 9.2(a), if, on or before the Closing Date, the Real Property or any portion thereof shall be (i) damaged or destroyed by a Material Casualty or (ii) taken or threatened in writing to be taken as a result of a Material Condemnation, Purchaser shall have the right, exercised by written notice to Seller no more than five (5) Business Days after Purchaser has received written notice of such Material Casualty or Material Condemnation from Seller, to terminate this Agreement, in which event the Earnest Money shall be refunded to Purchaser and no party shall have any further rights or obligations hereunder other than those which expressly survive the termination of this Agreement. If Purchaser fails to timely terminate this Agreement in accordance with this Section 9.2(b), the provisions of Section 9.2(a) shall apply.

(c) Further notwithstanding Section 9.2(a), Section 9.2(b) or any other provision of this Agreement to the contrary, if a Material Casualty or Material Condemnation occurs on or after **July 15, 2019**, and Purchaser timely elects to terminate this Agreement due to the Material Casualty or Material Condemnation, then Purchaser shall be entitled to the following:

(i) Refund of the Earnest Money to Purchaser; and

(ii) If Purchaser has deposited funds with Purchaser's Acquisition Lender as a rate lock deposit with respect to Purchaser's Acquisition Loan pursuant to a final written mortgage loan commitment from Purchaser's Acquisition Lender, and Purchaser's Acquisition Lender refuses to return all or substantially all of such deposit, then Seller shall also reimburse Purchaser for Purchaser's actual out of pocket losses for the non-refundable portion of such deposit, not to exceed three percent (3.0%) of the amount of Purchaser's Acquisition Loan as shown in Purchaser's Acquisition Lender's written loan commitment. For the avoidance of doubt, however, Purchaser shall not be entitled to reimbursement of any other out of pocket expenses.

(iii) Upon completion of subsections (i) and (ii) above, Seller and Purchaser shall be released from further obligation or liability hereunder (except for those obligations and liabilities which expressly survive termination).

(d) A “Material Casualty” shall mean any damage to the Real Property or any portion thereof occurring at any time on or after the Effective Date by fire or other casualty that is expected to cost in excess of one and one half percent (1.5%) of the Purchase Price to repair (as determined by the independent insurance adjuster designated by Seller’s insurance company).

(e) A “Material Condemnation” shall mean any condemnation or conveyance in lieu of condemnation for the Real Property which: (i) permanently and materially impairs the current use or value of the Real Property; (ii) permanently and materially impairs access to the Real Property from public roads; (iii) reduces the number or utility of parking spaces; or (iv) prohibits, as a matter of applicable law, the rebuilding or repair of any Improvements as they currently exist.

ARTICLE 10 **ADJUSTMENTS**

Unless otherwise provided below, the following are to be adjusted and prorated between Seller and Purchaser as of 11:59 pm Eastern Time on the day preceding the Closing the “Adjustment Point”), based upon a 365-day year, with Purchaser being deemed to be the owner of the Property during the entire day of the Closing Date and being entitled to receive all operating income of the Property, and being obligated to pay all operating expenses of the Property, with respect to the Closing Date, and the net amount thereof under this Article 10 shall be added to (if such net amount is in Seller’s favor) or deducted from (if such net amount is in Purchaser’s favor) the Purchase Price payable at Closing. Escrow Agent shall prepare the Closing Statement of the prorations and adjustments required by this Agreement and shall submit the same to Purchaser and Seller for review and approval at least three (3) Business Days prior to the Closing Date.

SECTION 10.1 Rents.

(a) All Rents (as hereinafter defined) paid by tenants under the Leases in connection with their occupancy of the Real Property shall be adjusted and prorated as of the Adjustment Point. Delinquent Rents shall not be prorated. Seller shall be entitled to all Rents under Leases attributable to the period prior to the Adjustment Point, and Purchaser shall be entitled to all Rents under Leases attributable to the period from and after the Adjustment Point. All prepaid Rents for periods of occupancy after the Adjustment Point shall be credited to Purchaser at Closing. Any Rents collected by Purchaser or Seller after Closing from any tenant who owes Rents for periods prior to Closing shall be applied (i) first, in payment of current Rents at the time of receipt, (ii) second, to delinquent Rents, if any, which became due after the Closing, and (iii) third, to delinquent Rents, if any, which became due and payable prior to the Closing or otherwise attributable to the period prior to Closing. “Rents” for purposes of this Agreement shall mean (whether paid in advance of the date when such payment is due or otherwise) all fixed rents and other charges or amounts payable by tenants under the Leases or in connection with their use or occupancy of the Real Property or any service or amenity relating thereto, including water, electricity, gas, sewage or other utilities charges or other pass-through fees and charges.

(b) For a period of one hundred twenty (120) days following Closing, Purchaser shall bill tenants who owe Rents for periods prior to the Closing and use commercially reasonable efforts to pursue collection of such past due Rents to the full extent that Purchaser would endeavor to collect delinquent Rents owed to Purchaser, but shall not be obligated to engage a collection agency or take legal action or other enforcement action under the applicable Lease to collect such amount. Purchaser shall pay to Seller, no later than seven (7) days after collection, any collected amount that is owed to Seller, it being understood that any Rent and other sums collected by Purchaser under any Lease subsequent to the Closing shall first be applied to Rent and income obligations owing to Purchaser for its period of ownership. For a period of one hundred twenty (120) days following Closing, Purchaser may not waive any delinquent (or unpaid) Rents or modify a Lease so as to reduce or otherwise affect amounts owed thereunder for any period in which Seller is entitled to receive a share of charges or amounts without first obtaining Seller's written consent. From and after Closing, Seller shall take no action with regards to obtaining delinquent Rent or other sums from existing tenants at the Property. With respect to delinquent or other uncollected Rents and any other amounts or other rights of any kind respecting tenants who are no longer tenants of the Property as of the Closing Date, Seller shall retain all of the rights relating thereto. Notwithstanding anything contained herein to the contrary, Seller acknowledges and agrees that Purchaser is under no obligation to collect delinquent Rents on Seller's behalf.

SECTION 10.2 Taxes and Assessments. All non-delinquent real estate, ad valorem real property and personal property taxes and assessments with respect to the Property for the tax year in which Closing occurs shall be prorated between Seller and Purchaser as of the Adjustment Point (on the basis of the most recent available tax bill if the current bill is not then available and on the basis of the actual number of days elapsed over the applicable tax year). Seller shall be responsible for the payment of any such real estate and personal property taxes for years prior to the local tax year in which Closing occurs. In no event shall Seller be charged with or be responsible for any increase in the taxes on the Property resulting from (a) any change in use of the Property on or after the Closing Date, or (b) any improvements made or leases entered into on or after the Closing Date. If any taxes or assessments on the Property are payable in installments, then the installment allocable to the current period shall be prorated (with Purchaser being allocated the obligation to pay any installments due on or after the Closing Date).

SECTION 10.3 Intentionally Deleted.

SECTION 10.4 Utility Charges.

(a) Water, sewer, gas, steam, electricity and other public utility charges will be paid by Seller to the utility company on or prior to the Closing Date. Seller shall arrange for a final reading of all utility meters (covering gas, water, steam and electricity) as of the Closing. To the extent necessary, Seller and Purchaser shall execute a letter to each such utility company advising it of the termination of Seller's responsibility for utilities furnished to the Real Property as of the Closing Date and commencement of Purchaser's responsibilities therefor from and after such date. If a bill is obtained from any such utility company as of Closing, Seller shall pay such bill on or before the Closing Date. Any utilities not read or billed as of the Closing Date will be prorated as of the Adjustment Point based on estimates at Closing, and adjusted after Closing once the final amounts are known. Additionally, Seller shall receive credits at Closing for the amount of any utility deposits with respect to the Real Property paid by Seller, to the extent Purchaser receives a credit from the applicable utility company on account of such deposit.

(b) Notwithstanding the foregoing, if Seller pays any utility bills and, directly or through a billing service, bills the tenants for such utilities, then at Closing, Seller shall receive a credit for the estimated amount of utility charges incurred by Seller and reimbursable to Seller from tenants under the Leases for periods prior to Closing (“RUBS”). The credit shall be for sixty (60) days of RUBS calculated based on the average RUBS payable by the tenants for the twelve (12) month period preceding the Closing Date. Such credit shall be final and shall not be subject to reproration pursuant to Section 10.10.

SECTION 10.5 Miscellaneous Revenues. Periodic revenues, if any, arising out of telephone booths, vending machines, laundry machines or other income-producing agreements shall be adjusted and prorated between Purchaser and Seller as of the Adjustment Point (provided that one-time inducement fees, “door fees” or similar non-recurring payments under Assumed Contracts shall not be prorated as of the Closing Date).

SECTION 10.6 Assumed Contracts. Amounts due under the Assumed Contracts shall be adjusted and prorated between Purchaser, on the one hand, and Seller, on the other hand, as of the Adjustment Point, with Purchaser to receive a credit at Closing for any amounts unpaid and attributable for the period prior to the Closing and Seller to receive a credit at Closing for any amounts previously paid and attributable to the period on and following the Closing.

SECTION 10.7 Association Fees. If applicable, all owners’ association fees or similar fees and assessments due and payable with respect to the Real Property with respect to the association’s fiscal year in which the Closing occurs shall be adjusted and prorated based on the periods of ownership by Seller and Purchaser during such association’s fiscal year.

SECTION 10.8 Security Deposits. The actual amounts of the Refundable Security Deposits held by Seller as landlord under the Leases shall be credited to Purchaser against the balance of the Purchase Price at Closing. Any such Refundable Security Deposits in forms other than cash (including letters of credit) shall be transferred to Purchaser on the Closing Date by way of appropriate instruments of transfer or assignment.

SECTION 10.9 Other Adjustments. If applicable, the Purchase Price shall be adjusted at Closing to reflect the adjustment of any other item which, under the explicit terms of this Agreement, is to be apportioned at Closing. Any other items of operating income or operating expense that are customarily apportioned between the parties in real estate closings of comparable commercial properties in the metropolitan area where the Property is located shall be prorated as applicable; however, there will be no prorations for debt service, insurance premiums or payroll, because Purchaser is not acquiring or assuming Seller’s financing, insurance or employees.

SECTION 10.10 Re-Adjustment. In the event any prorations or apportionments made under this Article 10 shall prove to be incorrect for any reason, then any party shall be entitled to an adjustment to correct the same. Any item that cannot be finally prorated because of the unavailability of information shall be tentatively prorated on the basis of the best data then available and reprorated when the information is available. Notwithstanding anything to the contrary set forth herein, all re-prorations contemplated by this Agreement shall be completed within three (3) months after the Closing Date (subject to extension solely as necessary due to the unavailability of final information but in no event to exceed four (4) months after the Closing Date); provided, however, the final date with respect to real estate, ad valorem real property and property taxes and assessments shall be thirty (30) days after the issuance of final bills or other final resolutions of any contest relating thereto. The obligations of Seller and Purchaser under this Article 10 shall survive Closing for the time periods set forth in this Section 10.10.

ARTICLE 11 **INDEMNIFICATION**

SECTION 11.1 Indemnification by Seller. Following Closing and subject to Sections 11.3, 11.4 and 11.5, Seller shall indemnify and hold Purchaser and each of its respective Affiliates, members, partners, shareholders, officers and directors (collectively, the “Purchaser-Related Entities”) harmless from and against any and all costs, fees, expenses, damages, deficiencies, interest and penalties (including, without limitation, reasonable attorneys’ fees and disbursements actually incurred) suffered or incurred by Purchaser in connection with any and all losses, liabilities, claims, damages and expenses (“Losses”), arising out of, or resulting from, (a) any breach of any representation or warranty of Seller contained in Section 3.1 of this Agreement or in any Closing Document executed by Seller (collectively, the “Seller Representations”), and (b) any breach of any covenant of Seller contained in this Agreement or in any Closing Document that expressly survives the Closing (collectively, the “Surviving Covenants”).

SECTION 11.2 Indemnification by Purchaser. From and after the Closing and subject to Sections 11.4, 11.5 and 11.7, Purchaser shall indemnify and hold Seller and each of its Affiliates, members, partners, shareholders, officers and directors (collectively, the “Seller-Related Entities”) harmless from any and all Losses arising out of, or in any way resulting from, (a) any breach of any representation or warranty by Purchaser contained in Section 4.1 of this Agreement or in any Closing Document executed by Purchaser, and (b) any breach of any covenant of Purchaser contained in this Agreement or in any Closing Document that expressly survives the Closing.

SECTION 11.3 Limitations on Indemnification by Seller. Notwithstanding the foregoing provisions of Section 11.1, (a) Seller shall not be required to indemnify Purchaser unless the amount for which an indemnity would otherwise be payable by Seller under Section 11.1 exceeds the Basket Limitation and, in such event, Seller shall be responsible for all such amounts from the first dollar of loss up to the Cap Limitation (provided that Seller's obligations under Article 10 with respect to prorations and adjustments and Seller's obligations under Section 14.2 with respect to brokers shall not be subject to the Basket Limitation or the Cap Limitation), (b) in no event shall the liability of Seller with respect to the indemnification provided for in Section 11.1 exceed the Cap Limitation (provided that Seller's obligations under Article 10 with respect to prorations and adjustments and Seller's obligations under Section 14.2 with respect to brokers shall not be subject to the Basket Limitation or the Cap Limitation), and (c) in the event Purchaser or New Property Manager has actual knowledge or any Deemed Purchaser Knowledge of any inaccuracy or breach of any representation, warranty, or covenant of Seller contained in this Agreement (a "Purchaser Waived Breach") after the Effective Date but prior to Closing, and nonetheless proceeds with and consummates Closing, then Purchaser shall be deemed to have waived and forever renounced any right to assert a claim for indemnification under this Article 11 for, or any other claim or cause of action under this Agreement, whether at law or in equity, on account of any such Purchaser Waived Breach. In no event shall Purchaser be entitled to seek or obtain consequential, speculative, special, punitive or exemplary damages against Seller.

SECTION 11.4 Survival. Seller Representations and Surviving Covenants shall survive for a period of one hundred eighty (180) days after the Closing Date (the "Survival Period"), unless a longer or shorter survival period is expressly provided for in this Agreement. Seller and Purchaser shall each have the right to bring an action or proceeding against the other for the breach of any such Seller Representations and Surviving Covenants, but only if the party bringing the action for breach (i) first learns of the breach after Closing, (ii) gives written notice of such breach to the other party within the Survival Period (unless a longer or shorter survival period is expressly provided for in this Agreement), and (iii) files such action for such breach no later than thirty (30) days after the written notice of the breach, unless a longer or shorter survival period is expressly provided for in this Agreement; provided, however, with respect to any actions brought by a party hereunder during the Survival Period but remaining unresolved as of the expiration of such period, the Survival Period shall extend solely as to such claims until the final adjudication (including appeals) or settlement of such claims.

SECTION 11.5 Notification. In the event that any indemnified party ("Indemnified Party") becomes aware of any claim or demand for which an indemnifying party (an "Indemnifying Party") may have liability to such Indemnified Party hereunder (an "Indemnification Claim"), such Indemnified Party shall promptly, but in no event more than thirty (30) days following such Indemnified Party's having become actually aware of such Indemnification Claim, notify the Indemnifying Party in writing of such Indemnification Claim, the amount or the estimated amount of damages sought thereunder to the extent then ascertainable (which estimate shall not be conclusive of the final amount of such Indemnification Claim), any other remedy sought thereunder, any relevant time constraints relating thereto and, to the extent practicable, any other material details pertaining thereto; provided, that no delay on the part of the Indemnified Party in giving any such notice of a Indemnification Claim shall relieve the Indemnifying Party of any indemnification obligations hereunder except to the extent that the Indemnifying Party is prejudiced by such delay.

SECTION 11.6 Indemnification as Sole Remedy. If Closing has occurred, the sole and exclusive remedy available to a party in the event of a breach by the other party to this Agreement of any representation, warranty, covenant or other provision of this Agreement or any Closing Document which expressly survives the Closing shall be the indemnifications provided for under this Article 11, except as it relates to proration obligations under Article 10 and the indemnification obligations under Section 7.1 and Section 14.2.

SECTION 11.7 Limits on Indemnification by Purchaser. Notwithstanding the foregoing provisions of Section 11.2, (a) Purchaser shall not be required to indemnify Seller or any Seller-Related Entities under Section 11.2 unless the amount for which an indemnity would otherwise be payable by Purchaser under Section 11.2 exceeds the Basket Limitation and, in such event, Purchaser shall be responsible for all such amounts, (b) in no event shall the liability of Purchaser with respect to the indemnification provided for in Section 11.2 exceed the Cap Limitation (provided that Purchaser's obligations under Article 10 with respect to re-prorations and adjustments shall not be subject to the Basket Limitation or the Cap Limitation), and (c) in the event that Seller obtains Knowledge of any inaccuracy or breach of any representation, warranty, or covenant of Purchaser contained in this Agreement (a "Seller Waived Breach") after the Effective Date but prior to the Closing, and Seller nonetheless proceeds with and consummates the Closing, then Seller and any Seller-Related Entities shall be deemed to have waived and forever renounced any right to assert a claim for indemnification under this Article 11 for, or any other claim or cause of action under this Agreement, whether at law or in equity on account of any such Seller Waived Breach. In no event shall Seller be entitled to seek or obtain consequential, speculative, special, punitive or exemplary damages against Purchaser.

ARTICLE 12 **TAX APPEALS**

SECTION 12.1 Prosecution and Settlement of Proceedings. If any tax reduction proceedings in respect of the Real Property, relating to any tax years ending prior to the tax year in which the Closing occurs are pending at the time of Closing, Seller reserves and shall have the right to continue to prosecute and/or settle the same. Prior to Closing, Seller reserves and shall have the right to initiate and continue any tax reduction proceedings in respect of any of the Real Property relating to the tax year in which Closing occurs; provided, however, that Seller shall not settle any such proceeding without Purchaser's prior written consent, which consent shall not be unreasonably withheld or delayed. From and after Closing, Purchaser shall have the right to initiate or assume tax reduction proceedings in respect of the Real Property relating to the tax year in which Closing occurs and shall have the right to continue to prosecute and/or settle the same. Seller and Purchaser shall, from time to time, each keep the other reasonably informed of the status of any such tax reduction proceedings.

SECTION 12.2 Application of Refunds or Savings. Any refunds or savings in the payment of taxes resulting from such tax reduction proceedings applicable to taxes payable with respect to the period prior to the Closing Date shall belong to and be the property of Seller and any refunds or savings in the payment of taxes applicable to taxes with respect to the period on or after the Closing Date shall belong to and be the property of Purchaser. All reasonable attorneys' fees and other expenses incurred in obtaining such refunds or savings shall be apportioned between Seller, on the one hand, and Purchaser, on the other hand, in proportion to the gross amount of such refunds or savings payable to Seller and Purchaser, respectively; provided, however, that neither Seller nor Purchaser shall have any liability for any such fees or expenses in excess of the refund or savings paid to such party unless such party initiated such proceeding.

SECTION 12.3 Survival. The provisions of this Article 12 shall survive Closing until the final resolution of any such tax appeals, notwithstanding any earlier “true-up” deadline to the contrary.

ARTICLE 13
DEFAULT

SECTION 13.1 Purchaser’s Default. If Purchaser fails to consummate the purchase of the Property pursuant to this Agreement or otherwise defaults on its obligations hereunder at or prior to Closing for any reason except failure by Seller to perform hereunder, or if prior to Closing any one or more of Purchaser’s representations or warranties are breached in any material respect, and such default or breach is not cured by the earlier of the third (3rd) Business Day after written notice thereof from Seller or the Closing Date (provided that no notice or cure period shall apply if Purchaser fails to timely deposit any portion of the Earnest Money, or if Purchaser fails to timely consummate the purchase of the Property or the timely payment of the Purchase Price), Seller shall be entitled, as its sole remedy, to terminate this Agreement by giving Purchaser written notice of such election prior to or at Closing and recover the Earnest Money as liquidated damages and not as penalty, in full satisfaction of claims against Purchaser hereunder. Seller and Purchaser agree that Seller’s damages resulting from Purchaser’s default are difficult, if not impossible, to determine, and that the Earnest Money is a fair estimate of those damages which has been agreed to in an effort to cause the amount of such damages to be certain.

SECTION 13.2 Seller’s Default. If Seller fails to consummate the sale of the Property pursuant to this Agreement or otherwise defaults on its obligations hereunder at or prior to Closing for any reason except failure by Purchaser to perform hereunder, or if prior to Closing any one or more of Seller’s representations or warranties are breached in any material respect (i.e., in accordance with Section 3.2(g)), and such default or breach is not cured by the earlier of the fifth (5th) Business Day after written notice thereof from Purchaser or the Closing Date (provided that no notice or cure period shall apply if Seller fails to timely consummate the sale of the Property hereunder), Purchaser shall elect, as its sole remedy, either (i) to terminate this Agreement by giving Seller timely written notice of such election prior to or at Closing, and recover the Earnest Money and reimbursement of Purchaser’s actual out-of-pocket third-party expenses incurred in connection with this Agreement, up to a maximum reimbursement of \$250,000.00, (ii) to enforce specific performance to consummate the sale of the Property hereunder; provided, however, that if Seller willfully conveys the Property to a third party or third parties, such that the remedy of specific performance is unavailable to Purchaser, Purchaser shall have the right to seek its actual damages against Seller in an amount not to exceed \$1,500,000.00, or (iii) to waive said failure or breach and proceed to Closing without any reduction in the Purchase Price. In no event shall Seller be liable for consequential, speculative, remote or punitive damages, or any other damages except as specifically provided herein, and Purchaser hereby waives and releases any right to seek or collect any such consequential, speculative, remote or punitive damages, or any damages. Notwithstanding anything herein to the contrary, Purchaser shall be deemed to have elected option (i) above if Purchaser fails to deliver to Seller written notice of its intent to file a claim or assert a cause of action for specific performance or actual damages against Seller on or before the date that is ten (10) Business Days following the scheduled Closing Date or, having given such notice, fails to file a lawsuit asserting such claim or cause of action for specific performance or damages in the county in which the Earnest Money is deposited within forty five (45) days following the scheduled Closing Date.

SECTION 13.3 Certain Limitations. Notwithstanding Sections 13.1 and 13.2 hereof, in no event shall the provisions of Sections 13.1 and 13.2 limit (a) either Purchaser's or Seller's obligation to indemnify the other party, or the damages recoverable by an indemnified party against the indemnifying party due to, a party's express obligation to indemnify another party in accordance with this Agreement, (b) Purchaser's or Seller's respective obligation to pay Closing costs under Section 9.1 hereof, or the damages recoverable by any party against another party due to a party's failure to pay such costs, or (c) either Purchaser's or Seller's obligations to pay another party's legal costs under Section 14.23 hereof.

SECTION 13.4 Cross Defaults under Affiliated Purchase Agreements.

(a) By Affiliated Sellers. Seller shall be in default under this Agreement immediately upon the default of any of the Affiliated Sellers under any of the Affiliated Purchase Agreements, and in such event, Purchaser may immediately exercise all rights and remedies set forth in Section 13.2 as to this Agreement.

(b) By Purchaser. Purchaser shall be in default under this Agreement immediately upon the default of Purchaser under any of the Affiliated Purchase Agreements, and in such event, Seller may immediately exercise all rights and remedies set forth in Section 13.1 as to this Agreement.

ARTICLE 14 **MISCELLANEOUS**

SECTION 14.1 Exculpation.

(a) Seller. Notwithstanding anything to the contrary contained herein (with the sole exception of the terms of the Parent Joinder attached to this Agreement), Seller's shareholders, partners, members, and managers, the partners, members or managers of such partners, members or managers, the shareholders of such partners, members or managers, and the trustees, officers, directors, employees, agents and security holders of Seller and its partners, members or managers assume no personal liability for any obligations entered into on behalf of Seller, and their individual assets shall not be subject to any claims of any Person relating to such obligations. The foregoing shall govern any direct and indirect obligations of Seller under this Agreement.

(b) Purchaser. Notwithstanding anything to the contrary contained herein, Purchaser's shareholders, partners, members, managers or the partners, members or managers of such partners members or managers, the shareholders of such partners, members or managers, and the trustees, officers, directors, employees, agents and security holders of Purchaser and its partners, members or managers assume no personal liability for any obligations entered into on behalf of Purchaser, and their individual assets shall not be subject to any claims of any Person relating to such obligations. The foregoing shall govern any direct and indirect obligations of Purchaser under this Agreement.

SECTION 14.2 Broker.

(a) Broker's Commission. The parties acknowledge that CB Richard Ellis, Inc. (the "Broker") has been retained by and represents Seller as broker in connection with the sale of the Property to Purchaser, and is to be compensated for its services by Seller, pursuant to a separate written agreement between the Seller Group and the Broker.

(b) Representation and Indemnity. Each of Seller, on the one hand, and Purchaser, on the other hand, hereby represents and warrants to the other that it has not disclosed this Agreement or the subject matter hereof to, and has not otherwise dealt with, any real estate broker, agent or salesman (other than the Broker) so as to create any legal right or claim in any such broker, agent or salesman (other than the Broker) for a real estate commission or similar fee or compensation with respect to the negotiation and/or consummation of this Agreement or the conveyance of the Property by Seller to Purchaser. Each of Seller, on the one hand, and Purchaser, on the other hand, shall indemnify, hold harmless and defend each other from and against any and claims and demands for a real estate brokerage commission or similar fee or compensation arising out of any claimed dealings with the indemnifying party and relating to this Agreement or the purchase and sale of the Property (including reasonable attorneys' fees and expenses and court costs actually incurred in defending any such claim or in enforcing this indemnity), except for the Broker, whose fee, if any, shall be paid by Seller.

(c) Survival. The indemnification provisions of this Section 14.2 shall survive the rescission, cancellation, termination or consummation of this Agreement.

SECTION 14.3 Confidentiality; Publicity; IRS Reporting Requirements.

(a) Confidentiality.

(i) Purchaser and Seller, and each of their respective Affiliates, shall hold as confidential all information disclosed in connection with the transaction contemplated hereby and concerning each other, the Property, this Agreement and the transactions contemplated hereby that is not generally known to or discoverable by the public, including without limitation the Seller's Deliveries (collectively, the "Confidential Information"). The Confidential Information obtained by or disclosed to Purchaser and Purchaser's Representatives shall be used by Purchaser and Purchaser's Representatives solely for the purpose of Purchaser's evaluation of the Property and for other uses related to the transaction contemplated by this Agreement. Neither Purchaser nor Seller shall release any Confidential Information to third parties without the prior written consent of the other party hereto, except (A) any information which was previously or is hereafter publicly disclosed (other than in violation of this Agreement, the Access Agreement, or other confidentiality agreements to which Affiliates of Purchaser or Seller are parties), (B) to such parties' respective partners, agents, employees, consultants, attorneys, engineers, accountants, licensees, investors, advisors and lenders (collectively, "Permitted Outside Parties") of any of the foregoing, provided that they are advised as to the confidential nature of such information, are instructed to maintain such confidentiality, and upon request of any other party, enter into confidentiality agreements with respect to the Confidential Information, and (C) as required by law, court order or other legal process.

(ii) Notwithstanding anything to the contrary herein, Confidential Information shall not include information which (A) is or becomes generally available to the public other than as a result of a disclosure by a party or the Permitted Outside Parties, (B) was available to a party or the Permitted Outside Parties on a non-confidential basis prior to its disclosure by any party or its representatives, (C) becomes available to a party or the Permitted Outside Parties on a non-confidential basis from a Person, other than Seller, Purchaser, or their respective representatives, who is not otherwise bound by a confidentiality agreement with such party not to transmit the information to the receiving party or the Permitted Outside Parties, or (D) is independently developed by any employee or agent of Seller, Purchaser or the Permitted Outside Parties who did not have access to the Confidential Information.

(iii) This Section 14.3(a) shall survive the termination of this Agreement, but shall not survive the Closing.

(b) Publicity; SEC filings. Until Closing, neither Seller nor Purchaser shall issue any advertisement, press release or other publicity concerning this transaction without the review and approval of the other party. Upon Closing, Seller or Purchaser may issue a press release or other publicity with respect to this Agreement and the transactions contemplated hereby, provided that the content of any such press release shall be subject to the prior written consent of Purchaser or Seller, as applicable, and in no event shall any such publicity disclose the identity of Purchaser's or Seller's direct or indirect beneficial owners by name, or the consideration paid for the Property. The foregoing notwithstanding, neither Seller nor any of its constituent parties shall be obligated to make prior disclosure to, or seek the approval of, Purchaser in connection with disclosures made to its or their attorneys, agents, and lenders, or any securities filings and associated press releases required in connection with the sale of the Property, including disclosures to investors or the filing of any Form 8-K or any related filings with the U.S. Securities and Exchange Commission. This Section 14.3(b) shall survive Closing or the termination of this Agreement.

(c) IRS Reporting Requirements. For the purpose of complying with any information reporting requirements or other rules and regulations of the IRS that are or may become applicable as a result of or in connection with the transaction contemplated by this Agreement, including, but not limited to, any requirements set forth in proposed Income Tax Regulation Section 1.6045-4 and any final or successor version thereof (collectively, the "IRS Reporting Requirements"), Seller and Purchaser hereby designate and appoint the Escrow Agent to act as the "Reporting Person" (as that term is defined in the IRS Reporting Requirements) to be responsible for complying with any IRS Reporting Requirements. The Escrow Agent hereby acknowledges and accepts such designation and appointment and agrees to fully comply with any IRS Reporting Requirements that are or may become applicable as a result of or in connection with the transaction contemplated by this Agreement. Without limiting the responsibility and obligations of the Escrow Agent as the Reporting Person, Seller and Purchaser hereby agree to comply with any provisions of the IRS Reporting Requirements that are not identified therein as the responsibility of the Reporting Person, including, but not limited to, the requirement that Seller and Purchaser each retain an executed counterpart of this Agreement for at least four (4) years following the calendar year of Closing. This Section 14.3(c) shall survive Closing for four (4) years following the calendar year of Closing.

SECTION 14.4 Escrow Provisions.

(a) Investment of Earnest Money. Escrow Agent shall invest the Earnest Money held by Escrow Agent pursuant to Purchaser's direction in an interest bearing account at a commercial bank whose deposits are insured by the Federal Deposit Insurance Corporation. The Escrow Agent shall notify Seller, no later than one (1) Business Day after receipt thereof, that the Escrow Agent has received any portion of the Earnest Money in immediately available funds, and is holding the same in accordance with the terms of this Agreement. The Escrow Agent shall invest the Earnest Money only in such accounts as will allow the Escrow Agent to disburse the Earnest Money or any portion thereof upon no more than one (1) Business Day's notice.

(b) Payment on Demand. Prior to the expiration of the Due Diligence Period, upon receipt of any written certification from Purchaser claiming the Earnest Money pursuant to the provisions of this Agreement, Escrow Agent shall promptly disburse the Earnest Money to Purchaser and shall thereupon be released and discharged from any further duty or obligation hereunder. Upon receipt of any written certification from Seller (at any time during the term of this Agreement) or Purchaser (following the expiration of the Due Diligence Period) claiming the Earnest Money pursuant to the provisions of this Agreement, Escrow Agent shall promptly forward a copy thereof to the other such party (i.e., Purchaser or Seller, whichever did not claim the Earnest Money pursuant to such notice) and, unless such other party within ten (10) days thereafter notifies the Escrow Agent of any objection to such requested disbursement of the Earnest Money (in which case the Escrow Agent shall retain the Earnest Money subject to Section 10.4 below), the Escrow Agent shall disburse the Earnest Money to the party demanding the same and shall thereupon be released and discharged from any further duty or obligation hereunder.

(c) Exculpation of Escrow Agent. It is agreed that the duties of the Escrow Agent are herein specifically provided and are purely ministerial in nature, and that the Escrow Agent shall incur no liability whatsoever except for its misconduct or negligence, so long as the Escrow Agent is acting in good faith. Except in the event of the Escrow Agent's willful misconduct or gross negligence, each of Seller and Purchaser does hereby release the Escrow Agent from any liability for any error of judgment or for any act done or omitted to be done by the Escrow Agent in the good faith performance of its duties hereunder and do each hereby indemnify the Escrow Agent against, and agree to hold, save, and defend the Escrow Agent harmless from, any costs, liabilities, and expenses incurred by the Escrow Agent in serving as the Escrow Agent hereunder and in faithfully discharging its duties and obligations hereunder. Seller and Purchaser are aware that Federal Deposit Insurance Corporation coverages apply to a maximum amount of \$250,000.00 per depositor (as may be modified from time to time). Further, Seller and Purchaser do not and will not hold the Escrow Agent liable for any loss occurring which arises from bank failure or error, insolvency or suspension, or a situation or event which falls under the above coverages.

(d) Stakeholder. It is acknowledged that the Escrow Agent is acting as a stakeholder only with respect to the Earnest Money. If there is any dispute as to whether the Escrow Agent is obligated to deliver the Earnest Money or as to whom the Earnest Money is to be delivered following the expiration of the Due Diligence Period, the Escrow Agent may refuse to make any delivery and may continue to hold the Earnest Money until receipt by the Escrow Agent of an authorization in writing, signed by Seller and Purchaser, directing the disposition of the Earnest Money, or, in the absence of such written authorization, until final determination of the rights of the parties in an appropriate judicial proceeding. If such written authorization is not given, or a proceeding for such determination is not begun, within thirty (30) days of notice to the Escrow Agent of such dispute, the Escrow Agent may bring an appropriate action or proceeding for leave to deposit the Earnest Money in a court of competent jurisdiction located in the City of New York, State of New York pending such determination. The Escrow Agent shall be reimbursed for all costs and expenses of such action or proceeding, including, without limitation, reasonable attorneys' fees and disbursements, by the party determined not to be entitled to the Earnest Money. Upon making delivery of the Earnest Money in any of the manners herein provided, Escrow Agent shall have no further liability or obligation hereunder.

(e) Interest; Taxpayer Identification Number. All interest and other income earned on the Earnest Money deposited with the Escrow Agent hereunder shall be reported for income tax purposes as earnings of Purchaser. Purchaser's taxpayer identification number shall be delivered to the Escrow Agent prior to Closing. Escrow Agent shall have no liability for any levies on the Earnest Money made by taxing authorities based upon the taxpayer identification number or numbers associated with the Earnest Money.

(f) Execution by Escrow Agent. Escrow Agent has executed this Agreement solely for the purpose of acknowledging and agreeing to the provisions of this Section 14.4. Escrow Agent's consent to any modification or amendment of this Agreement, other than to a modification or amendment of this Section 14.4, shall not be required.

SECTION 14.5 Successors and Assigns; No Third-Party Beneficiaries. The stipulations, terms, covenants and agreements contained in this Agreement shall inure to the benefit of, and shall be binding upon, the parties hereto and their respective permitted successors and assigns (including any successor entity after a public offering of stock, merger, consolidation, purchase or other similar transaction involving a party hereto) and nothing herein expressed or implied shall give or be construed to give to any Person, other than the parties hereto and such permitted assigns, any legal or equitable rights hereunder.

SECTION 14.6 Assignment.

(a) Assignments by Seller. Notwithstanding any provision of this Agreement to the contrary, Seller may assign or transfer its rights under this Agreement to a qualified intermediary as may be required for an Exchange under Section 14.25 hereof, without Purchaser's prior written consent, provided that Seller shall not be relieved of any obligations or liabilities under this Agreement as a result of such transfer.

(b) Assignments by Purchaser. This Agreement may not be assigned by Purchaser in whole or in part without the prior written consent of Seller. Any transfer of a majority of the direct or indirect interests in Purchaser shall be deemed to be an assignment of this Agreement by Purchaser. Notwithstanding the foregoing, however, Purchaser may assign its rights under this Agreement prior to Closing without prior written approval of Seller to: (i) any entity that is controlled by, controlling or under common control with Purchaser, provided that (x) the Purchaser originally named in this Agreement will continue to remain liable under this Agreement notwithstanding any such assignment, (y) Purchaser shall deliver written notice to Seller of any such assignment at least five (5) Business Days prior to the Closing Date (which notice shall include the name, entity type, state of formation and signature block of the assignee), and (z) Purchaser and Purchaser's assignee shall execute and deliver an assignment and assumption agreement in form reasonably satisfactory to Seller prior to Closing.

SECTION 14.7 Further Assurances. From time to time, as and when requested by any party hereto, the other party shall execute and deliver, or cause to be executed and delivered, all such documents and instruments and shall take, or cause to be taken, all such further or other actions as such other party may reasonably deem necessary or desirable to consummate the transactions contemplated by this Agreement.

SECTION 14.8 Notices. Any notice, request or other communication required or permitted to be given hereunder shall be in writing and, except as otherwise specifically provided herein, shall be delivered by hand or overnight courier (such as United Parcel Service or Federal Express), or by e-mail provided that a hard copy of such notice is also transmitted by one of the foregoing methods on the same Business Day. Any such notice shall be considered given on the date of such notice (provided that, with respect to e-mail notices, the e-mail is sent prior to 5:00 pm Eastern Time and a hard copy is also transmitted in compliance with this Section 14.8). Rejection or other refusal to accept or inability to deliver because of changed address of which no notice was given shall be deemed to be receipt of the notice. By giving at least five (5) days' prior written notice thereof, any party may from time to time and at any time change its notice address hereunder. Any notice may be given by a party's counsel on such party's behalf.

The parties' respective addresses for notice purposes are as follows. Telephone numbers are provided for reference purposes only, and notice by telephone shall not be valid.

Notices to Seller:

c/o Bluerock Real Estate, L.L.C.
712 Fifth Avenue
9th Floor
New York, NY 10019
Attention: Ryan MacDonald
Telephone: (646) 278-4238
E-mail: rmacdonald@bluerockre.com

With a copy (which shall not constitute notice) to:

Bluerock Real Estate, L.L.C.
712 Fifth Avenue
9th Floor
New York, NY 10019
Attention: Michael L. Konig
Telephone: (908) 415-8869
E-mail: mkonig@bluerockre.com

And to:

Nelson Mullins Riley & Scarborough LLP
Atlantic Station
201 17th Street NW, Suite 1700
Atlanta, GA 30363
Attention: Eric R. Wilensky, Esq.
Telephone: (404) 322-6469
E-mail: eric.wilensky@nelsonmullins.com

Notices to Purchaser:

KRE Topaz Portfolio Investor LLC
c/o Carter-Haston Holdings, L.L.C.
1230 Peachtree Street NE, Suite 1909
Atlanta, GA 30309
Attention: James A. Shanks
Telephone: (615) 577-4648
E-mail: jshanks@carterhaston.com

With a copy (which shall not constitute notice) to:

KRE Topaz Portfolio Investor LLC
c/o Kohlberg Kravis Roberts & Co.
600 Travis Street, Suite 7200
Houston, TX 77002
Attention: Paul S. Wasserman
Telephone: (713) 332-8322
E-mail: paul.wasserman@kkr.com

And to:

KRE Topaz Portfolio Investor LLC
c/o Kohlberg Kravis Roberts & Co.
9 West 57th Street, Suite 4200
New York, NY 10019
Attention: Michael Friedland
E-mail: michael.friedland@kkr.com

And to:

Waller Lansden Dortch & Davis, LLP
511 Union Street, Suite 2700
Nashville, TN 37219
Attention: Philip F. Head, Esq.
Telephone: (615) 850-8152
E-mail: philip.head@wallerlaw.com

During the Transition Period, notices to Purchaser under this Agreement shall also copy New Property Manager at the following address:

c/o Carter-Haston Real Estate Services
3301 West End Avenue
Suite 200
Nashville, TN 37203
Attention: L. Marc Carter
Telephone: (615) 279-9200
E-mail: mcarter@carterhaston.com

Notices to the Title Company/Escrow Agent:

First American Title Insurance Company
Six Concourse Parkway, Suite 2000
Atlanta, GA 30328
Attention: Barbara H. Morgan
Telephone: (770) 390-6524
E-mail: bmorgan@firstam.com

SECTION 14.9 Entire Agreement. This Agreement, along with the Exhibits and Schedules hereto, contains all of the terms agreed upon between the parties hereto with respect to the subject matter hereof, and all understandings and agreements heretofore had or made among the parties hereto are merged in this Agreement which alone fully and completely expresses the agreement of the parties hereto.

SECTION 14.10 Amendments. This Agreement may not be amended, modified, supplemented or terminated, nor may any of the obligations of Seller or Purchaser hereunder be waived, except by written agreement executed by the party or parties to be charged. The Escrow Agent's consent to any modification or amendment of this Agreement, other than to Section 14.4 hereof, shall not be required. Further, the consent of Parent to any modification or amendment of this Agreement, other than to the Parent Joinder attached hereto, shall not be required.

SECTION 14.11 No Waiver. No waiver by any party of any failure or refusal by any other party to comply with its obligations hereunder shall be deemed a waiver of any other or subsequent failure or refusal to so comply.

SECTION 14.12 Governing Law. This Agreement shall be governed by, interpreted under, and construed and enforced in accordance with, the laws of the State of New York.

SECTION 14.13 Submission to Jurisdiction; Waiver of Jury Trial. To the fullest extent permissible by Applicable Law, Seller and Purchaser irrevocably submit to the jurisdiction of the federal and state courts having jurisdiction in the City of New York, New York for the purposes of any suit, action or other proceeding arising out of this Agreement or any transaction contemplated hereby. Seller and Purchaser further agree that service of any process, summons, notice or document by U.S. registered mail to such party's or parties' respective address set forth above shall be effective service of process for any action, suit or proceeding in the State of New York with respect to any matters to which it has submitted to jurisdiction as set forth in the immediately preceding sentence. To the fullest extent permissible by Applicable Law, each of Seller and Purchaser also irrevocably and unconditionally waives trial by jury and any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the transactions contemplated hereby in the federal and state courts having jurisdiction in the City of New York, New York. To the fullest extent permissible by Applicable Law, each of Seller and Purchaser also irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

SECTION 14.14 Severability. If any term or provision of this Agreement or the application thereof to any Person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

SECTION 14.15 Headings. The headings of the various Articles and Sections of this Agreement have been inserted only for purposes of convenience, are not part of this Agreement and shall not be deemed in any manner to modify, explain, expand or restrict any of the provisions of this Agreement.

SECTION 14.16 Counterparts. This Agreement may be executed in two or more counterparts and by facsimile or electronic (e.g., pdf) signatures, which taken together still constitute collectively one agreement. In making proof of this Agreement it shall not be necessary to produce or account for more than one such counterpart with each party's counterpart, facsimile or electronic signature.

SECTION 14.17 Acceptance of Deed. The acceptance of the Deed by Purchaser shall be deemed full compliance by Seller of all of Seller's obligations under this Agreement, except for those obligations of Seller which are specifically stated to survive the delivery of the Deed or Closing hereunder pursuant to the terms of this Agreement.

SECTION 14.18 Construction. The parties acknowledge that the parties and their counsel have reviewed and revised this Agreement, and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or of any exhibits, schedules or amendments hereto.

SECTION 14.19 Recordation. Neither this Agreement nor any memorandum or notice of this Agreement may be recorded by any party hereto without the prior written consent of the other parties hereto; provided, however, Purchaser's recordation of a notice of *lis pendens* shall be permitted if Purchaser is seeking an action for specific performance. In furtherance of the foregoing, Purchaser hereby indemnifies Seller from and against any and all Losses arising out of a breach of this Section 14.19. The provisions of this Section 14.19 shall survive the Closing or any prior termination of this Agreement.

SECTION 14.20 Time is of the Essence. Seller and Purchaser agree that time is of the essence with respect to the parties' obligations under this Agreement.

SECTION 14.21 Business Days; Calculation of Time Periods. Seller and Purchaser agree that if any notice or action required or permitted by this Agreement falls on a date which is not a Business Day, then such date shall be extended to the next Business Day. The final day of any time period under this Agreement or any deadline under this Agreement shall include the period of time through and including such final day or deadline. The final day of any specified time period or deadline shall be deemed to end at 5:00 p.m. Eastern Time unless otherwise specifically indicated herein.

SECTION 14.22 Survival.

(a) Any obligations or liabilities of Seller or Purchaser hereunder shall survive Closing or earlier termination of this Agreement solely to the extent expressly provided herein.

(b) Unless expressly stated otherwise, all terms and provisions contained in this Agreement shall not survive Closing.

SECTION 14.23 Legal Costs. The parties hereto agree that they shall pay directly any and all legal costs which they have incurred on their own behalf in the preparation of this Agreement, and all deeds and other agreements pertaining to this transaction, and that such legal costs shall not be part of the Closing costs. In addition, if either Purchaser or Seller brings any suit or other proceeding with respect to the subject matter or the enforcement of this Agreement, the prevailing party (as determined by the court, agency or other authority before which such suit or proceeding is commenced), in addition to such other relief as may be awarded, shall be entitled to recover reasonable attorneys' fees, expenses and costs of investigation actually incurred. The foregoing includes reasonable attorneys' fees, expenses and costs of investigation (including those incurred in appellate proceedings), costs incurred in establishing the right to indemnification, or in any action or participation in, or in connection with, any case or proceeding under Chapter 7, 11 or 13 of the Bankruptcy Code (11 United States Code Sections 101 et seq.), or any successor statutes. The provisions of this Section 14.23 shall survive Closing or any termination of this Agreement without limitation.

SECTION 14.24 Intentionally omitted.

SECTION 14.25 Exchange. Seller or Purchaser may desire to effectuate a tax-deferred “1031” exchange, including but not limited to a “reverse like kind exchange” (an “Exchange”) in connection with the purchase and sale of any or all of the Real Property. Purchaser and Seller hereby agree to reasonably cooperate with each other in connection with an Exchange, provided that: (a) all documents executed by any party in connection with an Exchange shall be subject to the prior reasonable approval of the other party, and all such Exchange documents shall acknowledge that the other party is acting solely as an accommodating party to such Exchange, the other party shall have no liability with respect thereto, the other party is making no representation or warranty that the transactions qualify as a tax-deferred exchange under Section 1031 of the Internal Revenue Code or any applicable state or local laws, and the other party shall have no liability whatsoever if any such transactions fail to so qualify; (b) no Exchange shall result in the non-exchanging party or parties incurring any additional costs or liabilities, and each party shall indemnify, defend and hold the other harmless against any such additional claims, causes of action, costs and liabilities; (c) no Exchange shall result in any increased risks or any adverse tax consequences to the non-exchanging party or parties; (d) in no event shall the non-exchanging party or parties be obligated to acquire any property or otherwise be obligated to take title, or appear in the records of title, to any property in connection with an Exchange; and (e) in no event shall an exchanging party’s consummation of such Exchange constitute a condition precedent to its obligations under this Agreement, and an exchanging party’s failure or inability to consummate such Exchange for any reason or for no reason at all shall not be deemed to excuse or release such party from its obligations under this Agreement. Any party pursuing an Exchange shall indemnify and hold the other parties harmless from and against all claims, demands, actions, proceedings, damages, losses, liabilities, costs and expenses resulting from such party’s Exchange. The indemnification provisions of this Section 14.25 shall survive Closing or any termination of this Agreement.

SECTION 14.26 Effect of Affiliated Purchase Agreements.

(a) Contemporaneously herewith, (i) each of Sovereign Seller, Leigh House Seller, and Preston View Seller, as sellers, and Purchaser, as purchaser, have entered into the Three Property Purchase Agreement with respect to the purchase and sale of each of the Sovereign Property, the Leigh House Property, and the Preston View Property, (ii) Landings at Four Corners Seller and Purchaser have entered into the Landings at Four Corners Purchase Agreement with respect to the Landings at Four Corners Property, and (iii) Sorrel Phillips Creek Ranch Seller and Purchaser have entered into the Sorrel Phillips Creek Ranch Purchase Agreement with respect to the Sorrel Phillips Creek Ranch Property. As of the Effective Date, closing under the Three Property Purchase Agreement and the Landings at Four Corners Purchase Agreement is scheduled to occur prior to Closing under this Agreement.

(b) Seller and Purchaser specifically agree and acknowledge that, except as otherwise specifically provided in Section 14.27 hereof, in Section 14.27 of the Three Property Purchase Agreement, in Section 14.27 of the Landings at Four Corners Purchase Agreement, or in Section 14.27 of the Sorrel Phillips Creek Ranch Purchase Agreement, (i) a termination of this Agreement shall also automatically terminate the Affiliated Purchase Agreements, and (ii) a termination of any of the Affiliated Purchase Agreements shall also automatically terminate this Agreement.

SECTION 14.27 Special Provisions Regarding Partial Termination.

(a) Purchaser's Partial Termination Rights upon Special Casualty or Special Condemnation.

(i) As used in this Section 14.27(a):

(A) A "Special Casualty" shall mean any damage to the Real Property or any portion thereof by fire or other casualty that is expected to cost in excess of ten percent (10%) of the Purchase Price to repair (as determined by the independent insurance adjuster designated by Seller's insurance company).

(B) A "Special Condemnation" shall mean any condemnation or conveyance in lieu of condemnation for the Real Property which meets the standards for a "Material Condemnation" under Section 9.2(d), and for which either (i) the cost of restoration is expected to exceed ten percent (10%) of the Purchase Price (as determined by a general contractor selected by Purchaser that is reasonably acceptable to Seller) or (ii) results in a diminution in value of the Property by more than ten percent (10%) of the Purchase Price (as determined by an MAI certified appraiser selected by Purchaser that is reasonably acceptable to Seller).

(C) A "Terminated Property" shall mean the Property, if the Property is affected by a Special Casualty or Special Condemnation, and if Purchaser therefore elects to terminate this Agreement pursuant to this Section 14.27(a).

(D) The "Remaining Properties" shall mean the remainder of the Property Group, if Purchaser has a right to terminate, and does terminate, this Agreement pursuant to this Section 14.27(a).

(ii) In the event of a Special Casualty or Special Condemnation at the Property, Purchaser may elect to terminate this Agreement by written notice to Seller, whereupon the Property shall thereafter constitute a Terminated Property, the remainder of the Property Group shall constitute Remaining Properties, and Purchaser shall proceed to close on the Remaining Properties under the Affiliated Purchase Agreements pursuant to the terms of such agreements, in which event: (A) the Earnest Money under this Agreement shall, at Purchaser's election, either be applied to the payment of the purchase price for the Remaining Properties or returned to Purchaser, and (C) both parties shall be relieved from all obligations and liabilities arising hereunder related to the Property, except for any provisions hereof that expressly survive the termination of this Agreement (and then only to the extent such provisions apply to the Property). For the avoidance of doubt, if Purchaser exercises its rights as contemplated in this Section 14.27(a)(ii), the Affiliated Purchase Agreements shall remain in full force and effect notwithstanding anything herein or in the Affiliated Purchase Agreements to the contrary. If Purchaser elects to close over a Special Casualty or Special Condemnation, the terms of Section 9.2 shall apply.

(b) Purchaser's Partial Termination Rights as to Affiliated Purchase Agreements.

(i) If Purchaser has a right to terminate, and does terminate, the Three Property Purchase Agreement pursuant to Section 14.27 thereof, then, notwithstanding anything in this Agreement to the contrary, such termination shall apply solely to the property terminated thereby, and in such event, this Agreement, the Three Property Purchase Agreement (as to the non-terminated properties) and the other Affiliated Purchase Agreements shall remain in full force and effect.

(ii) If Purchaser has a right to terminate, and does terminate, the Sorrel Phillips Creek Ranch Purchase Agreement pursuant to Section 14.27 thereof, then, notwithstanding anything in this Agreement to the contrary, such termination shall apply solely to the Sorrel Phillips Creek Ranch Purchase Agreement, and in such event, this Agreement and the remaining Affiliated Purchase Agreements shall remain in full force and effect.

(iii) If Purchaser has a right to terminate, and does terminate, the Landings at Four Corners Purchase Agreement pursuant to Section 14.27 thereof, then, notwithstanding anything in this Agreement to the contrary, such termination shall apply solely to the Landings at Four Corners Purchase Agreement, and in such event, this Agreement and the remaining Affiliated Purchase Agreements shall remain in full force and effect.

(c) In the event of a conflict between the terms of this Section 14.27 and any other provision of this Agreement, the terms of this Section 14.27 shall control.

**[REMAINDER OF PAGE LEFT BLANK;
SIGNATURES BEGIN ON NEXT PAGE]**

IN WITNESS WHEREOF, Seller and Purchaser have executed this Agreement, to be effective as of the Effective Date.

SELLER:

BR WORLD GATEWAY, LLC, a Delaware limited liability company

By: BRG World Gateway Manager, LLC, a Delaware limited liability company, its Manager

By: /s/ Jordan B. Ruddy
Name: Jordan B. Ruddy
Title: Authorized Signatory

**[SIGNATURE PAGE TO PURCHASE AND SALE AGREEMENT]
[SIGNATURES CONTINUE ON THE FOLLOWING PAGES]**

PURCHASER:

KRE TOPAZ PORTFOLIO INVESTOR LLC,
a Delaware limited liability company

By: /s/ Michael Friedland
Name: Michael Friedland
Title: VP

JOINDER OF NEW PROPERTY MANAGER

New Property Manager has executed this Agreement for the limited purpose of agreeing to the terms of Section 3.4(a) applicable to it.

NEW PROPERTY MANAGER:

CHRES/MANAGEMENT, LLC, a Tennessee limited liability company

By: /s/ James A. Shanks
Name: James A. Shanks
Title: Authorized Member

**[SIGNATURE PAGE TO PURCHASE AND SALE AGREEMENT]
[SIGNATURES CONTINUE ON THE FOLLOWING PAGES]**

JOINDER OF ESCROW AGENT

Escrow Agent has executed this Agreement for the limited purposes set forth herein.

ESCROW AGENT:

FIRST AMERICAN TITLE INSURANCE COMPANY

By: /s/ Myra A. Kellner

Name: Myra A. Kellner

Title: Escrow Officer

**[SIGNATURE PAGE TO PURCHASE AND SALE AGREEMENT]
[SIGNATURES CONTINUE ON THE FOLLOWING PAGES]**

PARENT JOINDER

This joinder (this “Parent Joinder”) is attached to and made a part of the foregoing Agreement and all terms capitalized but not defined herein shall have the respective meanings given to them in the Agreement. The undersigned, BLUEROCK RESIDENTIAL GROWTH REIT, INC., a Maryland corporation (“Parent”), for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby duly executes with proper authority, joins in the execution of this Agreement, and agrees that it is a party to the Agreement and is jointly and severally liable, as a principal and not as a surety, solely for Seller’s obligations under Section 10.10 and for any indemnity obligations of Seller arising under Section 11.1 hereof; provided, however, that any claim brought hereunder must be brought within one hundred eighty (180) days following the Closing Date, failing which, Purchaser shall be deemed to have waived and forever renounced any right to assert a claim pursuant to this Parent Joinder under Sections 10.10 and 11.1 for any claim or cause of action under the Agreement whether at law or in equity. Purchaser shall have the right to proceed directly against Parent without first making written demand to Seller (and without any obligation to bring suit against Seller) for the satisfaction of any such obligations.

Parent represents and warrants that its Tangible Net Worth (as hereinafter defined) exceeds the Cap Limitation. Until the expiration of the Survival Period (or if Purchaser makes a claim against any Seller during the Survival Period, until the final adjudication (including appeals) or settlement of such claim), Parent shall at all times: (i) remain an entity in good standing and not legally dissolve; (ii) maintain a Tangible Net Worth, measured on a consolidated basis, in an amount not less than the Cap Limitation, and (iii) not sell, dispose or make distributions of assets of Parent that would cause a breach of the foregoing financial covenants. “Tangible Net Worth” means the excess of total assets over total liabilities, in each case as determined in accordance with generally accepted accounting principles consistently applied (“GAAP”), excluding, however, from the determination of total assets all assets which would be classified as intangible assets under GAAP including goodwill, licenses, patents, trademarks, trade names, copyrights, and franchises.

Parent is an indirect owner of Seller, will derive substantial benefits from the transactions described in the Agreement, and acknowledges that the execution of this Parent Joinder is a material inducement and condition to Purchaser’s execution of the Agreement. Parent represents and warrants that it has the legal right, power, authority and capacity to execute this Parent Joinder, that such execution does not violate the organizational documents of, or any other agreement or instrument by which Parent is bound, and that this Parent Joinder is binding and enforceable against Parent. Parent acknowledges and agrees that this Parent Joinder may not be assigned to any other Person without Purchaser’s prior written consent (which may be withheld in Purchaser’s sole discretion) and shall be binding upon Parent’s successors and assigns.

Parent unconditionally waives any guarantor or suretyship defenses that might otherwise be available to it with respect to its obligations under this Parent Joinder. The terms of this Joinder shall survive Closing until the expiration of the Survival Period (as the same may be extended pursuant to Section 11.4).

The provisions set forth in Section 14.1, Section 14.3, and Section 14.5 through Section 14.27, inclusive, of the Agreement are hereby incorporated by reference into this Parent Joinder as if fully set forth herein, provided that the undersigned shall be the "Seller" under such Sections.

**[REMAINDER OF PAGE LEFT BLANK;
SIGNATURE APPEARS ON NEXT PAGE]**

PARENT:

BLUEROCK RESIDENTIAL GROWTH REIT, INC., a Maryland corporation

By: /s/ Michael Konig

Name: Michael Konig

Title: Authorized Signatory

**[SIGNATURE PAGE TO PARENT JOINDER TO
PURCHASE AND SALE AGREEMENT]
[END OF SIGNATURES]**

Schedule A

LEGAL DESCRIPTION OF LAND

PARCEL 1 (Fee Estate)

Parcel A-2 of WORLD GATEWAY PHASE 3, according to the Plat thereof as recorded in Plat Book 46, Pages 10 through 12, inclusive, of the Public Records of Orange County, Florida.

PARCEL 2 (Easement Estate)

Non-exclusive easement rights arising under that certain Grant of Signage Easement executed by World Gateway Property Owners Association, Inc., in favor of GCB Associates, Ltd., and Orlando Gateway, LLC, dated December 29, 2000 and recorded December 29, 2000 in Official Records Book 6161, Page 5064 of the Public Records of Orange County, Florida.

AND

Those certain easements created in Article VI of the Declaration of Covenants, Conditions and Restrictions for the Green Project, Orange County, Florida, recorded January 12, 1995 in Official Records Book 4843, Page 1448; Supplemental Declaration recorded June 5, 1997 in Official Records Book 5266, Page 4882 and recorded September 17, 1997 in Official Records Book 5328, Page 1945; First Amendment recorded November 26, 1997, in Official Records Book 5371, Page 1159; Supplemental Declaration recorded in Official Records Book 5816, Page 4379 and Second Amendment recorded in Official Records Book 5847, Page 3397, of the Public Records of Orange County, Florida; Third Amendment recorded in Official Records Book 6600, Page 2868; Fourth Amendment recorded in Official Records Book 7656, Page 3988 and Fifth Amendment recorded in Official Records Book 9934, Page 2784 of the Public Records of Orange County, Florida.

AND

Together with an undivided interest in and to easement for common area pursuant to Article VIII of the Declaration of Covenants, Conditions and Restrictions as recorded in O.R. Book 4843, Page 1448.

And together with the benefit of easement for ingress and egress over and across Tract D (Satay Drive) as provided for and set forth on the Plat of World Gateway Phase 3 according to the plat thereof as recorded in Plat Book 46, Pages 10 through 12, and affected by that certain Quitclaim Deed dated December 29, 2000 and recorded December 29, 2000 in Official Records Book 6161, Page 4998, all of the Public Records of Orange County, Florida.

Schedule B

LIST OF SELLER'S DELIVERIES

Please see attached.

Schedule C

INVENTORY OF PERSONAL PROPERTY

Please see attached.

Schedule D

EXCLUDED PERSONAL PROPERTY

Please see attached.

Schedule 3.1

SELLER'S CORE DELIVERIES

Any and all information contained on that certain website with a domain name of: _____ . [NTD: At execution, download/delete privileges will be revoked and an email of the images of the site will be sent to both parties. A new site will be created for any incremental requests/documents.]

Schedule 3.1(h)

LITIGATION

Please see attached.

Schedule 3.1(i)

NOTICES OF VIOLATION

Please see attached.

Schedule 3.1(j)

CONTRACTS

Please see attached.

Schedule 3.1(k)

RENT ROLL

Please see attached.

Schedule 3.1(q)

INSURANCE CERTIFICATE

Please see attached.

Exhibit A

FORM OF BILL OF SALE AND ASSIGNMENT

**BILL OF SALE AND ASSIGNMENT AND ASSUMPTION OF
LEASES, CONTRACTS AND GENERAL INTANGIBLES**

THIS BILL OF SALE AND ASSIGNMENT AND ASSUMPTION OF LEASES, CONTRACTS AND GENERAL INTANGIBLES (this “**Agreement**”) is made and entered into this ____ day of _____, 2019, by and between **BR WORLD GATEWAY, LLC**, a Delaware limited liability company (“**Seller**”), and _____, a _____ (“**Purchaser**”).

WITNESSETH:

WHEREAS, Seller and [Purchaser] have previously entered into that certain Purchase and Sale Agreement, dated as of June ____, 2019 [DESCRIBE AMENDMENTS, IF APPLICABLE] (the “**Purchase Agreement**”);

WHEREAS, concurrently with the execution and delivery of this Agreement and pursuant to the Purchase Agreement, Seller is conveying to Purchaser, by Special Warranty Deed, (i) that certain tracts or parcels of real property located in Orange County, Florida, and more particularly described on Exhibit A, attached hereto and made a part hereof (the “**Land**”), (ii) the rights, easements and appurtenances pertaining to the Land (the “**Related Rights**”), and (iii) the buildings, structures, fixtures and other improvements on and within the Land (the “**Improvements**”; and the Land, the Related Rights and the Improvements being sometimes collectively referred to as the “**Real Property**”);

WHEREAS, Seller has agreed to convey to Purchaser certain personal property and assign to Purchaser certain leases, service contracts, and intangible rights as hereinafter set forth;

NOW, THEREFORE, in consideration of the receipt of Ten Dollars (\$10.00), the assumptions by Purchaser hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser agree as follows:

1. Bill of Sale.

(a) Seller hereby sells, assigns, transfers and conveys to Purchaser, without representation or warranty, all of Seller’s right, title and interest in, to and under the Personal Property and the Intangible Property.

(b) “Personal Property” shall have the meaning ascribed to such term in the Purchase Agreement.

(c) “Intangible Property” shall have the meaning ascribed to such term in the Purchase Agreement.

(d) Seller hereby binds itself, its legal representatives, successors and assigns, to WARRANT, and FOREVER DEFEND title to the Personal Property and Intangible Property unto Purchaser, its legal representatives, successors and assigns, against every Person claiming by, through or under Seller, but against no other.

2. Assignment and Assumption of Leases.

(a) Seller hereby sells, assigns, transfers and conveys to Purchaser all of Seller’s right, title and interest as landlord in, to and those Leases (as defined in the Purchase Agreement) which are described in Exhibit B attached to this Agreement, together with any and all unapplied Refundable Security Deposits (as defined in the Purchase Agreement). The Refundable Security Deposits are set forth on Exhibit B. The assignment of the Refundable Security Deposits has been made by means of a credit or payment on the closing statement executed by Seller and Purchaser pursuant to the Purchase Agreement.

(b) Purchaser hereby assumes all of the covenants, agreements, conditions and other terms and provisions stated in the Leases which, under the terms of the Leases, are to be performed, observed, and complied with by the landlord from and after the date of this Agreement. Purchaser acknowledges that Purchaser shall become solely responsible and liable as landlord under the Leases for obligations arising or accruing from and after the date hereof. It is specifically agreed between Seller and Purchaser that Seller shall remain liable for the performance of the obligations to be performed by Seller under the described in Exhibit B which were required to be performed prior to (but not from and after) the date hereof.

(c) Purchaser shall indemnify, hold harmless and defend Seller from and against any and all claims, demands, causes of action, liabilities, losses, costs, damages and expenses (including reasonable attorneys’ fees and expenses and court costs incurred in defending any such claim or in enforcing this indemnity) that may be incurred by Seller by reason of the failure of Purchaser to perform, observe and comply with the landlord’s obligations under any of the Leases arising or accruing during the period from and after the date hereof, including without limitation, claims made by tenants with respect to the Refundable Security Deposits (to the extent paid or assigned to Purchaser or for which Purchaser has received a credit or payment at Closing). Seller shall indemnify, hold harmless and defend Purchaser from and against any and all claims, demands, causes of action, liabilities, losses, costs, damages and expenses (including reasonable attorneys’ fees and expenses and court costs incurred in defending any such claim or in enforcing this indemnity) that may be incurred by Purchaser by reason of the failure of Seller to perform, observe and comply with the landlord’s obligations under any of the Leases arising or accruing during the period prior to the date hereof, including without limitation, claims made by tenants with respect to the Refundable Security Deposits arising before the date hereof (to the extent such Refundable Security Deposits were not paid or assigned to Purchaser or for which Purchaser did not receive a credit or payment at Closing).

(d) For purposes of this Paragraph 2, the word “landlord” means the landlord, lessor or other equivalent party under any of the Leases, and the word “tenant” means the tenant, lessee or other equivalent party under any of the Leases.

3. Assignment and Assumption of Contracts.

(a) Seller hereby sells, assigns, transfers and conveys to Purchaser all of Seller’s right, title and interest in, to and under those service, supply and similar agreements set forth on Exhibit C, attached hereto and made a part hereof (the “Contracts”).

(b) Purchaser hereby assumes all of the covenants, agreements, conditions and other terms and provisions stated in the Contracts which, under the terms of the Contracts, are to be performed, observed, and complied with by the property owner from and after the date of this Agreement. Purchaser acknowledges that Purchaser shall become solely responsible and liable under the Contracts for obligations arising or accruing from and after the date hereof, including with respect to any and all payments coming due under the Contracts for which Purchaser has received a credit or payment on the closing statement executed by Purchaser and Seller (the “Credited Payments”). It is specifically agreed between Seller and Purchaser that Seller shall remain liable for the performance of the obligations to be performed by Seller under the Contracts which were required to be performed prior to (but not from and after) the date hereof.

(c) Purchaser shall indemnify, hold harmless and defend Seller from and against any and all claims, demands, causes of action, liabilities, losses, costs, damages and expenses (including reasonable attorneys’ fees and expenses and court costs incurred in defending any such claim or in enforcing this indemnity) that may be incurred by Seller by reason of the failure of Purchaser to perform, observe and comply with its obligations under any of the Contracts arising or accruing during the period from and after the date hereof, including without limitation, claims made by any other contract party with respect to the Credited Payments (to the extent paid or assigned to Purchaser or for which Purchaser received a credit or payment at Closing). Seller shall indemnify, hold harmless and defend Purchaser from and against any and all claims, demands, causes of action, liabilities, losses, costs, damages and expenses (including reasonable attorneys’ fees and expenses and court costs incurred in defending any such claim or in enforcing this indemnity) that may be incurred by Purchaser by reason of the failure of Seller to perform, observe and comply with its obligations under any of the Contracts arising or accruing during the period prior to the date hereof, including without limitation, claims made by any other contract party with respect to the Credited Payments, arising before the date hereof (to the extent such Credited Payments were not paid or assigned to Purchaser or for which Purchaser did not receive a credit or payment at Closing).

4. Qualifications. This Agreement is subject to those provisions of the Purchase Agreement limiting Seller’s liability to Purchaser, including but not limited to Article 11 of the Purchase Agreement.

5. Counterparts. This Agreement may be executed in two or more identical counterparts, and it shall not be necessary that any one of the counterparts be executed by all of the parties hereto. Each fully or partially executed counterpart shall be deemed an original, but all of such counterparts taken together shall constitute one and the same instrument.

6. Successors and Assigns. This Agreement shall inure to the benefit of, and be binding upon, the successors, executors, administrators, legal representatives and assigns of the parties hereto.

7. Governing Law. This Agreement shall be construed under and enforced in accordance with the laws of the State of New York.

EXECUTED effective as of the date first above written.

SELLER:

BR WORLD GATEWAY, LLC,
a Delaware limited liability company

By: BRG World Gateway Manager, LLC,
a Delaware limited liability company,
its Manager

By: _____
Name: _____
Title: _____

PURCHASER:

_____,
a _____

By: _____
Name: _____
Title: _____

Exhibits to Bill of Sale and Assignment

A - Legal Description of Land

B - List of Assumed Contracts

Exhibit B

FORM OF TENANT NOTICE

NOTICE TO TENANT

_____, 2019

To: Tenants of ARIUM Palms at World Gateway Apartments

Re: Sale by **BR WORLD GATEWAY, LLC**, a Delaware limited liability company
(the "Landlord"), to _____, a _____ (the "New Landlord"), of the property known
as "ARIUM Palms at World Gateway Apartments," located at 9000 Avenue Pointe Circle, Orlando, Florida 32821 (the "Property")

Dear Tenant:

Please be advised that the Property has been sold and your lease (the "Lease") has been assigned by Landlord to New Landlord. New Landlord has assumed all of the obligations under your Lease accruing from and after this day, including any obligations to return your security deposit, if any, in accordance with the terms of your Lease.

Until further notice, all correspondence and notices shall be directed, and all rents, additional rents and other charges under the Lease shall be paid, to New Landlord at the following address: _____.

Please make all rent checks payable to _____.

Your security deposit, if any, under the Lease has been transferred to New Landlord.

Thank you for your assistance and cooperation during this transition.

[Signatures commence on the following page]

LANDLORD:

BR WORLD GATEWAY, LLC,
a Delaware limited liability company

By: BRG World Gateway Manager, LLC,
a Delaware limited liability company,
its Manager

By: _____
Name: _____
Title: _____

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

Exhibit C

**FORM OF
CONDOMINIUM CONVERSION PROHIBITION AGREEMENT**

Return after recording to:

SPACE ABOVE THIS LINE FOR RECORDER'S USE

ARIUM Palms at World Gateway Apartments

**PROHIBITION AGAINST
CONDOMINIUM CONVERSION AGREEMENT**

THIS PROHIBITION AGAINST CONDOMINIUM CONVERSION AGREEMENT (the "Condominium Agreement") is made and entered into as of _____, 2019, by and between _____ ("Purchaser"), and BR WORLD GATEWAY, LLC, a Delaware limited liability company ("Seller").

WITNESSETH:

WHEREAS, Seller and [Purchaser] have entered into that certain Purchase and Sale Agreement dated as of June ____, 2019 (the "Sale Agreement") relating to the sale by Seller to Purchaser of that parcel of real property located in Orange County, Florida, and more particularly described on Exhibit "A" attached hereto (the "Land"), together with certain apartment buildings and related personal property and other rights located thereon and relating thereto (the "Improvements"; and the Land and the Improvements collectively referred to herein as the "Property").

WHEREAS, as a condition to Seller conveying the Property to Purchaser and in consideration of Seller accepting the purchase price and conveying the Property as set forth in the Sale Agreement to Purchaser, Purchaser has agreed with Seller to execute and record this Condominium Agreement providing for certain restrictions relating to the future use of the Property for a period of time after the date of this Condominium Agreement as more fully set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and undertakings set forth herein, and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, Seller and Purchaser hereby agree as follows:

Section 1. Definitions and Interpretation. The following terms shall have the respective meanings assigned to them in this Section I unless the context in which they are used clearly requires otherwise:

“Condominium Conversion” - Shall mean the filing or recording of any document providing for the conversion of the Property to a form of condominium ownership under any state or local statute or ordinance.

“County” - The county in which the Land is located.

“Deed” - Special Warranty Deed.

“Event of Default” - As defined in Section 11 hereof.

“First Mortgage” – As defined in Section 20(a) hereof.

“First Mortgagee” – As defined in Section 20(a) hereof.

“Hazardous Materials” or “Hazardous Substances” - Shall mean (i) hazardous wastes, hazardous materials, hazardous substances, hazardous constituents, toxic substances or related materials, whether solids, liquids or gases, including but not limited to substances defined as “hazardous wastes,” “hazardous materials,” “hazardous substances,” “toxic substances,” “pollutants,” “contaminants,” “radioactive materials,” “toxic pollutants”, or other similar designations in, or otherwise subject to regulation under, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (“CERCLA”), 42 U.S.C. § 9601 et seq.; the Toxic Substance Control Act (“TSCA”), 15 U.S.C. § 2601 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. § 1802; the Resource Conservation and Recovery Act (“RCRA”), 42 U.S.C. § 9601, et seq.; the Clean Water Act (“CWA”), 33 U.S.C. § 1251 et seq.; the Safe Drinking Water Act, 42 U.S.C. § 300f et seq.; the Clean Air Act (“CAA”), 42 U.S.C. § 7401 et seq.; any Regional Water Quality Control Board; and in any permits, licenses, approvals, plans, rules, regulations or ordinances adopted, or other criteria and guidelines promulgated pursuant to the preceding laws or other similar federal, state or local laws, regulations, rules or ordinance now or hereafter in effect relating to environmental matters; and (ii) any other substances, constituents or wastes subject to any applicable federal, state or local law, regulation or ordinance, including any environmental law, now or hereafter in effect, including but not limited to (A) petroleum, (B) refined petroleum products, (C) waste oil, (D) waste aviation or motor vehicle fuel and their byproducts, (E) asbestos, (F) lead in water, paint or elsewhere, (G) radon, (H) Polychlorinated Biphenyls (PCB’s), (I) ureaformaldehyde, (J) volatile organic compounds (VOC), (K) total petroleum hydrocarbons (TPH), (L) benzene derivative (BTEX), (M) petroleum byproducts and (N) methane gas or any of its derivatives.

“Improvements” - As defined in the Recitals hereof.

“Indemnified Parties” - As defined in Section 3 hereof.

“Land” - As defined in the Recitals hereof.

“Property” - As defined in the Recitals hereof.

“Property Conditions” - As defined in Section 3 hereof.

“Related Parties” – Bluerock Real Estate, L.L.C., a Delaware limited liability company, and its successors and assigns.

“Residential Rental Property” - Shall mean property used for the rental of apartments to the general public under leases providing for residential use by any occupant of any apartment.

“Purchaser” - As defined in the Preamble hereof. In the event more than one person and/or entity executes this Condominium Agreement as Purchaser, each such person and/or entity which comprises Purchaser under this Condominium Agreement shall be jointly and severally liable for all of the obligations, covenants, liabilities and indemnifications of the Purchaser under this Condominium Agreement.

“Seller” - As defined in the Preamble hereof.

“Term” - As defined in Section 7 herein.

“Units” - Shall mean any portion of the Property created in connection with any Condominium Conversion.

Section 2. No Condominium Conversion.

(a) During the Term of this Condominium Agreement:

(i) The Property shall not be subject to any Condominium Conversion and no portion of the Property shall be converted to Units for sale in connection with a Condominium Conversion, nor shall the title to any such Units be transferred to any party.

(ii) No part of the Property will at any time be owned or used as a cooperative housing corporation, community apartment property or stock corporation.

Section 3. Indemnification. In the event any of the provisions of Section 2 hereof are breached, the then current owner of the Property ("Indemnitor") agrees to indemnify, defend and hold harmless the Seller, and each of its members, partners, officers, directors, trustees, affiliates (including, but not limited to, Bluerock Real Estate, L.L.C. and Bluerock Residential Growth REIT, Inc.), parents, subsidiaries, shareholders, managers, beneficiaries, employees and agents (collectively, the "Indemnified Parties") from any and all demands, claims, including claims for personal injury, property damage or death, legal or administrative proceedings, losses, liabilities, damages, penalties, fines, liens, judgments, costs or expenses whatsoever, whether in tort, contract or otherwise (including without limitation, court costs and reasonable attorneys' fees and disbursements) arising out of, or in any way relating to: (a) claims made or brought by any party or parties who acquire or contract to acquire any Units in the Property (or any cooperative housing corporation, community apartment property or stock corporation interests in the Property) following the date hereof, their agents, employees and successors and assigns in connection with or related to (i) the physical condition of the Property, including, without limitation, latent or patent defects, and claims relating to the existence of asbestos, any other construction defects, claims relating to mold, all structural and seismic elements, all mechanical, electrical, plumbing, sewage, heating, ventilating, air conditioning and other systems, the environmental condition of the Property and the presence of Hazardous Materials or Hazardous Substances on, under or about the Property, and (ii) any law or regulation applicable to the Property, including, without limitation, any environmental law and any other federal, state or local law (the matters described in (i) and (ii) hereof collectively the "Property Conditions"); and (b) a breach of any of the covenants, terms and conditions of this Condominium Agreement by Indemnitor. Indemnitor consents to the right of Indemnified Parties to approve and appoint defense counsel and to participate in or assume the defense of any claim. Until any determination is made in any appropriate legal proceeding challenging the obligation of Indemnitor herein, Indemnitor's obligations under all the terms and provisions of this Section shall remain in full force and effect. Indemnitor acknowledges that it is a sophisticated and experienced purchaser of real estate and has reviewed with its counsel the full meaning and affect of the foregoing indemnity.

Section 4. Consideration. In consideration of the Seller's acceptance of the purchase price for the Property from Purchaser, Purchaser has entered into this Condominium Agreement and has agreed to restrict the uses to which the Property can be put on the terms and conditions set forth herein.

Section 5. Intentionally deleted.

Section 6. Intentionally deleted.

Section 7. Term. This Condominium Agreement shall become effective upon its execution and delivery and shall remain in full force and effect until the date which is ten (10) years from the date hereof (the "Term"). Upon the expiration of the Term, the parties hereto agree to execute, deliver and record appropriate instruments of release and discharge of the terms hereof; provided, however, that the execution and delivery of such instruments shall not be necessary or a prerequisite to the termination of this Condominium Agreement in accordance with its terms.

Section 8. Covenants to Run With the Land. The Purchaser and Seller hereby subject the Property to the covenants, reservations and restrictions set forth in this Condominium Agreement. The Purchaser and the Seller hereby declare their express intent that the covenants, reservations and restrictions set forth herein shall be deemed covenants running with the land and shall pass to and be binding upon the Purchaser's successors in title to the Property; provided, however, that on the termination of this Condominium Agreement said covenants, reservations and restrictions shall expire. Each and every contract, deed or other instrument hereafter executed covering or conveying the Property or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instrument.

Section 9. Burden and Benefit. The Purchaser and Seller hereby declare their understanding and intent that the burden of the covenants set forth herein touch and concern the Land in that the Purchaser's legal interest in the Property is rendered less valuable thereby. The Purchaser and Seller hereby further declare their understanding and intent that the benefit of such covenants touch and concern the Land by enhancing and increasing the enjoyment and use of the Property by persons entitled to rent the apartments contained therein.

Section 10. Uniformity: Common Plan. The covenants, reservations and restrictions hereof shall apply uniformly to the entire Property in order to establish and carry out a common plan for the use of the Property.

Section 11. Enforcement. If the Purchaser or any of its successors or assigns defaults in the performance or observance of any covenant, agreement or obligation of the Purchaser and its successors or assigns set forth in this Condominium Agreement, then the Seller or any of the Indemnified Parties may declare an "Event of Default" to have occurred hereunder, and, at any of said Parties option, it may take any one or more of the following steps: (a) by mandamus or other suit, action or proceeding at law or in equity, to require the Purchaser and its successors and assigns to perform its obligations and covenants hereunder, or enjoin any acts or things which may be unlawful or in violation of the rights of the Seller hereunder; or (b) take such other action at law or in equity as may appear reasonably necessary to enforce the obligations, covenants and agreements of the Purchaser hereunder. All rights and remedies as set forth herein shall be cumulative and non-exclusive to the extent permitted by law.

Section 12. Recording and Filing. The Seller shall cause this Condominium Agreement and all amendments and supplements hereto and thereto, to be recorded and filed in the real property records of the County. The Seller shall pay all fees and charges incurred in connection with any such recording.

Section 13. Attorneys' Fees. In the event that a party to this Condominium Agreement brings an action against any other party to this Condominium Agreement by reason of the breach of any condition or covenant, representation or warranty in this Condominium Agreement, or otherwise arising out of this Condominium Agreement, the prevailing party in such action shall be entitled to recover from the other reasonable attorneys' fees to be fixed by the court which shall render a judgment, as well as the costs of suit.

Section 14. Governing Law. This Condominium Agreement shall be governed by the laws of the State of Florida.

Section 15. Amendments. This Condominium Agreement shall be amended only with the express written consent of the Seller, or by any one (1) of the Related Parties for or on behalf of the Seller, by a written instrument executed by the parties hereto or their successors in title, and duly recorded in the real property records of the County.

Section 16. Execution of Termination. Any one (1) of the Related Parties is authorized and empowered to execute a termination of this Condominium Agreement with the full force and effect as though it had been executed by the Seller.

Section 17. Notice. Any notice required to be given hereunder shall be made in writing and shall be given by personal delivery, overnight courier, or certified or registered mail, postage prepaid, return receipt requested, at the addresses specified below, or at such other addresses as may be specified in writing by the parties hereto:

TO SELLER:

c/o Bluerock Real Estate, L.L.C.
712 Fifth Avenue
9th Floor
New York, NY 10019
Attention: Ryan MacDonald

With a copy (which shall not constitute notice) to:

c/o Bluerock Real Estate, L.L.C.
712 Fifth Avenue
9th Floor
New York, NY 10019
Attention: Michael L. Konig

And to:

Nelson Mullins Riley & Scarborough LLP
Atlantic Station
201 17th Street NW, Suite 1700
Atlanta, GA 30363
Attention: Eric R. Wilensky, Esq.

TO PURCHASER:

c/o Carter-Haston Holdings, L.L.C.
1230 Peachtree St. NE, Suite 1909
Atlanta, GA 30309
Attention: James A. Shanks

With a copy (which shall not constitute notice) to:

KRE Topaz Portfolio Investor LLC
c/o Kohlberg Kravis Roberts & Co.
600 Travis Street, Suite 7200
Houston, TX 77002
Attention: Paul S. Wasserman

And to:

KRE Topaz Portfolio Investor LLC
c/o Kohlberg Kravis Roberts & Co.
9 West 57th Street, Suite 4200
New York, NY 10019
Attention: Michael Friedland

And to:

Waller Lansden Dortch & Davis, LLP
511 Union Street, Suite 2700
Nashville, TN 37219
Attention: Philip F. Head, Esq.

Notice shall be deemed given three (3) Business Days after the date of mailing, by certified mail, postage prepaid, return receipt requested, or, if personally delivered or delivered by overnight courier, when received.

Section 18. Severability. If any provision of this Condominium Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby.

Section 19. Multiple Counterparts. This Condominium Agreement may be simultaneously executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original.

Section 20. Mortgagee's Rights.

(a) Definitions. For purposes of this Section 20, the following terms shall have the following meanings:

“First Mortgage” shall mean any bona-fide unpaid and outstanding mortgage or deed of trust on the Property or other instrument creating a security interest against the Property having priority of record over all other recorded liens except those governmental liens and statutory liens which are made superior by statute.

“First Mortgagee” shall mean the holder of any First Mortgage.

(b) Transfer of Property to or from First Mortgagee. Notwithstanding anything contained herein to the contrary, in the event of a sale, transfer, or other disposition of the Property including, but not limited to, a conveyance pursuant to a deed-in-lieu of foreclosure or the sale of the Property at a foreclosure to (i) a First Mortgagee, (ii) an affiliate of a First Mortgagee, (iii) a purchaser at a foreclosure sale, and (iv) any transferee of a First Mortgagee or affiliate of a First Mortgagee (collectively a "Foreclosure Purchaser"), shall have no obligation to indemnify, defend and hold harmless Seller or the Related Parties with respect to any Condominium Conversion occurring (x) prior to the date such Foreclosure Purchaser acquires title to the Property (regardless of whether such Foreclosure Purchaser consented to such Condominium Conversion prior to its acquisition of the Property), or (y) following the conveyance of the Property by such Foreclosure Purchaser to a third party purchaser, provided that such Foreclosure Purchaser did not commit a Condominium Conversion during such Foreclosure Purchaser's period of ownership of the Property. In the event that Foreclosure Purchaser did commit a Condominium Conversion during such Foreclosure Purchaser's period of ownership of the Property, then Foreclosure Purchaser shall have the obligation to indemnify, defend and hold harmless Seller and the Related Parties with respect to any Condominium Conversion during such Foreclosure Purchaser's period of ownership. Any third-party transferee of a Foreclosure Purchaser shall have the obligation to indemnify, defend and hold harmless Seller and the Related Parties with respect to any Condominium Conversion after such transferee's acquisition of the Property. In the event of litigation arising out of such indemnifications, covenants or conditions, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs of court from the non-prevailing party. Seller acknowledges that Foreclosure Purchaser's liability under this Condominium Agreement shall be limited to Foreclosure Purchaser's interest in the Property.

(c) No Amendments. No amendment of this Condominium Agreement shall be effective without the written consent and approval of any First Mortgagee, which shall not be unreasonably withheld, conditioned and/or delayed.

Section 21. Joint and Several Liability of Purchaser. In the event more than one person and/or entity executes this Condominium Agreement as Purchaser, each such person and/or entity which comprises Purchaser under this Condominium Agreement shall be jointly and severally liable for all of the obligations, covenants, liabilities and indemnifications of the Purchaser under this Condominium Agreement.

Exhibit D

FORM OF DEED

Return to:

Tax Identification No. _____

SPECIAL WARRANTY DEED

THIS SPECIAL WARRANTY DEED (this "Deed") is made as of this ____ day of _____, 2019, by **BR WORLD GATEWAY, LLC**, a Delaware limited liability company ("Grantor"), having an address at 712 Fifth Avenue, 9th Floor, New York, NY 10019, to and in favor of _____, a _____ ("Grantee"), whose address is _____ (the words "Grantor" and "Grantee" to include their respective successors and assigns where the context requires or permits).

WITNESSETH:

That Grantor, for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other valuable consideration, the receipt whereof is hereby acknowledged, by these presents does hereby grant, bargain, sell, alien, remise, release and convey unto Grantee, that certain real property located in Orange County, Florida, which is described in the attached Exhibit A (the "Property").

TO HAVE AND TO HOLD the Property, together with all tenements, improvements, hereditaments, easements, benefits, rights, privileges, and appurtenances belonging to or benefiting the Property forever in **FEE SIMPLE**.

AND GRANTOR HEREBY COVENANTS with Grantee that the Grantor is lawfully seized of the Property in fee simple; that Grantor has good right and lawful authority to sell and convey the Property; and that Grantor hereby fully warrants the title to the Property and will defend the same against the lawful claims of all persons claiming by, through or under Grantor but against no other, subject only to the matters set forth on Exhibit B attached hereto (the "Permitted Exceptions").

AND GRANTOR HEREBY WARRANTS that at the time of this conveyance the Property is not the Grantor's homestead within the meaning set forth in the Constitution of the State of Florida, nor is it contiguous to or a part of homestead property.

[SIGNATURE APPEARS ON FOLLOWING PAGE]

Exhibit E

FORM OF SELLER'S TITLE AFFIDAVIT

AFFIDAVIT-# 577036

STATE OF _____
COUNTY OF _____

Before me, the undersigned authority, personally appeared _____ (“Affiant”), who being by me duly sworn, on oath, deposes and says:

1. That Affiant is a _____ of _____ (“Owner”), in such capacity is duly authorized to execute this affidavit and all closing documents related to this transaction, and has personal knowledge of all matters contained in this Affidavit.
 2. That Owner is the fee simple owner of the property described in First American Title Insurance Commitment No. _____ (the “Commitment”), and as shown on Exhibit “A” attached hereto (the “Property”).
 3. That, except as indicated on the Commitment, there are no construction, materialmen or labors’ liens under the Florida Statutes filed against the Property; there have been no repairs, improvements made or other work done or labor, materials or services bestowed upon the Property or any part thereof within 90 days preceding the date of this Affidavit authorized by Owner for which all or any part of the cost of the same remains unpaid; there are no outstanding contracts, either oral or written, for the furnishing of any labor, materials or services in connection with the improvement of the Property or any part thereof entered into by Owner; and to the best knowledge of Affiant, no person, firm or corporation is entitled to a lien under Chapter 713 of the Florida Statutes with respect to the Property.
 4. That the Property is free of all mortgages, security agreements, liens or other encumbrances of any nature whatsoever made by, through or under Owner except as described in Schedule B of the Commitment.
 5. That there are no unpaid delinquent or otherwise outstanding taxes, special assessments or other liens or charges, or any public or private assessments, which are not shown as existing liens by the public records.
 6. That no one now occupies or is in possession of the Property or any part thereof as tenant, lessee, or otherwise, except the following: Residential tenants, as tenants only with no purchase option or right of first refusal, as identified on the rent roll attached hereto as Exhibit “B.”
-

7. That, to the knowledge of Owner, no actions in bankruptcy have been filed by or against the Owner in any federal court or any other court of competent jurisdiction.
8. **That in connection with any covenants, conditions or restrictions (“CCRs”) on the Property, the undersigned is not aware of any current violations of those CCRs and has not received any notice from a third party claiming any current violations of those CCRs and that any assessments due a third party under the CCRs that is owed by Owner have been paid in full.**
9. That, to the knowledge of Owner, there are no matters pending against Owner that could give rise to a lien that would attach to the Property between the most recent effective date of the Commitment and the recording of the interest to be insured, and that Owner has not executed and will not execute any instrument that would adversely affect the title to the Property or interest to be insured.
10. That this affidavit is given for the purpose of inducing First American Title Insurance Company and/or its agent to issue its policy or policies of title insurance in favor of _____ and _____ which may provide coverage as to the matters listed above. Owner acknowledges that it has read the foregoing and fully understands the legal aspects of any misrepresentation and/or untrue statements made herein and agrees to indemnify and hold harmless FIRST AMERICAN TITLE INSURANCE COMPANY (the “Company”) against liability occasioned by reason of reliance upon the statements made herein.
11. Each person in his or her capacity as an officer, manager or authorized signatory of the entity signing below, on behalf of Owner, agrees that Owner shall indemnify the Company and agrees that Owner shall save harmless the Company against any loss or expense, including reasonable attorneys’ fees and costs, sustained as a result of any of the foregoing statements not being true and accurate.

[NO FURTHER TEXT ON THIS PAGE]

By: _____
Name: _____
Title: _____

Sworn and subscribed before me this _____ day of _____ 2019.

NOTARY PUBLIC

[AFFIX NOTARY STAMP OR SEAL]

My commission expires: _____

Exhibits to Affidavit

Exhibit A – Legal Description of Property

Exhibit B – Rent Roll

Exhibit F

FORM OF SELLER'S CLOSING CERTIFICATE

SELLER'S CLOSING CERTIFICATE

THIS SELLER'S CLOSING CERTIFICATE is made as of _____, 2019 by **BR WORLD GATEWAY, LLC**, a Delaware limited liability company ("Seller"), in favor of _____, a _____ ("Purchaser").

Seller hereby certifies to Purchaser that the representations and warranties of Seller set forth in Section 3.1 of that certain Purchase and Sale Agreement between Seller and _____ [**if applicable: as amended/assigned**] (the "Agreement") dated as of June _____, 2019, are true and correct in all material respects as of the date hereof, except as to:

- (a) The Rent Roll for the Property attached hereto as Exhibit A replaces the Rent Roll for the Property attached to the Agreement as Schedule 3.1(k); and]
- (b) [**If applicable: The items disclosed on Exhibit B attached hereto replace Seller's disclosures attached to the Agreement as Schedule(s) _____]**.

The representations and warranties of Seller set forth in Section 3.1 of the Agreement, and as updated by this Seller's Closing Certificate, will survive only for a period of one hundred eighty (180) days from the date hereof.

This Seller's Closing Certificate is delivered pursuant to Section 6.2(i) of the Agreement, and Seller's liability hereunder is subject to Article 11 of the Agreement, including the Cap Limitation as defined therein.

SELLER:

BR WORLD GATEWAY, LLC, a Delaware limited liability company

By: BRG World Gateway Manager, LLC, a Delaware limited liability company, its Manager

By: _____
Name: _____
Title: _____

Exhibits to Seller's Closing Certificate

Exhibit A — Updated Rent Roll

Exhibit B — Additional Disclosure Items [if applicable]

Exhibit G-1

FORM OF NEW PROPERTY MANAGEMENT AGREEMENT

Please see attached.

Exhibit G-2

NEW OPERATING BUDGET

Please see attached.

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Section 5: EX-10.4 (EXHIBIT 10.4)

Exhibit 10.4

FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT

THIS FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT (this “**Amendment**”) is made as of the 17th day of June, 2019 (the “**Effective Date**”), by and between **BR WORLD GATEWAY, LLC**, a Delaware limited liability company (“**Seller**”), and **KRE TOPAZ PORTFOLIO INVESTOR LLC**, a Delaware limited liability company (“**Purchaser**”).

RECITALS

A. Seller and Purchaser are parties to that certain Purchase and Sale Agreement dated as of June 17, 2019 (the “**Agreement**”) for the purchase and sale of the property located in Orlando, Orange County, Florida, commonly known as ARIUM Palms at World Gateway Apartments, and further described in the Agreement.

B. Seller and Purchaser desire to amend the terms of the Agreement pursuant to the terms and conditions of this Amendment.

NOW THEREFORE, in consideration of the mutual promises set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

AGREEMENT

1. Incorporation of Recitals; Definitions. The foregoing recitals are incorporated herein. Capitalized terms not otherwise defined herein shall have the meaning given such terms in the Agreement.

2. Sorrel Purchaser. All references in the Agreement to Purchaser as related to the Sorrel Phillips Creek Ranch Purchase Agreement shall be revised to mean “Carter-Haston Holdings, L.L.C., a Delaware limited liability company.” Accordingly, the defined term “**Sorrel Phillips Creek Ranch Purchase Agreement**” shall mean that certain Purchase and Sale Agreement dated as of even date herewith, by and between Sorrel Phillips Creek Ranch Seller, as seller, and Carter-Haston Holdings, L.L.C., a Delaware limited liability company, as purchaser, with respect to the purchase and sale of the Sorrel Phillips Creek Ranch Property. Further, the reference to Purchaser in Section 14.26(a)(iii) of the Agreement is revised to mean Carter-Haston Holdings, L.L.C., a Delaware limited liability company.

3. Seller Repair Covenant. Section 3.3 of the Agreement is hereby revised to insert the following new Section 3.3(h):

“(h) Repair Covenant. Seller agrees to use commercially reasonable efforts to cause the following work to be substantially completed and paid in full by Closing: (i) repair the metal entrance gate at the Property that has been damaged by vehicle impact (with an estimated cost of \$3,500), and (ii) replace the pond fountain pump at the Property that is currently not working on the Effective Date (with an estimated cost of \$6,000) (collectively, the “**Repair Items**”). To the extent that the Repair Items are not substantially completed and paid in full by Closing, then Seller shall provide Purchaser with a credit at Closing for the amount of the unpaid balance of the foregoing, with such credit determined by Seller in its commercially reasonable discretion. For the avoidance of doubt, failure of Seller to complete the Repair Items prior to Closing shall in no event be a default of Seller under the Agreement and Purchaser’s sole remedy for the same shall be a credit from Seller at Closing as provided in this Section 3.3 (h).

4. Ratification and No Further Amendment. As modified by this Amendment, the Agreement is fully ratified, adopted and approved by the parties hereto effective as of the date hereof. Except as expressly set forth herein, the Agreement remains unmodified and in full force and effect.

5. Miscellaneous. This Amendment may be executed in multiple counterparts each of which shall be deemed an original but together shall constitute one and the same instrument.

6. Signatures. Signatures to this Amendment transmitted by telecopy or electronic transmission (for example, through use of a Portable Document Format or “**PDF**” file) shall be valid and effective to bind the party so signing.

[signature page next page]

IN WITNESS WHEREOF, Seller and Purchaser have caused this Amendment to be duly executed and delivered, effective as of the Effective Date.

SELLER:

BR WORLD GATEWAY, LLC, a Delaware limited liability company

By: BRG World Gateway Manager, LLC, a Delaware limited liability company, its Manager

By: /s/ Michael Konig

Name: Michael Konig

Title: Authorized Signatory

PURCHASER:

KRE TOPAZ PORTFOLIO INVESTOR LLC,
a Delaware limited liability company

By: /s/ Michael Friedland

Name: Michael Friedland

Title: VP

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Section 6: EX-10.5 (EXHIBIT 10.5)

Exhibit 10.5

PURCHASE AND SALE AGREEMENT

between

Each of **BR CARROLL KELLER CROSSING, LLC**,
BR-TBR LAKE BOONE NC OWNER, LLC, and
BR PRESTON VIEW, LLC, as Sellers

and

KRE TOPAZ PORTFOLIO INVESTOR LLC, as Purchaser

Dated as of June 17, 2019

Topaz Portfolio – Three-Property Sale

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Exhibits

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Exhibit C	-	Form of Condominium Conversion Prohibition Agreements
Exhibit D-1	-	Form of Texas Special Warranty Deeds
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Exhibit F	-	Form of Sellers' Closing Certificate
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PURCHASE AND SALE AGREEMENT

Topaz Portfolio – Three-Property Sale

THIS PURCHASE AND SALE AGREEMENT, made as of June 17, 2019 (the “Effective Date”), is made by and among each of **BR CARROLL KELLER CROSSING, LLC**, a Delaware limited liability company (“Sovereign Seller”), **BR-TBR LAKE BOONE NC OWNER, LLC**, a Delaware limited liability company (“Leigh House Seller”), and **BR PRESTON VIEW, LLC**, a Delaware limited liability company (“Preston View Seller”; Sovereign Seller, Leigh House Seller, or Preston View Seller, as applicable, are sometimes each referred to individually herein as a “Seller” and collectively as the “Sellers”), and **KRE TOPAZ PORTFOLIO INVESTOR LLC**, a Delaware limited liability company (“Purchaser”).

RECITALS

A. Intentionally deleted.

B. Sovereign Seller is the owner in fee simple of the improved real property commonly known as The Sovereign Apartments, located at 5301 North Tarrant Parkway, Fort Worth, Tarrant County, Texas 76244 (the “Sovereign Property”), which consists of (i) the land more particularly described on Schedule A-2 annexed hereto (the “Sovereign Land”), together with (ii) the Sovereign Related Property (as defined below).

C. Leigh House Seller is the owner in fee simple of the improved real property commonly known as Leigh House Apartments, located at 2421 Landmark Drive, Raleigh, Wake County, North Carolina 27607 (the “Leigh House Property”), which consists of (i) the land more particularly described on Schedule A-3 annexed hereto (the “Leigh House Land”), together with the Leigh House Related Property (as defined below).

D. Preston View Seller is the owner in fee simple of the improved real property commonly known as Preston View Apartments, located at 1000 Stony Court, Morrisville, Wake County, North Carolina 27560 (the “Preston View Property”), which consists of (i) the land more particularly described on Schedule A-4 annexed hereto (the “Preston View Land”), together with (ii) the Preston View Related Property (as defined below).

E. Intentionally deleted.

F. Sovereign Seller desires to sell to Purchaser, and Purchaser desires to purchase from Sovereign Seller, the Sovereign Land and Sovereign Seller’s right, title and interest in the Sovereign Related Property on the terms and conditions hereinafter set forth.

G. Leigh House Seller desires to sell to Purchaser, and Purchaser desires to purchase from Leigh House Seller, the Leigh House Land and Leigh House Seller's right, title and interest in the Leigh House Related Property on the terms and conditions hereinafter set forth.

H. Preston View Seller desires to sell to Purchaser, and Purchaser desires to purchase from Preston View Seller, the Preston View Land and Preston View Seller's right, title and interest in the Preston View Related Property on the terms and conditions hereinafter set forth.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

ARTICLE 1 DEFINITIONS

SECTION 1.1 Defined Terms. The capitalized terms used herein will have the following meanings.

"Access Agreement" shall mean the Access and Due Diligence Agreement between each member of the Seller Group and Purchaser, dated as of April 29, 2019.

"Additional Leigh House Seller" and "Additional Leigh House Sellers" shall have the meanings assigned thereto in Section 3.3(f).

"Additional Title Disapproval Notice" shall have the meaning assigned thereto in Section 8.1(e).

"Additional Title Disapproval Matters" shall have the meaning assigned thereto in Section 8.1(e).

"Additional Title Disapproval Response" shall have the meaning assigned thereto in Section 8.1(e).

"Additional Title Matters" shall have the meaning assigned thereto in Section 8.1(e).

"Additional Title Response Period" shall have the meaning assigned thereto in Section 8.1(e).

"Adjustment Point" shall have the meaning assigned thereto in Article 10.

“Affiliate” shall mean any Person (as defined below) that directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with another Person. The term “control” shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise, and shall in any event include the ownership or power to vote fifty percent (50%) or more of the outstanding equity or voting interests, respectively, of such other Person.

“Affiliated Purchase Agreements” shall mean the ARIUM Palms Purchase Agreement, the Landings at Four Corners Purchase Agreement, and the Sorrel Phillips Creek Ranch Purchase Agreement, collectively.

“Affiliated Sellers” shall mean the ARIUM Palms Seller, the Landings at Four Corners Seller, and the Sorrel Phillips Creek Ranch Seller, collectively.

“Aggregate Cap Limitation” shall mean one and one half percent (1.5%) of the Purchase Price.

“Agreement” shall mean this Purchase and Sale Agreement, together with the exhibits and schedules attached hereto, as the same may be amended, restated, supplemented or otherwise modified from time to time.

“Allocable Purchase Price” shall have the meaning assigned thereto in Section 2.2(a).

“Anti-Bribery, Anti-Money Laundering and Anti-Terrorism Laws” shall have the meaning assigned thereto in Section 3.1(g)(ii).

“Applicable Law” shall mean all statutes, laws, common law, rules, regulations, ordinances, codes or other legal requirements of any Governmental Authority, board of fire underwriters and similar quasi-governmental agencies or entities, and any judgment, injunction, order, directive, decree or other judicial or regulatory requirement of any Governmental Authority of competent jurisdiction affecting or relating to the Person or property in question.

“ARIUM Palms Property” shall mean that certain improved real property located in Orlando, Florida and commonly known as ARIUM Palms at World Gateway Apartments, as further described in the ARIUM Palms Purchase Agreement.

“ARIUM Palms Purchase Agreement” shall mean that certain Purchase and Sale Agreement dated as of even date herewith by and between ARIUM Palms Seller and Purchaser, regarding the purchase and sale of the ARIUM Palms Property, as such agreement may be amended and/or assigned from time to time.

“ARIUM Palms Seller” shall mean BR World Gateway, LLC, a Delaware limited liability company.

“Assumed Contracts” shall have the meaning assigned thereto in Section 3.4(c).

“Basket Limitation” shall mean an amount equal to \$25,000.00 for each Property.

“Bill of Sale and Assignment” and “Bills of Sale and Assignments” shall have the meanings assigned thereto in Section 6.1(a)(i).

“Brokers” shall have the meaning assigned thereto in Section 14.2(a).

“BSA” shall have the meaning assigned thereto in Section 3.1(g)(ii).

“Business Day” shall mean any day other than a Saturday, Sunday or other day on which banks are authorized or required by law to be closed in the City of New York, New York or by United States federal laws.

“Cap Limitation” shall mean with regards to each Seller an amount equal to one and one half percent (1.5%) of the Allocable Purchase Price for each Seller’s individual Property.

“Changed Condition” shall have the meaning assigned thereto in Section 3.2(d).

“Changed Condition Notice” shall have the meaning assigned thereto in Section 3.2(d).

“Changed Condition Threshold” shall have the meaning assigned thereto in Section 3.2(c)(ii).

“CGL” shall have the meaning assigned thereto in Section 7.1(b)(viii).

“Claims” shall have the meaning assigned thereto in Section 7.6(a).

“Closing” shall have the meaning assigned thereto in Section 2.3(a).

“Closing Date” shall mean **July 15, 2019**, or such earlier date as is mutually agreed to between the Sellers and Purchaser.

“Closing Documents” shall mean any conveyance document, certificate, instrument or other document delivered pursuant to this Agreement at Closing, including, without limitation, each of the documents to be delivered by the Sellers pursuant to Section 6.2 and by Purchaser pursuant to Section 6.1.

“Closing Funds” shall have the meaning assigned thereto in Section 2.2(a)(iii).

“Closing Statements” shall mean one or more closing statements for the purchase and sale of the Properties to be prepared by the Escrow Agent setting forth the prorations and adjustments to the Purchase Price required by this Agreement.

“Condition of the Property” shall have the meaning assigned thereto in Section 7.5(b).

“Condominium Conversion Prohibition Agreement” and “Condominium Conversion Prohibition Agreements” shall have the meanings assigned thereto in Section 6.1(a)(iii).

“Contracts” shall mean, collectively, the Sovereign Contracts, the Leigh House Contracts, and the Preston View Contracts.

“Deed” shall mean any one of the special warranty deeds described in Section 6.2(a) with respect to any Real Property, and “Deeds” shall mean all of such instruments collectively.

“Deemed Purchaser Knowledge” shall mean that Purchaser shall be deemed to have knowledge of the matters set forth in Sellers’ Core Deliveries and in the Permitted Exceptions.

“Disapproved Title Matter” shall have the meaning assigned thereto in Section 8.1(c).

“DTPA” shall have the meaning assigned thereto in Section 14.24.

“Due Diligence Period” shall mean the period of time from April 29, 2019 until 5:00 p.m. Eastern Time on **June 17, 2019**.

“Earnest Money” shall have the meaning assigned thereto in Section 2.2(a)(i).

“Earnest Money Escrow Account” shall mean a federally-insured interest-bearing bank account or accounts of Escrow Agent, in each case to be reasonably acceptable to the Sellers and Purchaser.

“Effective Date” shall have the meaning assigned thereto in the Preamble to this Agreement.

“Environmental Laws” shall mean any of the Comprehensive Environmental Response, Compensation and Liability Act, as amended, 42 U.S.C. §9601 et seq., the Hazardous Materials Transportation Act, as amended, 49 U.S.C. §1801 et seq., the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. §6901 et seq., Section 311 of the Clean Water Act, 33 U.S.C. §1251 et seq., the Clean Air Act, 42 U.S.C. §7401 et seq., the Toxic Substances Control Act, 15 U.S.C. §2601 et seq., the Texas Solid Waste Disposal Act (Texas Health And Safety Code § 361.001 et seq., as amended (Vernon 2001)) and any similar laws of the State of North Carolina, and the regulations and publications issued under any such laws, any state or local statutes, regulations and ordinances pertaining to Hazardous Materials or to the protection of human health and the environment.

“Escrow Agent” shall mean First American Title Insurance Company, Six Concourse Parkway, Suite 2000, Atlanta, Georgia 30328 (attention: Barbara H. Morgan).

“Estoppel” and “Estoppels” shall have the meanings assigned thereto in Section 3.3(a)(xiv).

“Exchange” shall have the meaning assigned thereto in Section 14.25.

“Excluded Assets” shall have the meaning assigned thereto in Section 2.1(c).

“Executive Order” and “Executive Orders” shall have the meanings assigned thereto in Section 3.1(g)(i).

“Existing Management Agreement” shall mean the Sovereign Existing Management Agreement, the Leigh House Existing Management Agreement, or the Preston View Existing Management Agreement, as applicable. “Existing Management Agreements” shall mean, collectively, all of the foregoing.

“Forbidden Entity” shall have the meaning assigned thereto in Section 3.1(g)(i).

“Government List” shall mean any of (i) the two lists maintained by the United States Department of Commerce (Denied Persons and Entities), (ii) the list maintained by the United States Department of Treasury (Specially Designated Nationals and Blocked Persons), and (iii) the two lists maintained by the United States Department of State (Terrorist Organizations and Debarred Parties).

“Governmental Authority” shall mean any federal, state or local government or other political subdivision thereof, including, without limitation, any agency or entity exercising executive, legislative, judicial, regulatory or administrative governmental powers or functions, in each case to the extent the same has jurisdiction over the Person or property in question.

“Hazardous Materials” shall mean (i) those substances included within the definitions of any one or more of the terms “Hazardous Substances,” “Toxic Pollutants,” “Hazardous Materials,” “Toxic Substances,” and “Hazardous Waste” under Environmental Laws, (ii) petroleum, radon gas, lead-based paint, asbestos or asbestos-containing material and polychlorinated biphenyls, and (iii) mold or water conditions which may exist at the Real Property or other substances, wastes or materials listed or defined under Environmental Laws.

“Improvements” shall mean, collectively, the Sovereign Improvements, the Leigh House Improvements, and the Preston View Improvements.

“Indemnification Claim” shall have the meaning assigned thereto in Section 11.5.

“Indemnified Party” shall have the meaning assigned thereto in Section 11.5.

“Indemnifying Party” shall have the meaning assigned thereto in Section 11.5.

“Independent Contract Consideration” shall have the meaning assigned thereto in Section 2.2(c).

“IRS” shall mean the Internal Revenue Service.

“IRS Reporting Requirements” shall have the meaning assigned thereto in Section 14.3(c).

“ISO” shall have the meaning assigned thereto in Section 7.1(b)(viii).

“Landings at Four Corners Property” shall mean that certain improved real property located in Davenport, Florida and commonly known as Landings at Four Corners Apartments, as further described in the Landings at Four Corners Purchase Agreement.

“Landings at Four Corners Purchase Agreement” shall mean that certain Purchase and Sale Agreement dated as of even date herewith by and between Landings at Four Corners Seller and Purchaser, regarding the purchase and sale of the Landings at Four Corners Property, as such agreement may be amended and/or assigned from time to time.

“Landings at Four Corners Seller” shall mean BR Four Corners Orlando, DST, a Delaware statutory trust.

“Lease” shall mean, individually, one or more of the Sovereign Leases, the Leigh House Leases, or the Preston View Leases, as applicable, and “Leases” shall mean, collectively, the Sovereign Leases, the Leigh House Leases, and the Preston View Leases.

“Leigh House Contracts” shall mean, collectively, all written agreements or contracts of Leigh House Seller, or entered into on behalf of Leigh House Seller or its Property Manager, relating to the ownership or operation of the Leigh House Property, but excluding the Leigh House Leases and the Leigh House Existing Management Agreement, as more particularly described on Schedule 3.1(j)-3 attached hereto.

“Leigh House Existing Management Agreement” shall mean the existing property management agreement between Leigh House Seller and its Property Manager with respect to management of the Leigh House Property, as the same may be amended, modified or supplemented from time to time.

“Leigh House Improvements” shall have the meaning assigned thereto in Section 2.1(b)(iii)(1).

“Leigh House Leases” shall mean any leases with residential tenants of the Leigh House Real Property, including each amendment or supplement thereto.

“Leigh House Personal Property” shall have the meaning assigned thereto in Section 2.1(b)(iii)(3).

“Leigh House Property” shall have the meaning assigned thereto in Recitals Paragraph C.

“Leigh House Real Property” shall mean the Leigh House Land and the Leigh House Improvements.

“Leigh House Related Property” shall have the meaning assigned thereto in Section 2.1(b)(iii).

“Leigh House Seller” shall have the meaning assigned thereto in the Preamble, subject to (i) such Seller’s assignment rights under Section 14.25 with respect to any Exchange, and (ii) such Seller’s assignment rights under Section 14.6(a)(ii) with respect to a Leigh House TIC Transfer.

“Leigh House TIC Transfer” shall have the meaning assigned thereto in Section 3.3(f).

“Leigh House TIC Transfer Documents” shall have the meaning assigned thereto in Section 3.3(f).

“Leigh House TIC Transfer Terms and Conditions” shall have the meaning assigned thereto in Section 3.3(f).

“Lists” shall have the meaning assigned thereto in Section 3.1(g)(i).

“Loan Pay-Off Wire Deadline” shall have the meaning assigned thereto in Section 2.3(a).

“Losses” shall have the meaning assigned thereto in Section 11.1.

“Material Casualty” shall have the meaning assigned thereto in Section 9.2(c).

“Material Condemnation” shall have the meaning assigned thereto in Section 9.2(d).

“Objectionable Contracts” shall have the meaning assigned thereto in Section 3.4(c).

“OFAC” shall have the meaning assigned thereto in Section 3.1(g)(i).

“Owner’s Policy” shall mean, collectively, an ALTA Owner’s Policy of Title Insurance for each Property in the amount equal to the Allocable Purchase Price for each Property insuring fee simple title to such Property and the Improvements located thereon, which shall except from coverage only the Permitted Exceptions and shall specifically exclude all “preprinted” or “standard” title exceptions, to the extent that same can be removed by a Seller’s execution and delivery of a title affidavit in the applicable form attached to this Agreement for such jurisdiction.

“Patriot Act” shall have the meaning assigned thereto in Section 3.1(g)(ii).

“Permitted Exceptions” shall mean all of the following: (i) the matters set forth in the Title Commitments or the Updated Surveys or any matters newly disclosed on any subsequent updates to the Title Commitments or to the Updated Surveys, in each case which are approved or deemed approved by Purchaser pursuant to Article 8 of this Agreement, (ii) the rights of tenants, as tenants only without options to purchase or rights of first refusal, under the Leases existing as of the Effective Date and any other Lease entered into after the Effective Date in accordance with the terms of this Agreement, (iii) liens for current real estate taxes and special assessments which are not yet due and payable as of the Closing Date, (iv) the Leigh House TIC Transfer Documents, (v) the Condominium Conversion Prohibition Agreements, (vi) standard pre-printed jacket exceptions contained in the Owner’s Policy, (vii) any exceptions caused by Purchaser or its Affiliates, agents, representatives, consultants or employees, and (viii) local, state and federal laws, ordinances or governmental regulations, including but not limited to, building, zoning and land use laws, ordinances and regulations, now or hereafter in effect relating to any of the Properties.

“Person” shall mean a natural person, partnership, limited partnership, limited liability company, corporation, trust, estate, association, unincorporated association or other legal entity.

“Personal Property” means, collectively, the Sovereign Personal Property, the Leigh House Personal Property, and the Preston View Personal Property.

“Property Group” shall mean, collectively, the Properties, the Landings at Four Corners Property, the ARIUM Palms Property and the Sorrel Phillips Creek Ranch Property.

“Preston View Contracts” shall mean, collectively, all written agreements or contracts of Preston View Seller, or entered into on behalf of Preston View Seller or its Property Manager, relating to the ownership or operation of the Preston View Property, but excluding the Preston View Leases and the Preston View Existing Management Agreement, as more particularly described on Schedule 3.1(j)-4 attached hereto.

“Preston View Existing Management Agreement” shall mean the existing property management agreement between Preston View Seller and its Property Manager with respect to management of the Preston View Property, as the same may be amended, modified or supplemented from time to time.

“Preston View Improvements” shall have the meaning assigned thereto in Section 2.1(b)(iv)(1).

“Preston View Leases” shall mean any leases with residential tenants of the Preston View Real Property, including each amendment or supplement thereto.

“Preston View Personal Property” shall have the meaning assigned thereto in Section 2.1(b)(iv)(3).

“Preston View Property” shall have the meaning assigned thereto in Recitals Paragraph D.

“Preston View Property Code Violations” shall have the meaning assigned thereto in Section 3.3(g).

“Preston View Real Property” shall mean the Preston View Land and the Preston View Improvements.

“Preston View Related Property” shall have the meaning assigned thereto in Section 2.1(b)(iv).

“Preston View Seller” shall have the meaning assigned thereto in the Preamble, subject to such Seller’s assignment rights under Section 14.25 with respect to any Exchange.

“Property” shall mean, individually, the Sovereign Property, the Leigh House Property, and the Preston View Property, as applicable, and “Properties” shall mean, collectively, all of the foregoing properties.

“Property Manager” shall mean, individually, Sovereign Seller’s existing property manager, Leigh House Seller’s existing property manager, or Preston View Seller’s existing property manager, as applicable, and “Property Managers” shall mean, collectively, all of the foregoing property managers.

“Purchase Price” shall have the meaning assigned thereto in Section 2.2(a).

“Purchaser” shall have the meaning assigned thereto in the Preamble to this Agreement.

“Purchaser Investigation” and “Purchaser Investigations” shall have the meanings assigned thereto in Section 7.1(a).

“Purchaser Representatives” shall have the meaning assigned thereto in Section 7.1(a).

“Purchaser Waived Breach” shall have the meaning assigned thereto in Section 11.3.

“Purchaser-Related Entities” shall have the meaning assigned thereto in Section 11.3.

“Real Property” shall mean, collectively, the Sovereign Real Property, the Leigh House Real Property, and the Preston View Real Property.

“Refundable Security Deposits” shall mean all Security Deposits that are refundable to tenants pursuant to Leases and have not been applied by the Sellers prior to the Closing Date.

“Related Property” shall mean, collectively, the Sovereign Related Property, the Leigh House Related Property, and the Preston View Related Property.

“Released Parties” shall have the meaning assigned thereto in Section 7.6(a).

“Remaining Properties” shall have the meaning assigned thereto in Section 14.27(a)(i).

“Rent Roll” and “Rent Rolls” shall have the meanings assigned thereto in Section 3.1(k).

“Rents” shall have the meaning assigned thereto in Section 10.1(a).

“Reporting Person” shall have the meaning assigned thereto in Section 14.3(c).

“Representation Conditions” shall have the meaning assigned thereto in Section 3.2(c)(i).

“Required Cure Items” shall have the meaning assigned thereto in Section 8.1(d).

“RUBS” shall have the meaning assigned thereto in Section 10.4(b).

“Security Deposits” shall mean all security and escrow deposits received by any Seller in connection with the applicable Property’s Leases.

“Seller” and “Sellers” shall have the meanings assigned thereto in the Preamble to this Agreement.

“Seller Group” shall mean, collectively, the Sellers, Landings at Four Corners Seller, ARIUM Palms Seller, and Sorrel Phillips Creek Ranch Seller.

“Seller Representations” shall have the meaning assigned thereto in Section 11.1.

“Seller Waived Breach” shall have the meaning assigned thereto in Section 11.7.

“Seller-Related Entities” shall have the meaning assigned thereto in Section 11.2.

“Seller’s Knowledge” shall mean the actual knowledge of the applicable Seller based upon the actual knowledge of Ryan MacDonald, who is a principal of the Sellers, or the actual knowledge of Sarah Girand, who is a Senior Vice President Asset Management for all of the Properties, in each case with respect to the applicable Property, without any duty on the part of either such Person to conduct any independent investigation or make any inquiry of any Person, and shall not be construed, by imputation or otherwise, to refer to the knowledge of any property manager or broker, or to any other officer, agent, manager, representative or employee of such Seller or any Affiliate of such Seller. In no event shall Purchaser have any personal claim against either such Person as a result of the reference thereto in this Agreement, and Purchaser waives and releases all such claims which Purchaser now has or may later acquire against such Persons in connection with the transactions contemplated in this Agreement.

“Sellers’ Closing Certificate” shall have the meaning assigned thereto in Section 6.2(i).

“Sellers’ Core Deliveries” shall have the meaning assigned thereto in Section 3.1.

“Sellers’ Deliveries” shall have the meaning assigned thereto in Section 7.2(a).

“Sorrel Phillips Creek Ranch Property” shall mean the improved real property currently owned by Sorrel Phillips Creek Ranch Seller and commonly known as Sorrel Phillips Creek Ranch Apartments, located at 5050 FM423, Frisco, Denton County, Texas 75036, and further described in the Sorrel Phillips Creek Ranch Purchase Agreement.

“Sorrel Phillips Creek Ranch Purchase Agreement” shall mean that certain Purchase and Sale Agreement dated as of even date herewith, by and between Sorrel Phillips Creek Ranch Seller, as seller, and Purchaser, as purchaser, with respect to the purchase and sale of the Sorrel Phillips Creek Ranch Property.

“Sorrel Phillips Creek Ranch Seller” shall mean BR Carroll Phillips Creek Ranch, LLC, a Delaware limited liability company.

“Sovereign Contracts” shall mean, collectively, all written agreements or contracts of Sovereign Seller, or entered into on behalf of Sovereign Seller or its Property Manager, relating to the ownership or operation of the Sovereign Property, but excluding the Sovereign Leases, and the Sovereign Existing Management Agreement, as more particularly described on Schedule 3.1(j)-2 attached hereto.

“Sovereign Existing Management Agreement” shall mean the existing property management agreement between Sovereign Seller and its Property Manager with respect to management of the Sovereign Property, as the same may be amended, modified or supplemented from time to time.

“Sovereign Improvements” shall have the meaning assigned thereto in Section 2.1(b)(ii)(1).

“Sovereign Leases” shall mean any leases with residential tenants of the Sovereign Real Property and each amendment or supplement thereto.

“Sovereign Personal Property” shall have the meaning assigned thereto in Section 2.1(b)(ii)(3).

“Sovereign Property” shall have the meaning assigned thereto in “Background” paragraph B.

“Sovereign Real Property” shall mean the Sovereign Land and the Sovereign Improvements.

“Sovereign Related Property” shall have the meaning assigned thereto in Section 2.1(b)(ii).

14.25. “Sovereign Seller” shall have the meaning assigned thereto in the Preamble, subject to such Seller’s assignment rights under Section

“Special Casualty” shall have the meaning assigned thereto in Section 14.27(a)(i)(A).

“Special Condemnation” shall have the meaning assigned thereto in Section 14.27(a)(i)(B).

“Survival Period” shall have the meaning assigned thereto in Section 11.4.

“Surviving Covenants” shall have the meaning assigned thereto in Section 11.1.

“Tenant Notice” and “Tenant Notices” shall have the meanings assigned thereto in Section 6.2(d).

“Terminated Property” shall have the meaning assigned thereto in Section 14.27(a)(i).

hereof. “Title Affidavit” and “Title Affidavits” shall mean the affidavits, indemnities and related title documentation described in Section 6.2(f)

“Title Commitment” and “Title Commitments” shall have the meanings assigned thereto in Section 8.1(a).

“Title Company” shall mean First American Title Insurance Company.

“Title Cure Period” shall have the meaning assigned thereto in Section 8.1(d).

“Title Objection Notice” shall have the meaning assigned thereto in Section 8.1(c).

“Title Response Notice” shall have the meaning assigned thereto in Section 8.1(c).

“Title Review Period” shall have the meaning assigned thereto in Section 8.1(c).

“Updated Survey” and “Updated Surveys” shall have the meanings assigned thereto in Section 8.1(b).

ARTICLE 2
SALE, PURCHASE PRICE AND CLOSING

SECTION 2.1 Sale of Properties.

(a) On the Closing Date and pursuant to the terms and subject to the conditions set forth in this Agreement, the Sellers shall sell to Purchaser, and Purchaser shall purchase from Sellers, all of the Properties. Except as expressly set forth in Section 14.27, Purchaser shall have no right or option to acquire fewer than all of the Properties.

(b) The transfer of the Properties to Purchaser shall include the transfer of all Related Property. For purposes of this Agreement:

(i) Intentionally deleted.

(ii) “Sovereign Related Property” shall mean all of Sovereign Seller’s right, title and interest in and to the following:

(1) all of the buildings, structures, fixtures, parking facilities, and other improvements located on the Sovereign Land (the “Sovereign Improvements”);

(2) all easements, licenses, covenants, privileges and other rights appurtenant to the Sovereign Land or the Sovereign Improvements and all right, title and interest of Sovereign Seller, if any, in and to all development rights and any land lying in the bed of any street, road, avenue or alley, open or closed, in front of or adjoining the Sovereign Land;

(3) all furniture, furnishings, appliances, signs, carts, tools, supplies, fixtures, equipment and other personal property which are now, or may hereafter prior to the Closing Date be, placed in or attached to the Sovereign Land or the Sovereign Improvements and are used solely in connection with the operation of the Sovereign Real Property, including all of the items of personal property listed on Schedule C-2 attached hereto (but not including items owned or leased by tenants or the Sovereign Property Manager, or which are leased by Sovereign Seller, or any Excluded Assets) (collectively, the “Sovereign Personal Property”);

(4) to the extent they may be freely transferred by Sovereign Seller under Applicable Law without third-party consent (unless any such consent is obtained by Purchaser at Purchaser’s sole cost and expense), all licenses, certificates of occupancy, permits, approvals and authorizations presently issued in connection with the operation of all or any part of the Sovereign Real Property as it is presently being operated;

(5) to the extent freely assignable by Sovereign Seller without a third party's consent (unless any such consent is obtained by Purchaser at Purchaser's sole cost and expense), all guaranties and warranties, if any, in favor of Sovereign Seller by any manufacturer or contractor in connection with construction or installation of equipment or any component of the Sovereign Improvements;

(6) all Sovereign Leases, together with all Refundable Security Deposits;

(7) all other intangible property relating to the Sovereign Real Property or the Sovereign Personal Property and not otherwise described or excluded herein, including, but not limited to, assignable telephone exchanges, trade names and trademarks used by Sovereign Seller in connection with the operation of Sovereign, including Sovereign Seller's right, title and interest in (i) the name "The Sovereign Apartments," (ii) all variations of such name used or owned by Sovereign Seller, and (iii) all other names utilized or owned by Sovereign Seller with respect to the Sovereign Real Property or the Sovereign Seller Improvements; architectural drawings, plans and specifications, as-built drawings and advertising materials (in each case, solely to the extent delivered to Purchaser prior to the Effective Date or located on-site as of the Closing Date); and assignable development rights;

(8) all Assumed Contracts pertaining to the Sovereign Property, other than those terminated on or prior to the Closing Date pursuant to Section 3.4(c); and

(9) resident and tenant files for current residents as of the Closing Date and other non-confidential and non-proprietary records owned by Sovereign Seller and used in connection with the Sovereign Real Property and located on-site as of the Closing Date.

(iii) "Leigh House Related Property" shall mean all of Leigh House Seller's right, title and interest in and to the following:

(1) All of the buildings, structures, fixtures, parking facilities, and other improvements located on the Leigh House Land (the "Leigh House Improvements");

(2) all easements, licenses, covenants, privileges and other rights appurtenant to the Leigh House Land or the Leigh House Improvements and all right, title and interest of Leigh House Seller, if any, in and to all development rights, minerals, oil, gas and other hydrocarbons, and any land lying in the bed of any street, road, avenue or alley, open or closed, in front of or adjoining the Leigh House Land;

(3) all furniture, furnishings, appliances, signs, carts, tools, supplies, fixtures, equipment and other personal property which are now, or may hereafter prior to the Closing Date be, placed in or attached to Leigh House Land or the Leigh House Improvements and are used solely in connection with the operation of the Leigh House Real Property, including all of the items of personal property listed on Schedule C-3 attached hereto (but not including items owned or leased by tenants or the Leigh House Property Manager, or which are leased by Leigh House Seller) (the "Leigh House Personal Property");

(4) to the extent they may be freely transferred by Leigh House Seller under Applicable Law without third party consent (unless any such consent is obtained by Purchaser at Purchaser's sole cost and expense), all licenses, certificates of occupancy, permits, approvals and authorizations presently issued in connection with the operation of all or any part of the Leigh House Real Property as it is presently being operated;

(5) to the extent freely assignable by Leigh House Seller without third party consent (unless any such consent is obtained by Purchaser at Purchaser's sole cost and expense), all guaranties and warranties, if any, in favor of Leigh House Seller by any manufacturer or contractor in connection with construction or installation of equipment or any component of the Leigh House Improvements;

(6) all Leigh House Leases, together with all Refundable Security Deposits;

(7) all other intangible property relating to the Leigh House Real Property or the Leigh House Personal Property and not otherwise described or excluded herein, including, but not limited to, assignable telephone exchanges, trade names and trademarks used by Leigh House Seller in connection with the operation of Leigh House Apartments, including Leigh House Seller's right, title and interest in (i) the name "Leigh House Apartments," (ii) all variations of such name used or owned by Leigh House Seller, and (iii) all other names utilized or owned by Leigh House Seller with respect to the Leigh House Real Property or the Leigh House Seller Improvements; domain names and websites used exclusively in the operation of the apartment complex located on the Leigh House Real Property commonly known as "Leigh House Apartments," including, without limitation, <https://www.leighhouseapts.com/>; architectural drawings, plans and specifications, as-built drawings and advertising materials; and assignable development rights;

(8) all Assumed Contracts pertaining to the Leigh House Property, other than those terminated on or prior to the Closing Date pursuant to Section 3.4(c);

(9) resident and tenant files for current residents as of the Closing Date and other non-confidential and non-proprietary records owned by Leigh House Seller and used in connection with the Leigh House Real Property and located on-site as of the Closing Date; and

(10) On a non-exclusive basis only, and solely to the extent that any other parties to such agreements consent to such assignment at no additional cost to Leigh House Seller (if such parties have a consent right over assignments) (provided that Leigh House Seller will use commercially reasonable efforts to obtain any required consents to assignment prior to the expiration of the Due Diligence Period), Leigh House Seller's rights, but not its obligations, under all guaranties, warranties, and agreements from contractors, subcontractors, vendors and suppliers regarding their performance, quality of workmanship and quality of materials supplied in connection with the construction, manufacture, development, installation and operation of any and all Leigh House Improvements and Leigh House Personal Property, a complete schedule of which is attached hereto as Schedule 2.1(b)(iii) (collectively the "Leigh House Construction Contracts and Warranties").

(iv) "Preston View Related Property" shall mean all of Preston View Seller's right, title and interest in and to the following:

(1) all of the buildings, structures, fixtures, parking facilities, and other improvements located on the Preston View Land (the "Preston View Improvements");

(2) all easements, licenses, covenants, privileges and other rights appurtenant to the Preston View Land or the Preston View Improvements and all right, title and interest of Preston View Seller, if any, in and to all development rights, minerals, oil, gas and other hydrocarbons, and any land lying in the bed of any street, road, avenue or alley, open or closed, in front of or adjoining the Preston View Land;

(3) all furniture, furnishings, appliances, signs, carts, tools, supplies, fixtures, equipment and other personal property which are now, or may hereafter prior to the Closing Date be, placed in or attached to Preston View Land or the Preston View Improvements and are used solely in connection with the operation of the Preston View Real Property, including all of the items of personal property listed on Schedule C-4 attached hereto (but not including items owned or leased by tenants or the Preston View Property Manager, or which are leased by Preston View Seller) (the "Preston View Personal Property");

(4) to the extent they may be freely transferred by such Seller under Applicable Law without third party consent (unless any such consent is obtained by Purchaser at Purchaser's sole cost and expense), all licenses, certificates of occupancy, permits, approvals and authorizations presently issued in connection with the operation of all or any part of the Preston View Real Property as it is presently being operated;

(5) to the extent freely assignable by Preston View Seller without third party consent (unless any such consent is obtained by Purchaser at Purchaser's sole cost and expense), all guaranties and warranties, if any, in favor of Preston View Seller by any manufacturer or contractor in connection with construction or installation of equipment or any component of the Preston View Improvements;

(6) all Preston View Leases, together with all Refundable Security Deposits;

(7) all other intangible property relating to the Preston View Real Property or the Preston View Personal Property and not otherwise described or excluded herein, including, but not limited to, assignable telephone exchanges, trade names and trademarks used by Preston View Seller in connection with the operation of Preston View Apartment Homes, including Preston View Seller's right, title and interest in (i) the name "Preston View Apartment Homes," (ii) all variations of such name used or owned by Preston View Seller, and (iii) all other names utilized or owned by Preston View Seller with respect to the Preston View Real Property or the Preston View Seller Improvements; www.prestonviewapartments.com, www.prestonviewapts.com, architectural drawings, plans and specifications, as-built drawings and advertising materials (in each case, solely to the extent delivered to Purchaser prior to the Effective Date or located on-site as of the Closing Date); and any assignable development rights;

(8) all Assumed Contracts pertaining to the Preston View Property, other than those terminated on or prior to the Closing Date pursuant to Section 3.4(c); and

(9) resident and tenant files for current residents as of the Closing Date and other non-confidential and non-proprietary records owned by Preston View Seller and used in connection with the Preston View Real Property and located on-site as of the Closing Date.

(c) Notwithstanding anything to the contrary contained in this Agreement, it is expressly agreed by the parties hereto that the following items are expressly excluded from the Properties to be sold to Purchaser (collectively, the "Excluded Assets"):

(i) all Security Deposits that do not constitute Refundable Security Deposits (including, without limitation, non-refundable pet deposits if any);

(ii) all right, title and interest in any purchase agreement or other closing document entered into in connection with Sovereign Seller's acquisition of the Sovereign Real Property, Leigh House Seller's acquisition of the Leigh House Real Property, or Preston View Seller's acquisition of the Preston View Real Property, except to the extent that the rights or obligations under any such closing document "run with the land" and so benefit or burden any of the Real Property;

(iii) any fixtures, personal property, equipment, trademarks or other intellectual property or other assets which are owned by (A) the supplier or vendor under any Contract, (B) the tenant under any Lease or (C) any Property Manager;

(iv) any insurance claims or proceeds arising out of or relating to events that occur prior to the Closing subject to the terms of Section 9.2(a);

(v) any proprietary or confidential materials (including any materials relating to the background or financial condition of a present or prior direct or indirect partner or member of the Sellers, but the Seller's Deliveries shall not be deemed to be proprietary or confidential), the internal books and records of the Sellers relating to contributions and distributions prior to Closing, any software owned or licensed by the Sellers, the name "Bluerock" and any derivations thereof (including "BR") and any trademarks, trade names, brand marks, brand names, trade dress or logos relating thereto, the names "Carroll," "ARIUM" or any derivations thereof, and any trademarks, trade names, brand marks, brand names, trade dress or logos relating thereto, and any items listed on Schedule C-5;

(vi) the Existing Management Agreements (all of which shall be terminated at Closing);

(vii) any Objectionable Contracts terminated effective as of or prior to the Closing Date pursuant to Section 3.4(c);

(viii) any items leased to the Sellers;

(ix) computer software and computer files; and

(x) cash and cash equivalents (except to the extent prorated at Closing), and any reserves or other deposits funded or made in connection with any financing encumbering any of the Properties or the Sellers' interests therein.

SECTION 2.2 Purchase Price.

(a) The consideration to be paid by Purchaser to the Sellers for the purchase of the Properties shall be an amount equal to ONE HUNDRED SIXTY EIGHT MILLION NINE HUNDRED SEVENTY FIVE THOUSAND AND NO/100 DOLLARS (\$168,975,000.00) (the "Purchase Price"), which shall be allocated among the Properties as set forth on Schedule 2.2(a) hereto. For each Property, the portion of the Purchase Price allocable to the Property on Schedule 2.2(a) hereto is herein called the "Allocable Purchase Price." Such allocation shall apply for all purposes under this Agreement, including for allocations of Earnest Money among the Properties. The Purchase Price shall be paid by Purchaser to the Sellers on the Closing Date as follows:

(i) Within three (3) Business Days after the Effective Date, Purchaser shall deliver to Escrow Agent cash in an amount equal to SIX MILLION FOUR HUNDRED NINETY NINE THOUSAND THIRTY NINE AND NO/100 DOLLARS (\$6,499,039.00) (together with all accrued interest thereon, the "Earnest Money") in immediately available funds by wire transfer to the Earnest Money Escrow Account. If the Earnest Money is not deposited by Purchaser as and when due and payable hereunder, the Sellers shall have the right in the Sellers' sole and absolute discretion to terminate this Agreement by written notice to Purchaser and Escrow Agent, whereupon no party shall have any further rights or obligations hereunder except for those that expressly survive the termination of this Agreement.

(ii) Purchaser agrees and acknowledges that the entire Earnest Money shall be non-refundable to Purchaser from and after the Effective Date except as otherwise specifically provided in this Agreement.

(iii) Prior to the Loan Pay-Off Wire Deadline on the Closing Date, or prior to the Closing Date, Purchaser shall deposit with the Escrow Agent, by wire transfer of immediately available funds (through the escrow described in Section 2.3), the Purchase Price, as adjusted by the application of the Earnest Money, and by the adjustments, proration and credits provided herein. The amount to be paid under this Section 2.2(a)(iii) is referred to herein as the "Closing Funds."

(b) Upon delivery by Purchaser to Escrow Agent, the Earnest Money will be deposited by Escrow Agent in the Earnest Money Escrow Account, and shall be held in escrow in accordance with the provisions of Section 14.4. All interest earned on the Earnest Money while held by Escrow Agent shall be paid to the party to whom the Earnest Money is paid, except that if Closing occurs, Purchaser shall receive a credit against the Purchase Price for such interest in accordance with the terms of this Agreement.

(c) Notwithstanding any other provision of this Agreement to the contrary, in the event this Agreement is terminated by any party prior to the Closing (as hereinafter defined) pursuant to any right to do so in this Agreement, ONE HUNDRED DOLLARS (\$100.00) of the Earnest Money (the "Independent Contract Consideration") shall be paid to the Sellers, which amount the parties bargained for and agreed to as consideration for Purchaser's right to inspect and purchase the Real Property pursuant to this Agreement and for the Sellers' execution, delivery and performance of this Agreement. The Independent Contract Consideration, if paid, shall be in addition to and independent of any other consideration or payment provided in this Agreement and it is deemed to have been fully earned as of the Effective Date.

(d) No adjustment shall be made to the Purchase Price except as explicitly set forth in this Agreement.

SECTION 2.3 Closing Procedure.

(a) Closing. The closing of the sale and purchase of the Properties (the "Closing") shall be held on the Closing Date, not later than 3:00 p.m. (Eastern Time) (the "Loan Pay-Off Wire Deadline") by mutually acceptable escrow arrangements with Escrow Agent. There shall be no requirement that the Sellers and Purchaser physically attend the Closing, and all funds and documents to be delivered at the Closing shall be delivered to the Escrow Agent unless the parties hereto mutually agree otherwise. Purchaser and the Sellers hereby authorize their respective attorneys to execute and deliver to the Escrow Agent any additional or supplementary instructions as may be necessary or convenient to implement the terms of this Agreement and to facilitate Closing; provided, however, that such instructions shall be consistent with and merely supplement this Agreement and shall not in any way modify, amend or supersede this Agreement.

(b) Closing Deliveries. Purchaser shall be required to deposit the Closing Funds with Escrow Agent on or prior to the Closing Date, and in no event later than the Loan Pay-Off Wire Deadline. The parties shall endeavor to “pre-close” the transaction by making commercially reasonable efforts to deliver to Escrow Agent, no later than the date which is one (1) Business Day prior to the Closing Date, their respective Closing Documents pursuant to the terms of Article 6.

(c) Payments to Sellers. All amounts payable to the Sellers under this Agreement, including the Earnest Money and the Purchase Price, shall be paid at the Closing to the Sellers in accordance with their joint written instructions.

ARTICLE 3
REPRESENTATIONS, WARRANTIES AND COVENANTS OF SELLERS

SECTION 3.1 Seller Representations and Warranties. Subject to the information disclosed on those Sellers’ Deliveries identified on Schedule 3.1 attached hereto and made a part hereof (collectively, “Sellers’ Core Deliveries”), and further subject to the Permitted Exceptions, each Seller hereby represents and warrants to Purchaser as follows with respect to itself or its Property, as applicable:

(a) Formation; Existence. Such Seller is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware and is duly qualified to transact business and is in good standing in the state where such Seller’s Property is located.

(b) Power and Authority. Such Seller has all requisite power and authority to enter into this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement, the sale of its Property and the consummation of the transactions provided for in this Agreement have been duly authorized by all necessary action on its part. This Agreement has been duly executed and delivered by such Seller and constitutes such Seller’s legal, valid and binding obligation, enforceable against such Seller in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors’ rights and by general principles of equity (whether applied in a proceeding at law or in equity).

(c) No Consents. Such Seller has obtained all consents and permissions (if any) related to the transactions herein contemplated and required under any organizational or governing documents of each Seller or under any covenant, agreement, encumbrance, law or regulation by which such Seller is bound.

(d) No Conflicts. Such Seller's execution, delivery and compliance with, and performance of the terms and provisions of, this Agreement, and the sale of such Seller's Property, will not conflict with or result in any violation of its organizational or governing documents.

(e) Foreign Person. Such Seller is not a "foreign person" as defined in Internal Revenue Code Section 1445 and the regulations issued thereunder.

(f) Bankruptcy. Such Seller has not (i) made a general assignment for the benefit of creditors, (ii) filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by such Seller's creditors, (iii) suffered the appointment of a receiver to take possession of all, or substantially all, of such Seller's assets, which remains pending or (iv) suffered the attachment or other judicial seizure of all, or substantially all of such Seller's assets, which remains pending.

(g) Anti-Terrorism Laws.

(i) OFAC Compliance. Such Seller is in compliance with the requirements of Executive Order No. 13224, 66 Fed. Reg. 49079 (Sept. 23, 2001) (the "Executive Order") and other similar requirements contained in the rules and regulations of the Office of Foreign Assets Control, Department of the Treasury ("OFAC") and in any enabling legislation or other Executive Orders or regulations in respect thereof (the Executive Order and such other rules, regulations, legislation, or orders are collectively called the "Executive Orders"). Neither (a) such Seller, any Affiliate of such Seller nor any Person controlled by such Seller; nor (b) to the best of such Seller's Knowledge, after making due inquiry, any Person who owns a controlling interest in or otherwise controls such Seller; nor (c) to the best of such Seller's Knowledge, after making due inquiry, if such Seller is a privately held entity, any Person otherwise having a direct or indirect beneficial interest (other than with respect to an interest in a publicly traded entity) in such Seller; nor (d) any Person for whom Seller is acting as agent or nominee in connection with this investment, is a country, territory, Person, organization, or entity named the Specially Designated Nationals and Blocked Persons List maintained by OFAC pursuant to the Order and/or on any other list of terrorists or terrorist organizations maintained pursuant to any of the rules and regulations of OFAC or pursuant to any other applicable Orders (the "Lists"), nor is a prohibited country, territory, Person, organization, or entity under any economic sanctions program administered or maintained by OFAC (a "Forbidden Entity"). For purposes of this paragraph, "Affiliate" means, with respect to a particular Person, any other Person who is Controlled by, under common Control with, or in Control of, such particular Person; "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities or other beneficial interests, by contract or otherwise; and "Person" means any individual, company, trust or other legal entity of any kind whatsoever, or other organization, whether or not a legal entity.

(ii) Patriot Act. Such Seller is in compliance with all applicable anti-money laundering and anti-terrorist laws, regulations, rules, executive orders and government guidance, including the reporting, record keeping and compliance requirements of the Bank Secrecy Act (“BSA”), as amended by The International Money Laundering Abatement and Financial Anti-Terrorism Act of 2001, Title III of the USA PATRIOT Act (the “Patriot Act”), and other authorizing statutes, executive orders and regulations administered by OFAC, and related Securities and Exchange Commission, SRO or other agency rules and regulations (collectively, the “Anti-Bribery, Anti-Money Laundering and Anti-Terrorism Laws”), and has policies, procedures, internal controls and systems that are reasonably designed to ensure such compliance.

(iii) Senior Foreign Political Figure. Such Seller is not a Senior Foreign Political Figure, or an Immediate Family Member or a Close Associate of a Senior Foreign Political Figure, such Seller is not controlled by a Senior Foreign Political Figure, or an Immediate Family Member or a Close Associate of a Senior Foreign Political Figure, and, to the best of such Seller’s Knowledge, after making due inquiry, none of the direct or indirect owners of ten percent (10%) or more of such Seller (other than any owner(s) of any interest(s) in a publicly-traded entity) is a Senior Foreign Political Figure, or an Immediate Family Member or a Close Associate of a Senior Foreign Political Figure. For purposes of this paragraph, “Senior Foreign Political Figure” means a senior official in the executive, legislative, administrative, military or judicial branches of a foreign government (whether elected or not), a senior official of a major foreign political party, or a senior executive of a foreign government-owned corporation, and includes any corporation, business or other entity that has been formed by, or for the benefit of, a such senior official or executive; “Immediate Family Member” of a Senior Foreign Political Figure typically includes the Senior Foreign Political Figure’s parents, siblings, spouse, children and in-laws; and “Close Associate” of a Senior Foreign Political Figure means a person who is widely and publicly known to maintain an unusually close relationship with Senior Foreign Political Figure, and includes a person who is in a position to conduct substantial domestic and international financial transactions on behalf of the Senior Foreign Political Figure.

(h) No Litigation. Except as set forth on Schedule 3.1(h) attached hereto, such Seller has not received written notice of, and such Seller has no Knowledge of, any pending or threatened (in writing) action, suit, arbitration, administrative or judicial proceeding, or unsatisfied order or judgment against such Seller or which pertains to its Property or the transaction contemplated by this Agreement, which in either case, if adversely determined, would have an effect on the use, operation or value of such Property or on such Seller’s ability to consummate the transaction contemplated herein; provided, however, this Section 3.1(h) shall not apply as to any pending or future dispossessory or similar actions as to Property tenants.

(i) No Violations of Law. Except as set forth on Schedule 3.1(i) attached hereto, such Seller has not received written notice from any Governmental Authority of any violation of or non-compliance with, any Applicable Law affecting its Property or any portion thereof, which remains unresolved.

(j) Contracts. To such Seller's Knowledge, except for the Contracts with respect to such Seller's Property listed on the applicable portion of attached Schedule 3.1(j), there are no other Contracts with respect to such Seller's Property. Such Seller is not in default under any Contracts, subject to the running of any applicable notice and cure periods under such Contracts. As of the Closing Date there shall be no earned but unpaid management fees owed by such Seller to any third parties with respect to its Property.

(k) Rent Roll. The rent roll for such Seller's Property attached hereto as a portion of Schedule 3.1(k) (individually, a "Rent Roll," and collectively, the "Rent Rolls") is a copy of the Rent Roll that Seller relies upon and uses in the ordinary course of its business. In respect of each of the Leases, to Seller's Knowledge, except as otherwise set forth in the Rent Roll or delinquency report for such Property, such Seller has not received written notice of any material default by such Seller under any of the Leases for its Property. Notwithstanding anything in this Agreement to the contrary, such Seller does not covenant or represent that tenants under Leases for such Seller's Property will not be in default under their respective Leases, and the existence of any default by any tenant under its Lease shall not affect the obligations of Purchaser hereunder. No security deposits have been paid by any tenants under the Leases which have not heretofore been returned, except as listed on the Rent Rolls.

(l) Environmental Laws. Such Seller has not received written notice from any Governmental Authority that it has violated or is potentially liable under any Environmental Laws.

(m) No Brokers. There are no broker's or listing agreements or any broker's or finder's fees or commissions (whether in connection with the Leases or otherwise) for which Purchaser shall be responsible after Closing. All leasing and brokerage commissions with respect to the Leases (including renewals, extensions or expansions thereof whether pursuant to the express provisions of the Leases or otherwise) have been paid in full, or will be paid by Closing.

(n) Contractors. All contractors, subcontractors, suppliers, architects, engineers, and others who have performed services, labor, or supplied material in connection with such Seller's ownership, operation, maintenance, repair and management of such Seller's Property have been or at the Closing will be paid in full and all liens arising therefrom (or claims which with the passage of time or notice or both, could mature into liens) have been satisfied and released, or shall be satisfied and released by the Closing Date.

(o) Operating Statements. The operating statements for such Property that are provided as a part of Sellers' Core Deliveries are copies of such documents that such Seller uses and relies upon in the ordinary course of its business.

(p) Licenses and Permits. To such Seller's Knowledge, the operation of such Seller's Property as currently utilized does not violate any zoning, subdivision, building or similar law, ordinance, order or regulation or any certificate of occupancy issued with respect to such Seller's Property. To such Seller's Knowledge, no portion of such Seller's Property and no provision in any of the Leases is in violation of any law, ordinance, order, regulation of any Governmental Authority or requirement or the requirements of any local board of fire underwriters (or other body exercising similar functions).

(q) Insurance. Such Seller now has in full force and effect casualty, liability and business interruption insurance coverages in the amounts and types reflected in the insurance certificates attached hereto as Schedule 3.1(q)(i), Schedule 3.1(q)(ii), Schedule 3.1(q)(iii) or Schedule 3.1(q)(iv).

(r) Tenants. To such Seller's Knowledge, no tenant or any third party has any right or option to purchase such Seller's Property or any portion thereof.

(s) Employees. Such Seller has no employees.

(t) No Condemnation. There is no pending or, to such Seller's Knowledge, threatened (in writing) condemnation or similar proceeding relating to or affecting such Seller's Property or any portion thereof, including, without limitation, such Seller's title to such Seller's Property or any rights and interest in such Seller's Property, nor does such Seller have any Seller's Knowledge that any such action(s) is presently contemplated. Such Seller agrees to give Purchaser prompt notice of any actual or threatened (in writing) condemnation or similar proceeding between the Effective Date and the Closing.

(u) Bonds and Letters of Credit. There are no development bonds, letters of credit or other collateral held by or posted with any Governmental Authority or other third party with respect to any improvement, subdivision or development obligations concerning any of the Real Property.

SECTION 3.2 Amendments to Schedules, Limitations on and Breaches of Representations and Warranties of Sellers.

(a) Each Seller shall have the right to amend and supplement the schedules to this Agreement from time to time prior to the Closing by providing a written copy of such amendment or supplement to Purchaser; provided, however, that any amendment or supplement to the schedules to this Agreement shall have no effect for the purposes of determining whether a Seller breach has occurred, but shall only establish such amendments and supplements as a Purchaser Waived Breach in the event Purchaser proceeds to Closing following receipt of such information and shall therefore apply only as a defense to limit the indemnification obligations of the Sellers in Article 11 of this Agreement for the inaccuracy or untruth of the representation or warranty qualified by such amendment or supplement following Closing. Sellers hereby acknowledge and agree that Purchaser expressly reserves and may freely exercise all rights and remedies available to it under Section 13.2 of this Agreement following any Seller's amendment or supplement of the schedules and exhibits to this Agreement.

(b) Notwithstanding anything in this Agreement to the contrary, if the representations and warranties relating to a Rent Roll as set forth in Section 3.1(k) and the status of the tenants thereunder were true and correct in all material respects as of the Effective Date, no change in circumstances or status of such tenants (e.g., defaults, bankruptcies, below market status or other adverse matters relating to such tenants or a tenant's exercise following the Effective Date of any Lease termination rights not caused by the acts or omissions of any Seller) occurring after the Effective Date shall permit Purchaser to terminate this Agreement or constitute grounds for Purchaser's failure to close or otherwise constitute a breach of any representation or warranty by any Seller.

(c) For purposes of this Section 3.2:

(i) "Representation Conditions" shall mean that all representations or warranties of such Seller were true, correct and complete in all material respects when made.

(ii) "Changed Condition Threshold" shall mean a Changed Condition (as hereinafter defined) whose cost of cure will exceed \$500,000.00 for an individual Property or the Properties or Property Group collectively, as determined by a third party that is mutually acceptable to the parties in their commercially reasonable discretion.

(d) If, after the Effective Date and prior to the Closing Date, any Seller's representations or warranties become untrue, inaccurate or incorrect (a "Changed Condition"), such Seller shall give Purchaser written notice thereof within five (5) Business Days (but, in any event, prior to Closing) of such Seller's Knowledge of the Changed Condition (a "Changed Condition Notice").

(e) If the Representation Conditions have been satisfied, but the Changed Condition does not meet the Changed Condition Threshold, such Seller shall use commercially reasonable efforts to cause the Changed Condition to be cured at or prior to Closing. In the event that, despite commercially reasonable efforts, such Seller is unable to cure the Changed Condition by Closing, the Sellers shall not be in default hereunder, but Purchaser shall be entitled to a credit against the Purchase Price at Closing equal to the estimated remaining cost to cure the Changed Condition, which shall be determined by a third party that is mutually acceptable to the parties in their commercially reasonable discretion.

(f) If the Representation Conditions have been satisfied and the Changed Condition meets or exceeds the Changed Condition Threshold, within five (5) Business Days after the delivery of the Changed Condition Notice, such Seller shall notify Purchaser in writing of whether such Seller (i) elects to cure the Changed Condition by Closing, or (ii) declines to cure the Changed Condition. If Seller elects to cure the Changed Condition by Closing pursuant to this Section 3.2(f), then the Purchaser shall be obligated to close on the Properties pursuant to the terms of this Agreement and Seller shall be obligated to cure the Changed Condition at or prior to Closing. If such Seller does not timely make an election under this subsection (f), such Seller shall be deemed to have declined to cure the Changed Condition. If such Seller declines to cure the Changed Condition, or is deemed to have declined to do so, then Purchaser shall have five (5) Business Days thereafter, to elect, as its sole and exclusive remedy (and the Closing shall be automatically extended to account for such five (5) Business Day period, if necessary), in its sole and absolute discretion, by written notice to the Sellers within said five (5) Business Day period, (x) to continue with the purchase of the Property without adjustment of the Purchase Price, or (y) to terminate this Agreement by providing written notice thereof to the Sellers. If Purchaser elects to terminate this Agreement pursuant to this Section 3.2(f), the Earnest Money shall be immediately returned to Purchaser and thereafter the parties shall be released from further liability or obligation hereunder, except for those matters which specifically survive the termination hereof. If Purchaser fails to notify the Sellers and Escrow Agent of its election to terminate this Agreement within said five (5) Business Day time period provided above, Purchaser shall be deemed to have accepted the Changed Condition and to have elected to purchase the Property without adjustment to the Purchase Price. If such Seller elects to cure the Changed Condition by Closing, but thereafter fails to do so, Sellers shall be in material default under this Agreement and all remedies set forth in Section 13.2 shall be available to Purchaser due to such default.

(g) For the avoidance of doubt, in the event a representation or warranty of any Seller is untrue, incorrect or incomplete in any material respect when made, or becomes untrue, incorrect or incomplete in any material respect on or after the Effective Date due to a breach of any of the Sellers' obligations or covenants under this Agreement, then the Sellers shall be in default under this Agreement (subject to any applicable notice and cure rights), and all remedies set forth in Section 13.2 shall be available to Purchaser.

SECTION 3.3 Covenants of Sellers Prior to Closing.

(a) From the Effective Date until the Closing or earlier termination of this Agreement (or such earlier date as set forth below), each Seller or such Seller's agents shall:

(i) Operation. Operate and maintain such Seller's Property in a manner generally consistent with such Seller's past practices with respect to such Property (including entering into new Leases), except that such Seller shall not be required to make any capital improvements to such Real Property.

(ii) Notices. Notify Purchaser promptly upon receipt of written notices of (i) violation, litigation, arbitration proceeding or administrative hearing (including condemnation) before any Governmental Authority which affects such Seller or such Seller's Property, and is instituted after the Effective Date; (ii) default with respect to any Contract; (iii) litigation commenced or threatened in writing against such Seller or such Seller's Property; (iv) litigation commenced or threatened in writing by such Seller (other than residential tenant eviction proceedings); and (v) any other material written notice or communication received by such Seller which could have a material effect on the operation of Seller's Property or on the transactions contemplated under this Agreement.

(iii) Insurance. Keep such Seller's Property insured against fire and other hazards in such amounts and under such terms as are consistent with such Seller's existing insurance program, provided that Seller may make adjustments in such Seller's insurance coverage for the Property which are consistent with Sellers' Affiliates' general insurance program for apartment properties as in effect from time to time.

(iv) Performance Under Leases. Perform, or cause its agents to perform, in all material respects, all material obligations of landlord or lessor under the Leases.

(v) Leasing Activity. Except for Leases or amendments to Leases entered into pursuant to renewal notices mailed prior to the Effective Date, unless Purchaser agrees otherwise in writing, any new leases or renewals of existing leases for apartment units entered into by Sellers after the Effective Date until the Closing or earlier termination of this Agreement shall be on such Seller's standard apartment lease form for its Property, and shall be for terms of no less than six (6) months and no more than thirteen (13) months. In all cases, Sellers shall retain the discretion to set rent rates, concessions and other terms of occupancy consistent with then-extant market conditions for such Property. After the expiration of the Due Diligence Period, Purchaser shall have the right to participate in a weekly call with each Seller and its property manager to discuss operation of the Properties, which shall be scheduled by such Seller at the request of Purchaser, and for the avoidance of doubt shall be a separate call from such Seller's operation calls with its property manager.

(vi) Contracts. Comply with all obligations of such Seller under the Contracts, and, unless Purchaser agrees otherwise in writing, not enter into any service or other new Contract (or renew any existing Contract) that will be binding on Purchaser or any Property after Closing, other than Contracts necessary for emergency purposes in such Seller's commercially reasonable discretion.

(vii) Conveyances or Encumbrances of Property. Such Seller shall not sell, further pledge, encumber or otherwise transfer or dispose of all or any part of its Property (except for (i) such items of fixtures and tangible personal property as become obsolete or are disposed of in the ordinary course, and only if replaced by an item of like quality and functionality (unless the same is no longer necessary for the operation of such Property, as determined by Seller in its commercially reasonable discretion), and (ii) such other transfers and conveyances as are specifically permitted under this Agreement).

(viii) Updated Rent Roll. From time to time, upon written request by Purchaser (but in no event more often than once per week), such Seller shall provide to Purchaser an updated Rent Roll with respect to such Seller's Property, which shall be in substantially the same format as the Rent Roll with respect to such Seller's Property attached hereto as a portion of Schedule 3.1(k).

(ix) Property Changes. Not request or consent to any change, variance or other modification to the zoning, permits, entitlements or development incentives applicable to its Property, without Purchaser's prior written consent which shall not be unreasonably withheld.

(x) Condition of Vacant Units. Make rent-ready all apartment units at its Property which become vacant five (5) or more Business Days prior to the Closing, or to credit Purchaser at Closing in the amount of \$750.00 for each apartment unit at its Property which is vacant on the Closing Date, which was vacant five (5) or more Business Days prior to the Closing Date, and which has not been made rent-ready. For purposes of this paragraph, "rent-ready condition" shall mean the condition in which such Seller currently delivers vacant units to new tenants at its Property in such Seller's ordinary course of business and operations, freshly painted and cleaned, with all appliances, fixtures, and equipment therein in good working order.

(xi) Intentionally deleted.

(xii) Legal Compliance. Not use or occupy, or knowingly allow the use or occupancy of, its Property in any manner which violates any governmental requirements or which constitutes waste or a public or private nuisance or which makes void, voidable or cancelable, or increases the premium of, any insurance then in force with respect thereto. Such Seller shall maintain, or cause to be maintained, in full force and effect all permits and licenses required to operate its Property and to execute Leases for its Property and collect rent thereunder.

(xiii) Intentionally deleted.

(xiv) Estoppels. Use commercially reasonable efforts to obtain and deliver to Purchaser any estoppels Purchaser may reasonably require in connection with the Permitted Exceptions (each individually an "Estoppel," and collectively the "Estoppels"); provided, however, such Sellers shall not be obligated to incur any non de-minimis expense or fee to so obtain Estoppels other than may be required by the terms of the Permitted Exception or to obtain any Estoppels from residential tenants at its Property.

(xv) Alterations. After the expiration of the Due Diligence Period, not perform, nor permit the performance of, any material alterations, renovations or improvements to its Property without Purchaser's prior written consent, which consent may be granted or withheld in Purchaser's sole discretion, except for alterations or improvements required to ensure the safety of its Property (including improvements required for the cure of the Preston View Property Code Violations).

(xvi) Transition. Cooperate with Purchaser in transitioning ownership and management of its Property to Purchaser or Purchaser's designee, including, without limitation, ensuring that all rents from and after the Closing Date received by such Seller are paid over to Purchaser or its designee.

(b) Existing Agreements. Such Seller shall terminate (or cause to be terminated) such Seller's Existing Management Agreement at or prior to Closing.

(c) Assumed Contracts. If Purchaser delivers a written notice of objection to any Contract prior to the expiration of the Due Diligence Period, then, to the extent a termination right in favor of the applicable Seller is provided for in such Contract, or if such Contract does not prohibit termination, the applicable Seller shall cause its Property Manager to provide a notice of termination within two (2) Business Days of the expiration of the Due Diligence Period to the vendor thereunder with respect to each such Contract to which Purchaser has timely objected (collectively, the "Objectionable Contracts"); provided, however, that (i) Purchaser may not object to any of the Contracts marked as "must assume" on Schedules 3.1(j)-1 through 3.1(j)-4 and shall assume the same at Closing pursuant to the applicable Bill of Sale and Assignment; (ii) no Seller shall have any obligation to terminate any Contract which by its terms is not terminable or which cannot be terminated without payment of an express termination fee or penalty, unless Purchaser agrees in writing to pay such termination fee or penalty; (iii) if the termination of any Objectionable Contract cannot be made effective upon the Closing Date (it being agreed and acknowledged that the Sellers shall not be obligated to pay any money to accomplish such termination), then such Objectionable Contract shall be assumed by Purchaser at Closing pursuant to the applicable Bill of Sale and Assignment (together with all Assumed Contracts with respect to the applicable Property that do not constitute Objectionable Contracts) for the remaining period of such Contract until its effective date of termination; and (iv) Purchaser shall be responsible for any termination fees payable with respect to the termination of any Objectionable Contracts. Notwithstanding the foregoing, Purchaser shall not be required or entitled to assume any: (i) Contract that, by its terms, may not be assigned to and assumed by Purchaser without the consent of a third party, unless such third party's written consent is actually obtained at or before Closing; or (ii) any Contract that is not reflected on Schedules 3.1(j)-1 through 3.1(j)-4. All Contracts that Purchaser is required to assume or elects to assume hereunder are collectively referred to herein as the "Assumed Contracts."

(d) Anti-Terrorism Law. Such Seller shall take any actions that may be required to comply with the terms of the Anti-Bribery, Anti-Money Laundering and Anti-Terrorism Laws, as amended, any regulations promulgated under the foregoing Applicable Laws, any sanctions program administered by the U.S. Department of Treasury's Office of Foreign Property Control or Financial Crimes Enforcement Network, or any other Applicable Laws designed to combat corruption, bribery, terrorism, drug-trafficking or money laundering.

(e) Exclusivity. From the Effective Date until the Closing or earlier termination of this Agreement, none of the Sellers, nor any of their respective brokers, affiliates or agents, shall engage in discussions directly or through their respective brokers, agents or representatives or otherwise negotiate with any Person or party, other than with Purchaser, in connection with the sale of any of the Properties or any joint venture or similar transaction relating to any of the Properties.

(f) Leigh House TIC Transfer. Purchaser is advised that, at or prior to Closing, Leigh House Seller may convey ownership of the Leigh House Property to Leigh House Seller's members or such members' designees (individually, an "Additional Leigh House Seller," and collectively, the "Additional Leigh House Sellers"), as undivided tenants in common (such transaction being the "Leigh House TIC Transfer"). Purchaser will allow Leigh House Seller to proceed with the Leigh House TIC Transfer during the term of this Agreement, provided that all of the following terms and conditions (collectively, the "Leigh House TIC Transfer Terms and Conditions") are fully satisfied and complied with in all respects:

(i) Not later than July 1, 2019, Leigh House Seller shall notify Purchaser in writing of its desire to consummate the Leigh House TIC Transfer and shall submit to Purchaser the following:

(A) drafts of the following documents (collectively, the "Leigh House TIC Transfer Documents"), each of which shall be in form and content reasonably acceptable to Purchaser: (1) deeds, bills of sale and assignments to accomplish the Leigh House TIC Transfer; (2) if applicable, the forms of any assignments for Exchange purposes with respect to the Leigh House TIC Transfer; and (3) a joinder to this Agreement whereby each Additional Leigh House Seller becomes a party to this Agreement and jointly and severally liable with Leigh House Seller for its obligations hereunder.

(B) Secretary of State documents demonstrating that each of the Additional Leigh House Sellers has been formed and, if formed in a jurisdiction other than North Carolina, qualified to do business in the State of North Carolina.

(ii) Within five (5) Business Days after Leigh House Seller's transmittal of the notice and deliveries under subsection (i) above, Leigh House Seller shall order any and all searches reasonably required by Purchaser or its lender for the Additional Leigh House Sellers, and shall promptly provide such parties with copies of the search results upon receipt, in all instances at Leigh House Seller's sole cost.

(iii) At the closing of the Leigh House TIC Transfer and also at Closing, each of Leigh House Seller and the Additional Leigh House Sellers shall provide to the Title Company evidence of such entity's power and authority to consummate the Leigh House TIC Transfer and the transaction contemplated by this Agreement.

(iv) Leigh House Seller and each of the Additional Leigh House Sellers, jointly and severally, shall indemnify and hold Purchaser harmless from all costs, obligations and liabilities arising directly or indirectly from the Leigh House TIC Transfer.

(v) From and after the closing date of the Leigh House TIC Transfer, Leigh House Seller and each of the Additional Leigh House Sellers shall be jointly and severally liable for all of Leigh House Seller's covenants, representations, warranties, obligations and any other matters arising under or in connection with (A) this Agreement, including, without limitation, any liabilities of Leigh House Seller arising prior to and after the Closing Date, (B) Leigh House Seller's Exchange, if applicable, and (C) the Leigh House TIC Transfer. For the avoidance of doubt, each Additional Leigh House Seller shall be deemed to have made all representations and warranties of Leigh House Seller as set forth in this Agreement, effective as of the closing date of the Leigh House TIC Transfer.

(vi) Not later than June 28, 2019, the Title Company shall have confirmed in writing that the Leigh House TIC Transfer has satisfied all Title Company requirements for such conveyance, and consequently that the Leigh House TIC Transfer will not prevent Title Company from being able to issue the Owner's Policy for the Leigh House Property to Purchaser at Closing, subject only to the Permitted Exceptions and otherwise in the form required by this Agreement.

(vii) Any conveyance documents to be delivered with respect to the Leigh House Property under Section 6.2 hereof shall be delivered by the Leigh House Seller and each of the Additional Leigh House Sellers, jointly and severally. Further, each Additional Leigh House Seller shall join Leigh House Seller in the execution and delivery of Sellers' Closing Certificate.

Leigh House Seller's failure to comply with all of the Leigh House TIC Transfer Terms and Conditions shall constitute a material default hereunder whereby Purchaser shall be entitled to the remedies set forth in Section 13.2. The provisions of this Section 3.3(f) shall survive the termination of this Agreement and the Closing.

(g) Preston View Property Code Violations. Upon completing an inspection of the Preston View Property on June 12, 2019, the Morrisville Fire/Rescue Department issued a notice to Preston View Seller of certain fire and life safety violations at such Property (collectively, the "Preston View Property Code Violations"). A copy of such notice is attached hereto as Exhibit H. Preston View Seller shall promptly request an estimate from a licensed contractor to determine the scope of work and cost required to cure the Preston View Property Code Violations, and shall promptly provide a copy of such estimate to Purchaser upon receipt. The contractor performing the work, the scope of work and the contractor's standard of performance shall all be subject to Purchaser's review and approval in its commercially reasonable discretion. Preston View Seller covenants and agrees to make commercially reasonable, good faith efforts to cause the Preston View Property Code Violations to be cured at Preston View Seller's cost prior to Closing, the parties hereby agreeing that cure of such violations shall be conclusively demonstrated by the Morrisville Fire/Rescue Department's written acknowledgment that the Preston View Property Code Violations have been cured. In the event that the Preston View Property Code Violations have not been fully cured by the Closing despite Preston View Seller's commercially reasonable efforts, Purchaser shall be entitled to a credit against the Allocable Purchase Price for the Preston View Property equal to the remaining cost of such cure, based upon the above cost estimate, net of any sums previously paid by Preston View Seller.

(h) Excluded Assets. Nothing in this Section 3.3 shall restrict any Seller's rights with respect to any Excluded Assets or give Purchaser any approval, consent or other rights with respect thereto.

ARTICLE 4
REPRESENTATIONS, WARRANTIES AND COVENANTS OF PURCHASER

SECTION 4.1 Representations and Warranties of Purchaser. Purchaser hereby represents and warrants to the Sellers as follows:

(a) Formation; Existence. Purchaser is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware.

(b) Power; Authority. Purchaser has all requisite power and authority to enter into this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement, the purchase of the Properties and the consummation of the transactions provided for herein have been duly authorized by all necessary action on the part of Purchaser. This Agreement has been duly executed and delivered by Purchaser and constitutes the legal, valid and binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights and by general principles of equity (whether applied in a proceeding at law or in equity).

(c) No Consents. No consent, license, approval, order, permit or authorization of, or registration, filing or declaration with, any court, administrative agency or commission or other Governmental Authority, is required to be obtained or made in connection with the execution, delivery and performance of this Agreement by Purchaser or any of Purchaser's obligations in connection with the transactions required or contemplated hereby.

(d) No Conflicts. Purchaser's execution, delivery and compliance with, and performance of the terms and provisions of, this Agreement, and the purchase of the Properties, will not (i) conflict with or result in any violation of its organizational documents, (ii) conflict with or result in any violation of any provision of any bond, note or other instrument of indebtedness, contract, indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which Purchaser is a party in its individual capacity, or (iii) violate any Applicable Law relating to Purchaser or its assets or properties, except, in each case, for any conflict or violation which will not materially adversely affect Purchaser's ability to consummate the transactions contemplated by this Agreement.

(e) Bankruptcy. Purchaser has not (i) made a general assignment for the benefit of creditors, (ii) filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by Purchaser's creditors, (iii) suffered the appointment of a receiver to take possession of all, or substantially all, of Purchaser's assets, which remains pending, or (iv) suffered the attachment or other judicial seizure of all, or substantially all of Purchaser's assets, which remains pending.

(f) Anti-Terrorism Laws. Neither Purchaser nor to Purchaser's knowledge any beneficial owner of Purchaser: (i) is listed in the Executive Order and/or on any other list of terrorists or terrorist organizations maintained pursuant to any of the rules and regulations of OFAC or pursuant to any other applicable Orders; (ii) is a person or entity who has been determined by competent authority to be subject to the prohibitions contained in the Executive Orders; (iii) to Purchaser's knowledge, is owned or controlled by, or acts for or on behalf of, any person or entity on the Lists or any other person or entity who has been determined by competent authority to be subject to the prohibitions contained in the Executive Order, or (iv) is or has engaged in any dealings or transactions, or is otherwise associated, with any Forbidden Entity. The foregoing does not apply to any person or entity to the extent that such person's interest in Purchaser is through a US publicly traded entity.

SECTION 4.2 Covenants of Purchaser. From the Effective Date until the Closing or earlier termination of this Agreement, Purchaser or Purchaser's agents shall take any actions that may be required to comply with the terms of the Anti-Bribery, Anti-Money Laundering and Anti-Terrorism Laws, as amended, any regulations promulgated under the foregoing Applicable Laws, any sanctions program administered by the U.S. Department of Treasury's Office of Foreign Property Control or Financial Crimes Enforcement Network, or any other Applicable Laws designed to combat corruption, bribery, terrorism, drug trafficking or money laundering.

ARTICLE 5

CONDITIONS PRECEDENT TO CLOSING

SECTION 5.1 Conditions Precedent to Sellers' Obligations. The Sellers' obligation to consummate the transfer of the Properties to Purchaser on the Closing Date is subject to the satisfaction (or waiver by the Sellers in writing) as of Closing of the following conditions; provided, however, if the failure of any such condition is due to a default by Purchaser, the Sellers shall have the rights and remedies provided in Section 13.1:

(a) Each of the representations and warranties made by Purchaser in this Agreement shall be true and correct in all material respects when made and on and as of the Closing Date as though such representations and warranties were made on and as of the Closing Date (unless such representation or warranty is made on and as of a specific date, in which case it shall be true and correct in all material respects as of such date).

(b) Purchaser shall have performed or complied in all material respects with each obligation and covenant required by this Agreement to be performed or complied with by Purchaser for Closing.

(c) The Sellers or Escrow Agent shall have received all of the documents required to be delivered by Purchaser under Section 6.1.

(d) The Sellers or Escrow Agent shall have received the Purchase Price in accordance with Section 2.2 and all other amounts due to the Sellers hereunder.

(e) Subject to Section 14.27 hereof, Section 14.27 of the Sorrel Phillips Creek Ranch Purchase Agreement, and Section 14.27 of the Landings at Four Corners Purchase Agreement, the transactions contemplated by the Landings at Four Corners Purchase Agreement and the Sorrel Phillips Creek Ranch Purchase Agreement shall be consummated in accordance with the terms and conditions thereof on the Closing Date simultaneously with the Closing contemplated herein.

SECTION 5.2 Conditions Precedent to Purchaser's Obligations. Purchaser's obligation to purchase and pay for the Properties on the Closing Date is subject to the satisfaction (or waiver by Purchaser in writing) as of Closing of the following conditions; provided, however, if the failure of any such condition is due to a default by any Seller, Purchaser shall have the right and remedies provided in Section 13.2:

(a) Each of the representations and warranties made by the Sellers in this Agreement shall be true and correct in all material respects when made and on and as of the Closing Date as though such representations and warranties were made on and as of the Closing Date (unless such representation or warranty is made on and as of a specific date, in which case it shall be true and correct in all material respects as of such date), subject, in all respects, to the rights and obligations of the parties set forth in Section 3.2 of this Agreement.

(b) The Sellers shall have performed or complied in all material respects with each obligation and covenant required by this Agreement to be performed or complied with by the Sellers for Closing.

(c) Subject to Section 14.27 hereof, Section 14.27 of the Sorrel Phillips Creek Ranch Purchase Agreement, and Section 14.27 of the Landings at Four Corners Purchase Agreement, the transactions contemplated by the Landings at Four Corners Purchase Agreement and the Sorrel Phillips Creek Ranch Purchase Agreement shall be consummated in accordance with the terms and conditions thereof on the Closing Date simultaneously with the Closing contemplated herein.

(d) The Title Company shall be prepared and irrevocably committed to issue an Owner's Policy for each Property in the full amount of the such Property's Allocable Purchase Price, subject only to the Permitted Exceptions; provided, however, if the Title Company is unable or unwilling to issue any Owner's Policy, before Purchaser shall have the right terminate this Agreement under this subsection (d), the parties shall first make commercially reasonable efforts to secure the Owner's Policy from another title insurer satisfactory to Purchaser, and if necessary the Closing Date shall be extended by a period of up to five (5) Business Days to attempt to arrange such replacement coverage.

(e) All Existing Management Agreements shall be terminated at Closing.

SECTION 5.3 Waiver of Conditions Precedent. The occurrence of the Closing shall constitute conclusive evidence that the Sellers and Purchaser have respectively waived any conditions which are not satisfied as of the Closing. Notwithstanding anything to the contrary contained in this Agreement, any right of Purchaser or the Sellers to terminate this Agreement under Section 5.1 or Section 5.2 hereof may be exercised only as to this Agreement (and all of the Properties) in its entirety, and in no event may a party terminate this Agreement on such grounds only as to certain Properties.

SECTION 5.4 Failure of Conditions Precedent. In the event that any condition precedent to Closing has not been timely satisfied, then the party whose condition to Closing has not been satisfied shall have the right to terminate this Agreement by written notice delivered to the other party at Closing. In connection with any such termination, Purchaser shall be entitled to a return of the Earnest Money (less the Independent Contract Consideration), and the Sellers and Purchaser shall be released from further obligation or liability hereunder (except for those obligations and liabilities which expressly survive termination); provided, however, nothing herein shall be deemed to constitute a waiver of any right or remedy which the parties may have under Article 13.

ARTICLE 6 **CLOSING DELIVERIES**

SECTION 6.1 Purchaser's Closing Deliveries. Purchaser shall deliver the following to the Escrow Agent for Closing, in compliance with Section 2.3 hereof:

(a) With respect to the Properties:

(i) Purchaser's duly executed counterpart to a Bill of Sale and Assignment of Leases, Contracts and General Intangibles (individually a "Bill of Sale and Assignment," and collectively the "Bills of Sale and Assignment") for each Property, in substantially the form of Exhibit A attached hereto;

(ii) Intentionally Deleted;

(iii) Purchaser's duly executed counterpart to a Prohibition Against Condominium Conversion Agreement for the Leigh House Property and the Sovereign Property (individually a "Condominium Conversion Prohibition Agreement" and collectively the "Condominium Conversion Prohibition Agreements"), in substantially the form of Exhibit C attached hereto, adapted to the specific recording requirements and statute of repose for the jurisdiction in which each such Property is located;

(iv) Purchaser's duly executed counterpart to each of the Closing Statements; and

(v) Solely with respect to the Sovereign Property, Purchaser's duly executed counterpart to a Notice Regarding Texas Water Code in the form of Exhibit G attached hereto.

(b) With respect to the transactions contemplated hereunder:

(i) The Purchase Price as specified in 2.2, as adjusted by the application of the Earnest Money, and by the adjustments, prorations and credits provided herein;

(ii) to the extent that same are required to be executed by Purchaser under Applicable Law, all transfer tax returns or forms required for the conveyance of any of the Properties, in each case, as prepared by the Sellers in coordination with and reasonably acceptable to Purchaser and duly executed by Purchaser;

(iii) such evidence as the Title Company may reasonably require as to the authority of the Person or Persons executing documents on behalf of Purchaser, and as to the legal existence and good standing of Purchaser;

(iv) a certificate dated as of the Closing Date and duly executed by Purchaser, stating that the representations and warranties of Purchaser contained in Article 4 of this Agreement are true and correct in all material respects as of the Closing Date; and

(v) such additional documents as shall be reasonably requested by the Escrow Agent or the Title Company to consummate the transaction contemplated by this Agreement; provided, however, that in no event shall Purchaser be required to indemnify the Title Company, the Escrow Agent, any Seller, or any other party pursuant to any such documents, or undertake any other material liability not expressly contemplated in this Agreement, unless Purchaser elects to do so in its sole discretion.

SECTION 6.2 Sellers' Closing Deliveries. The Sellers shall deliver the following to the Escrow Agent for Closing, in compliance with Section 2.3 hereof:

(a) Deeds.

(i) Solely with respect to the Sovereign Property, a Texas special warranty deed in substantially the form of Exhibit D-1 attached hereto duly executed by the Sovereign Seller, for such Seller's Real Property, subject only to the Permitted Exceptions applicable to such Property, together with, as applicable, a quitclaim deed for such Seller's Real Property in accordance with Section 8.1(b) hereof;

(ii) Solely with respect to the Leigh House Property and the Preston View Property, a North Carolina special warranty deed in substantially the form of Exhibit D-2 attached hereto duly executed by the Leigh House Seller or the Preston View Seller, as applicable, for such Seller's Real Property, subject only to the Permitted Exceptions applicable to such Property, together with, as applicable, a quitclaim deed for such Seller's Real Property in accordance with Section 8.1(b) hereof;

(b) Condominium Conversion Prohibition Agreements. The Condominium Conversion Prohibition Agreement with respect to the Leigh House Property and the Sovereign Property, as duly executed by the applicable Seller;

(c) Bills of Sale and Assignments. A Bill of Sale and Assignment with respect to each Property, as duly executed by the applicable Seller;

(d) Tenant Notices. A duly executed notice letter to the tenants at each of the Properties (individually a "Tenant Notice" and collectively the "Tenant Notices"), in substantially the form of Exhibit B attached hereto. Purchaser shall promptly deliver the same to all tenants following the Closing;

(e) Vendor Notices. To the extent not already provided to Purchaser, letters to the vendors under Assumed Contracts for each Property, duly executed by the applicable Seller;

(f) Title Affidavits.

(i) Solely with respect to the Sovereign Property, a Texas Owner/Seller Affidavit for such Real Property in substantially the form of Exhibit E-1 attached hereto, duly executed by the Sovereign Seller;

(ii) Solely with respect to the Leigh House Property and the Preston View Property, a North Carolina Owner's Affidavit and Indemnity Agreement (North Carolina Land Title Association form) for each such Real Property in substantially the form of Exhibit E-2(a) attached hereto, and a North Carolina Gap Indemnity Agreement in substantially the form of Exhibit E-2(b) attached hereto, each duly executed by the Leigh House Seller or the Preston View Seller, as applicable;

(g) FIRPTA Affidavits. A duly executed and notarized affidavit from each Seller that such Seller is not a "foreign person" within the meaning of the Foreign Investment in Real Property Tax Act of 1980, as amended;

(h) Sellers' Closing Certificate. A duly executed certificate in the form attached hereto as Exhibit F (the "Sellers' Closing Certificate") from each Seller dated as of the Closing Date, stating that the representations and warranties of such Seller contained in Article 3 of this Agreement are true and correct in all material respects as of the Closing Date;

(i) Notice Regarding Texas Water Code. Solely with respect to the Sovereign Property, Sovereign Seller's duly executed counterpart to a Notice Regarding Texas Water Code;

(j) Closing Statements. Each Seller's duly executed counterpart to the Closing Statements;

(k) Rent Rolls. An updated Rent Roll for each Property, dated no earlier than the date that is five (5) Business Days prior to the Closing Date (which each Seller's Property Manager may provide), for purposes of preparing the Closing Statements and attaching as an exhibit to the Sellers' Closing Certificates and to each Seller's respective Title Affidavit;

(l) Transfer Tax Forms. All transfer tax returns or forms required for the conveyance of any of the Properties, in each case as prepared by such Seller in coordination with Purchaser and, to the extent required under Applicable Law, duly executed by the applicable Seller;

(m) Leases. To the extent in such Seller's possession or reasonable control, originals (or copies if such Property maintains the Leases solely through an electronic database) of the Leases for such Seller's Property, which requirement may be satisfied by delivery at the on-site property management office for such Property, rather than by delivery to the Escrow Agent;

(n) Seller Authority Documents. Such evidence as the Title Company may reasonably require as to the authority of the Person or Persons executing documents on behalf of such Seller, and as to the legal existence and good standing of each Seller;

(o) Broker Documents. If required by the Title Company for a given Property, a broker's lien waiver or affidavit regarding such Property, and/or an affidavit regarding commercial real estate brokers from the applicable Seller, in form and substance reasonably acceptable to the Title Company;

(p) Possession. Possession of each Property subject only to the Permitted Exceptions applicable to such Property; and

(q) Miscellaneous. Such additional documents as shall be reasonably requested by the Escrow Agent or the Title Company to consummate the transaction contemplated by this Agreement; provided, however, that in no event shall any Seller be required to indemnify the Title Company, the Escrow Agent, Purchaser, or any other party pursuant to any such documents, or undertake any other material liability not expressly contemplated in this Agreement, unless such Seller elects to do so in its sole discretion.

ARTICLE 7
INSPECTIONS; DUE DILIGENCE; RELEASE

SECTION 7.1 Inspections.

(a) Purchaser Investigations. During the Due Diligence Period and until Closing or the earlier termination of this Agreement, Purchaser and Purchaser's partners, agents, employees, lenders, investors, property managers, representatives, attorneys, accountants, engineers, contractors, consultants and licensees (collectively, "Purchaser's Representatives") shall have the right to enter upon each of the Properties and make such nondestructive on-site investigations, inspections, audits, analyses, appraisals, studies and tests, including, without limitation, surveys and engineering studies and reviewing Sellers' Deliveries (individually, a "Purchaser Investigation" and collectively, the "Purchaser Investigations"), as Purchaser deems necessary or advisable; provided, however, that Purchaser shall not be permitted to conduct (i) any physically invasive inspection, sampling or test, or (ii) testing or sampling required for a Phase II environmental site assessment at any Property without the applicable Seller's prior written consent, which shall not be unreasonably withheld, conditioned or delayed to the extent any Phase I environmental assessment identifies a recognized environmental condition (meeting the ASTM E1527-13 standard) and recommends further testing, but may otherwise be withheld in such Seller's sole discretion.

(b) Procedures. Purchaser and Purchaser's Representatives shall conduct all Purchaser Investigations strictly in accordance with the following procedures:

(i) All Purchaser Investigations at the Properties shall be conducted during the normal business hours of the applicable Property on Business Days, unless the applicable Seller otherwise approves in writing and upon appropriate notice to tenants as required under any Leases.

(ii) Purchaser shall deliver to the applicable Seller a written notice of Purchaser's intent to perform any Purchaser Inspection at any Property, in each case at least one (1) Business Day prior to the intended date of entry (notice to Brian Rideout by electronic mail at brideout@bluerockmi.com shall satisfy this notice requirement). Each such notice shall specify the Property to be entered and shall provide (A) the intended date of entry and the portion of the Property to be entered, (B) a description of the proposed Purchaser Investigations, including, without limitation, a list of contractors who will be performing the proposed Purchaser Investigations, and (C) in the instance of a physically invasive test otherwise permitted hereunder, a copy of the Purchaser's testing plan outlining the tests that Purchaser intends to perform, and such other information reasonably requested by the applicable Seller in connection with such physically invasive testing. Neither Purchaser nor any Purchaser's Representative shall enter any portion of any Property until the applicable Seller has given written approval of both the request and any testing plan, which approval may be given by electronic mail to Jamie Shanks at jshanks@carterhaston.com.

(iii) A representative of the applicable Seller shall have the right, but not the obligation, to be present during any Purchaser Investigation.

(iv) Neither Purchaser nor any Purchaser's Representative shall interfere unreasonably with the use, occupancy or enjoyment rights of any tenants, occupants, invitees, employees or contractors of any Seller at any of the Properties or of any such tenants' or occupants' employees, contractors, customers or guests.

(v) Purchaser shall have no right to make inquiries of tenants, occupants, invitees, employees or contractors of any Seller without such Seller's prior written consent, which may be conditioned upon an agent or representative of such Seller accompanying Purchaser or Purchaser's Representatives during such inquiries.

(vi) Purchaser shall have the right to make customary inquiries to confirm existing factual matters or to request publicly available information, in either case, with regard to any Property, arising in connection with (i) a Phase I environmental site assessment, (ii) a third-party zoning compliance report, (iii) a zoning compliance letter from applicable governmental authorities, (iv) a request for copies of permits and licenses, including certificates of occupancy, (v) a request to the applicable Governmental Authorities as to the status of the existing development rights or entitlements with respect to the Properties, or (vi) taxes attributable to the Properties. Notwithstanding the foregoing, neither Purchaser nor any Purchaser Representative shall affirmatively request any governmental or quasi-governmental agency to undertake any action which would or could lead to a hearing before any governmental or quasi-governmental agency, or which would or could lead to a note or notice of violation of law or municipal ordinance, order or requirement imposed by such an agency, at any Property, or any change in zoning, licenses, permits or other entitlements or any investigation or restriction on the use of any Property or any part thereof by such an agency, except to the extent that the applicable Seller provides prior written consent to such inquiries in such Seller's sole discretion.

(vii) Following each entry by Purchaser or any Purchaser's Representative with respect to any Purchaser Investigation, Purchaser shall promptly restore, or cause to be restored, the affected Property to substantially the same condition as existed immediately prior to the Purchaser Investigation. Except in connection with radon testing, Purchaser shall not have the right to submit any samples or other materials to any testing laboratory or similar facility without obtaining the prior written consent of such Seller in such Seller's sole discretion. The restoration provisions of this subsection shall survive the termination or expiration of this Agreement.

(viii) Prior to entering onto any Property to conduct any Purchaser Investigation, Purchaser shall obtain (or shall cause Purchaser's Representatives to obtain), and during the period of all Purchaser Investigations shall maintain or cause to be maintained, at the sole expense of Purchaser or Purchaser's Representatives, with respect to such Property: (A) commercial general liability ("CGL") insurance, issued on a form at least as broad as Insurance Services Office ("ISO") Commercial General Liability Coverage "occurrence" form CG 00 01 10 01 or another "occurrence" form providing equivalent coverage, including contractual liability coverage with respect to Purchaser's obligations under this Agreement and personal injury liability coverage, with limits of not less than Two Million Dollars (\$2,000,000) for any one occurrence and Five Million Dollars (\$5,000,000) in the aggregate; (B) comprehensive automobile liability insurance (covering any automobiles owned or operated by Purchaser or Purchaser's Representatives) issued on a form at least as broad as ISO Business Auto Coverage form CA 00 01 07 97 or other form providing equivalent coverage; (C) worker's compensation insurance, and (D) employer's liability insurance. Such automobile liability insurance shall be in an amount not less than One Million Dollars (\$1,000,000) for each accident. Such worker's compensation insurance shall carry minimum limits as defined by the law of the jurisdiction in which the applicable Property is located (as the same may be amended from time to time). Such employer's liability insurance shall be in an amount not less than Two Million Dollars (\$2,000,000) for each accident, Two Million Dollars (\$2,000,000) disease-policy limit, and Two Million Dollars (\$2,000,000) disease-each employee. The applicable Seller (and, upon such Seller's request, the applicable Property manager and Property mortgagee(s)) shall be named as additional insureds on the CGL and automobile liability insurance policies with respect to liability arising out of the named insured's acts or omissions relating to such Property. Each such insurance policy shall be subject to such Seller's prior written approval, not to be unreasonably withheld or delayed (for avoidance of doubt, such written approval shall be deemed given by the applicable Seller allowing Purchaser and Purchaser's Representatives on the applicable Property to the extent the insurance policy otherwise satisfies the coverage types and amounts set forth in this Section 7.1(b)(viii)). Prior to making any entry upon each Property, Purchaser or Purchaser's Representatives shall furnish to the Sellers a certificate of insurance evidencing the foregoing coverages for such Property, which certificate of insurance shall be in form and substance reasonably satisfactory to the Sellers.

(ix) Purchaser agrees (A) to promptly pay when due all costs associated with the Purchaser Investigations and (B) not to cause, permit or suffer any lien or encumbrance to be asserted against any Property related to the Purchaser Investigations. The provisions of this subsection shall survive the termination or expiration of this Agreement.

(x) Purchaser shall comply with all Applicable Law which might in any way relate to the Purchaser Investigations.

(xi) Neither Purchaser nor any Purchaser's Representative shall damage any part of any Property or any personal property owned or held by any tenant, occupant or third party.

(c) Indemnification. Purchaser shall indemnify, hold harmless and defend each of the Sellers, and their respective members, officers, managers, employees and shareholders (collectively, the “Seller Indemnified Parties”) from and against any and all Claims actually incurred by any Seller or any other indemnified party and caused by and arising out of (i) any Purchaser Investigation (i.e., without regard to the phrase “*nondestructive*” included in the definition of Purchaser Investigation) conducted by or at the behest of Purchaser and/or any Purchaser’s Representative, or (ii) any breach by Purchaser and/or any Purchaser’s Representative of the terms of this Section 7.1. Notwithstanding the foregoing, Purchaser shall have no liability for (and no obligation to indemnify, defend and/or hold any of the Seller Indemnified Parties harmless from) Claims arising from (A) pre-existing conditions merely discovered by Purchaser Investigations and not exacerbated by Purchaser or Purchaser’s Representatives (and in any event, only to the extent of such exacerbation), (B) the gross negligence or intentional wrongdoing of any Seller, the Seller Indemnified Parties, or any Property’s tenants, occupants and invitees (other than Purchaser and Purchaser’s Representatives), or (C) any consequential, punitive, special or other similar damages. For the avoidance of doubt, Purchaser acknowledges that this Section 7.1(c) also applies to Claims arising during the portion of the Due Diligence Period that preceded the Effective Date of this Agreement. This Section 7.1(c) shall survive Closing or any termination of this Agreement.

(d) WAIVER AND RELEASE. PURCHASER, FOR ITSELF AND ALL OF PURCHASER’S REPRESENTATIVES, HEREBY WAIVES AND RELEASES EACH OF THE SELLERS AND THEIR RESPECTIVE MEMBERS, OFFICERS, MANAGERS, EMPLOYEES AND SHAREHOLDERS FROM ALL CLAIMS RESULTING DIRECTLY OR INDIRECTLY FROM ACCESS TO, ENTRANCE UPON, OR INSPECTION OF THE PROPERTY BY PURCHASER OR ANY OF PURCHASER’S REPRESENTATIVES FROM AND AFTER THE COMMENCEMENT OF THE DUE DILIGENCE PERIOD, UNLESS ARISING FROM THE WRONGFUL MISCONDUCT OR GROSS NEGLIGENCE OF SELLER OR THE SELLERS. THE PROVISIONS OF THIS SECTION 7.1(D) SHALL SURVIVE CLOSING OR ANY TERMINATION OF THIS AGREEMENT. FOR THE AVOIDANCE OF DOUBT, PURCHASER ACKNOWLEDGES THAT THIS SECTION 7.1(D) ALSO APPLIES TO ALL CLAIMS ARISING DURING THE PORTION OF THE DUE DILIGENCE PERIOD THAT PRECEDED THE EFFECTIVE DATE OF THIS AGREEMENT.

SECTION 7.2 Sellers’ Deliveries.

(a) To the extent that they have not already done so under the Access Agreement, the Sellers will make available to Purchaser and Purchaser’s Representatives for their review, in an online data room and/or at the applicable Property, items and information pertaining to the Properties set forth on Schedule B attached hereto (collectively referred to as the “Sellers’ Deliveries”). Except as otherwise set forth in this Agreement, the Sellers’ Deliveries are made available to Purchaser without representation or warranty by, or recourse against, any Seller, it being agreed that Purchaser shall not rely on such documents and shall independently verify the truth, accuracy and completeness of said information and/or items contained therein.

(b) If this Agreement is terminated prior to Closing, within seven (7) days from the date of the Sellers' request, Purchaser shall return or cause to be returned to the Sellers or destroy or cause to be destroyed all of the Sellers' Deliveries (and provide written confirmation of such destruction to Seller). This Section 7.2(b) shall survive the termination of this Agreement.

SECTION 7.3 Purchaser Acknowledgment Regarding Due Diligence Period. Purchaser acknowledges that, during the Due Diligence Period, it has had adequate opportunity to consider, inspect and review to its satisfaction the physical, environmental, economic and legal condition of the Properties and all files and information in the Sellers' possession that Purchaser deems material to the purchase of the Properties, and that Purchaser has elected to proceed with the transaction described in this Agreement.

SECTION 7.4 Sellers' Disclaimer. Purchaser acknowledges the following:

ANY INFORMATION PROVIDED OR TO BE PROVIDED BY OR ON BEHALF OF THE SELLERS WITH RESPECT TO THE PROPERTIES IS PROVIDED SOLELY FOR PURCHASER'S CONVENIENCE. SUCH INFORMATION WAS OR WILL BE OBTAINED FROM A VARIETY OF SOURCES, INCLUDING FROM EACH SELLER'S RESPECTIVE PROPERTY MANAGER. THE SELLERS HAVE NOT MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION AND MAKE NO (AND EXPRESSLY DISCLAIM ALL) REPRESENTATIONS AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION, EXCEPT AS OTHERWISE SET FORTH IN THIS AGREEMENT OR IN THE CLOSING DOCUMENTS TO BE DELIVERED BY THE SELLERS. EXCEPT AS OTHERWISE PROVIDED HEREIN OR IN THE SELLERS' CLOSING DOCUMENTS, THE SELLERS SHALL NOT BE LIABLE FOR ANY MISTAKES, OR OMISSIONS, OR FOR ANY PARTY'S FAILURE TO INVESTIGATE THE PROPERTIES, NOR SHALL THE SELLERS BE BOUND IN ANY MANNER BY ANY VERBAL OR WRITTEN STATEMENTS, REPRESENTATIONS, APPRAISALS, ENVIRONMENTAL SITE ASSESSMENTS OR OTHER INFORMATION PERTAINING TO THE PROPERTIES OR THE OPERATION THEREOF, FURNISHED BY ANY OF THE SELLERS, ANY SELLER'S PROPERTY MANAGER, ANY SELLER'S RESPECTIVE REPRESENTATIVES OR ANY OTHER PERSON ACTING ON BEHALF OF ANY OR ALL OF THE SELLERS, EXCEPT AS SET FORTH IN THIS AGREEMENT OR IN THE SELLERS' CLOSING DOCUMENTS.

SECTION 7.5 Examination; No Contingencies.

(a) IN ENTERING INTO THIS AGREEMENT, PURCHASER HAS NOT BEEN INDUCED BY AND HAS NOT RELIED UPON ANY WRITTEN OR ORAL REPRESENTATIONS, WARRANTIES OR STATEMENTS, WHETHER EXPRESS OR IMPLIED, MADE BY ANY OF THE SELLERS, OR ANY AFFILIATE, AGENT, EMPLOYEE, OR OTHER REPRESENTATIVE OF ANY OF THE SELLERS, OR BY ANY BROKER OR ANY OTHER PERSON REPRESENTING OR PURPORTING TO REPRESENT ANY OF THE SELLERS WITH RESPECT TO THE PROPERTIES, THE CONDITION OF THE PROPERTIES OR ANY OTHER MATTER AFFECTING OR RELATING TO THE TRANSACTIONS CONTEMPLATED HEREBY, OTHER THAN THOSE EXPRESSLY SET FORTH IN THIS AGREEMENT OR IN THE SELLERS' CLOSING DOCUMENTS. PURCHASER'S OBLIGATIONS UNDER THIS AGREEMENT SHALL NOT BE SUBJECT TO ANY CONTINGENCIES, DILIGENCE OR CONDITIONS EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT. DURING ITS DUE DILIGENCE PERIOD AND PURSUANT TO THE TERMS OF THIS AGREEMENT, PURCHASER IS ENCOURAGED TO CONDUCT AN INDEPENDENT INVESTIGATION AND INSPECTION OF THE PROPERTIES, UTILIZING SUCH EXPERTS AS PURCHASER DEEMS TO BE NECESSARY FOR AN INDEPENDENT ASSESSMENT OF THE IMPROVEMENTS AND EQUIPMENT USED IN THE OPERATION OF THE PROPERTIES, AND COMPLIANCE OF THE PROPERTIES (INCLUDING SPECIFICALLY THE IMPROVEMENTS) WITH APPLICABLE LAWS, INCLUDING THE FEDERAL AMERICANS WITH DISABILITIES ACT, THE TEXAS ARCHITECTURAL BARRIERS ACT, AND/OR APPLICABLE ENVIRONMENTAL LAWS. PURCHASER AGREES THAT THE PROPERTIES WILL BE SOLD AND CONVEYED TO (AND ACCEPTED BY) PURCHASER AT CLOSING IN THE THEN-EXISTING CONDITION OF THE PROPERTIES, AS IS, WHERE IS, WITH ALL FAULTS, AND WITHOUT ANY WRITTEN OR VERBAL REPRESENTATIONS OR WARRANTIES WHATSOEVER, WHETHER EXPRESS OR IMPLIED OR ARISING BY OPERATION OF LAW, OTHER THAN AS EXPRESSLY SET FORTH IN THIS AGREEMENT OR IN THE SELLERS' CLOSING DOCUMENTS. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, EXCEPT AS SET FORTH IN THIS AGREEMENT OR IN THE SELLERS' CLOSING DOCUMENTS, THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT ARE WITHOUT STATUTORY, EXPRESS OR IMPLIED WARRANTY, REPRESENTATION, AGREEMENT, STATEMENT OR EXPRESSION OF OPINION OF OR WITH RESPECT TO THE CONDITION OF THE PROPERTIES OR ANY ASPECT THEREOF, INCLUDING, WITHOUT LIMITATION, (I) ANY AND ALL STATUTORY, EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES RELATED TO THE SUITABILITY FOR HABITATION, MERCHANTABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS FOR USE OR ACCEPTABILITY FOR THE PURPOSE INTENDED BY PURCHASER OR ANY WARRANTIES OR COVENANTS REFERRED TO IN SECTION 5.023 OF THE TEXAS PROPERTY CODE (OR ITS SUCCESSORS) OR ANY SIMILAR STATUTES IN THE STATE OF NORTH CAROLINA WITH RESPECT TO ANY OF THE REAL PROPERTY OR ITS CONDITION OR THE CONSTRUCTION, PROSPECTS, OPERATIONS OR RESULTS OF OPERATIONS OF ANY PROPERTY, (II) ANY STATUTORY, EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES CREATED BY ANY AFFIRMATION OF FACT OR PROMISE, BY ANY DESCRIPTION OF THE PROPERTIES OR BY OPERATION OF LAW, AND (III) ALL OTHER STATUTORY, EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES BY SELLERS OF ANY TYPE WHATSOEVER. PURCHASER ACKNOWLEDGES THAT PURCHASER HAS KNOWLEDGE AND EXPERTISE IN FINANCIAL AND BUSINESS MATTERS THAT ENABLE PURCHASER TO EVALUATE THE MERITS AND RISKS OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

(b) FOR PURPOSES OF THIS AGREEMENT, THE TERM “CONDITION OF THE PROPERTIES” MEANS THE FOLLOWING MATTERS:

(i) PHYSICAL CONDITION OF THE REAL PROPERTY. THE QUALITY, NATURE AND ADEQUACY OF THE PHYSICAL CONDITION OF THE REAL PROPERTY, INCLUDING, WITHOUT LIMITATION, THE QUALITY OF THE DESIGN, LABOR AND MATERIALS USED TO CONSTRUCT THE IMPROVEMENTS INCLUDED IN THE REAL PROPERTY; THE CONDITION OF STRUCTURAL ELEMENTS, FOUNDATIONS, ROOFS, GLASS, MECHANICAL, PLUMBING, ELECTRICAL, HVAC, SEWAGE, AND UTILITY COMPONENTS AND SYSTEMS; THE CAPACITY OR AVAILABILITY OF SEWER, WATER, OR OTHER UTILITIES; THE GEOLOGY, FLORA, FAUNA, SOILS, SUBSURFACE CONDITIONS, GROUNDWATER, LANDSCAPING, AND IRRIGATION OF OR WITH RESPECT TO THE REAL PROPERTY, THE LOCATION OF THE REAL PROPERTY IN OR NEAR ANY SPECIAL TAXING DISTRICT, FLOOD HAZARD ZONE, WETLANDS AREA, PROTECTED HABITAT, GEOLOGICAL FAULT OR SUBSIDENCE ZONE, HAZARDOUS WASTE DISPOSAL OR CLEAN-UP SITE, OR OTHER SPECIAL AREA, THE EXISTENCE, LOCATION, OR CONDITION OF INGRESS, EGRESS, ACCESS, AND PARKING; THE CONDITION OF THE PERSONAL PROPERTY AND ANY FIXTURES; AND THE PRESENCE OF ANY ASBESTOS OR OTHER HAZARDOUS MATERIALS, DANGEROUS, OR TOXIC SUBSTANCE, MATERIAL OR WASTE IN, ON, UNDER OR ABOUT THE REAL PROPERTY AND THE IMPROVEMENTS LOCATED THEREON.

(ii) ADEQUACY OF THE PROPERTIES. THE ECONOMIC FEASIBILITY, CASH FLOW AND EXPENSES OF THE PROPERTIES, AND HABITABILITY, MERCHANTABILITY, FITNESS, SUITABILITY AND ADEQUACY OF THE REAL PROPERTY FOR ANY PARTICULAR USE OR PURPOSE.

(iii) **LEGAL COMPLIANCE OF THE PROPERTIES.** THE COMPLIANCE OR NON-COMPLIANCE OF THE SELLERS OR THE OPERATION OF THE PROPERTIES OR ANY OF THEM OR ANY PART THEREOF IN ACCORDANCE WITH, AND THE CONTENTS OF, (A) ALL CODES, LAWS, ORDINANCES, REGULATIONS, AGREEMENTS, LICENSES, PERMITS, APPROVALS AND APPLICATIONS OF OR WITH ANY GOVERNMENTAL AUTHORITIES ASSERTING JURISDICTION OVER THE PROPERTIES, INCLUDING, WITHOUT LIMITATION, THOSE RELATING TO ZONING, BUILDING, PUBLIC WORKS, PARKING, FIRE AND POLICE ACCESS, HANDICAP ACCESS, LIFE SAFETY, SUBDIVISION AND SUBDIVISION SALES, AND HAZARDOUS MATERIALS, DANGEROUS, AND TOXIC SUBSTANCES, MATERIALS, CONDITIONS OR WASTE, INCLUDING, WITHOUT LIMITATION, THE PRESENCE OF HAZARDOUS MATERIALS IN, ON, UNDER OR ABOUT THE PROPERTIES THAT WOULD CAUSE STATE OR FEDERAL AGENCIES TO REQUIRE CLEANUP OR MITIGATION WORK AT ANY PROPERTY UNDER ANY APPLICABLE LEGAL REQUIREMENTS AND (B) ALL AGREEMENTS, COVENANTS, CONDITIONS, RESTRICTIONS (PUBLIC OR PRIVATE), CONDOMINIUM PLANS, DEVELOPMENT AGREEMENTS, SITE PLANS, BUILDING PERMITS, BUILDING RULES, AND OTHER INSTRUMENTS AND DOCUMENTS GOVERNING OR AFFECTING THE USE, MANAGEMENT, AND OPERATION OF THE PROPERTIES.

(iv) **SELLERS' CORE DELIVERIES.** THE MATTERS DISCLOSED IN THE SELLERS' CORE DELIVERIES.

(v) **INSURANCE.** THE AVAILABILITY, COST, TERMS AND COVERAGE OF LIABILITY, HAZARD, COMPREHENSIVE AND ANY OTHER INSURANCE OF OR WITH RESPECT TO THE PROPERTIES.

(vi) **CONDITION OF TITLE.** SUBJECT TO SECTION 8.3, THE CONDITION OF TITLE TO THE REAL PROPERTY, INCLUDING, WITHOUT LIMITATION, VESTING, LEGAL DESCRIPTION, MATTERS AFFECTING TITLE, TITLE DEFECTS, LIENS, ENCUMBRANCES, BOUNDARIES, ENCROACHMENTS, MINERAL RIGHTS, OPTIONS, EASEMENTS, AND ACCESS; VIOLATIONS OF RESTRICTIVE COVENANTS, ZONING ORDINANCES, SETBACK LINES, OR DEVELOPMENT AGREEMENTS; THE AVAILABILITY, COST, AND COVERAGE OF TITLE INSURANCE; LEASES, RENTAL AGREEMENTS, OCCUPANCY AGREEMENTS, RIGHTS OF PARTIES IN POSSESSION OF, USING, OR OCCUPYING THE REAL PROPERTY; AND STANDBY FEES, TAXES, BONDS AND ASSESSMENTS.

SECTION 7.6 RELEASE.

(a) SUBJECT TO THE TERMS OF THIS AGREEMENT AND THE CLOSING DOCUMENTS, PURCHASER HEREBY AGREES THAT EFFECTIVE AS OF THE CLOSING DATE, EACH SELLER, AND EACH OF SUCH SELLER'S PARTNERS, MEMBERS, TRUSTEES, DIRECTORS, OFFICERS, EMPLOYEES, REPRESENTATIVES, PROPERTY MANAGERS, ASSET MANAGERS, AGENTS, ATTORNEYS, AFFILIATES AND RELATED ENTITIES, HEIRS, SUCCESSORS, AND ASSIGNS (COLLECTIVELY, THE "RELEASED PARTIES") SHALL BE, AND ARE HEREBY, FULLY AND FOREVER RELEASED AND DISCHARGED FROM ANY AND ALL LIABILITIES, LOSSES, CLAIMS (INCLUDING THIRD PARTY CLAIMS), DEMANDS, DAMAGES (OF ANY NATURE WHATSOEVER), CAUSES OF ACTION, COSTS, PENALTIES, FINES, JUDGMENTS, REASONABLE ATTORNEYS' FEES, CONSULTANTS' FEES AND COSTS AND EXPERTS' FEES (COLLECTIVELY, "CLAIMS") WITH RESPECT TO ANY AND ALL CLAIMS, WHETHER DIRECT OR INDIRECT, KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, THAT MAY ARISE ON ACCOUNT OF OR IN ANY WAY BE CONNECTED WITH THE PROPERTIES INCLUDING, WITHOUT LIMITATION, THE PHYSICAL, ENVIRONMENTAL AND STRUCTURAL CONDITION OF THE PROPERTIES OR THE REAL PROPERTY OR ANY LAW OR REGULATION APPLICABLE THERETO, INCLUDING, WITHOUT LIMITATION, ANY CLAIM OR MATTER (REGARDLESS OF WHEN IT FIRST APPEARED) RELATING TO OR ARISING FROM (A) THE PRESENCE OF ANY ENVIRONMENTAL PROBLEMS, OR THE USE, PRESENCE, STORAGE, RELEASE, DISCHARGE, OR MIGRATION OF HAZARDOUS MATERIALS ON, IN, UNDER OR AROUND THE REAL PROPERTY REGARDLESS OF WHEN SUCH HAZARDOUS MATERIALS WERE FIRST INTRODUCED IN, ON OR ABOUT THE REAL PROPERTY, (B) ANY PATENT OR LATENT DEFECTS OR DEFICIENCIES WITH RESPECT TO THE PROPERTIES, (C) ANY AND ALL MATTERS RELATED TO THE PROPERTIES OR ANY OF THEM OR ANY PORTION THEREOF, INCLUDING WITHOUT LIMITATION, THE CONDITION AND/OR OPERATION OF THE PROPERTIES AND EACH PART THEREOF, (D) ANY AND ALL MATTERS RELATED TO THE CURRENT OR FUTURE ZONING OR USE OF THE REAL PROPERTY, AND (E) THE PRESENCE, RELEASE AND/OR REMEDIATION OF ASBESTOS AND ASBESTOS-CONTAINING MATERIALS IN, ON OR ABOUT THE REAL PROPERTY REGARDLESS OF WHEN SUCH ASBESTOS AND ASBESTOS CONTAINING MATERIALS WERE FIRST INTRODUCED IN, ON OR ABOUT THE REAL PROPERTY; PROVIDED, HOWEVER, THAT IN NO EVENT SHALL RELEASED PARTIES BE RELEASED FROM ANY CLAIMS ARISING PURSUANT TO THE PROVISIONS OF THIS AGREEMENT OR SELLERS' OBLIGATIONS, IF ANY, UNDER THE CLOSING DOCUMENTS. EFFECTIVE AS OF THE CLOSING DATE, PURCHASER HEREBY WAIVES AND AGREES NOT TO COMMENCE ANY ACTION, LEGAL PROCEEDING, CAUSE OF ACTION OR SUITS IN LAW OR EQUITY, OF WHATEVER KIND OR NATURE, INCLUDING, BUT NOT LIMITED TO, ANY CAUSE OF ACTION OR SUIT UNDER ENVIRONMENTAL LAWS, AGAINST THE RELEASED PARTIES OR THEIR AGENTS IN CONNECTION WITH THE RELEASED CLAIMS DESCRIBED ABOVE.

(b) TO THE GREATEST EXTENT PERMITTED BY LAW SUBJECT TO THE TERMS OF THIS AGREEMENT AND THE CLOSING DOCUMENTS, PURCHASER HEREBY ACKNOWLEDGES AND AGREES THAT FACTUAL MATTERS NOT KNOWN TO IT MAY HAVE GIVEN OR MAY HEREAFTER GIVE RISE TO CAUSES OF ACTION, CLAIMS, DEMANDS, DEBTS, CONTROVERSIES, DAMAGE, COSTS, LOSSES AND EXPENSES WHICH ARE PRESENTLY UNKNOWN, UNANTICIPATED AND UNSUSPECTED. PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT THE WAIVERS AND RELEASES HEREIN HAVE BEEN NEGOTIATED AND AGREED UPON IN LIGHT THE FOREGOING SENTENCE AND THAT, EFFECTIVE AS OF THE CLOSING DATE, SUBJECT TO THE TERMS OF THIS AGREEMENT AND THE CLOSING DOCUMENTS, PURCHASER NEVERTHELESS HEREBY INTENDS TO RELEASE, DISCHARGE AND ACQUIT THE SELLERS FROM ANY SUCH UNKNOWN CLAIMS, DEBTS, AND CONTROVERSIES WHICH MIGHT IN ANY WAY BE INCLUDED AS A MATERIAL PORTION OF THE CONSIDERATION GIVEN TO THE SELLERS BY PURCHASER IN EXCHANGE FOR THE SELLERS' PERFORMANCE HEREUNDER.

(c) THIS RELEASE SHALL BE GIVEN FULL FORCE AND EFFECT ACCORDING TO EACH OF ITS EXPRESSED TERMS AND PROVISIONS, INCLUDING THOSE RELATING TO UNKNOWN AND UNSUSPECTED CLAIMS, DAMAGES AND CAUSES OF ACTION.

(d) THE SELLERS HAVE GIVEN PURCHASER MATERIAL CONCESSIONS REGARDING THIS TRANSACTION IN EXCHANGE FOR PURCHASER'S AGREEING TO THE PROVISIONS OF THIS SECTION 7.6. THE PROVISIONS OF THIS SECTION 7.6 SHALL SURVIVE CLOSING WITHOUT LIMITATION AND SHALL NOT BE DEEMED MERGED INTO ANY INSTRUMENT OR CONVEYANCE DELIVERED AT CLOSING.

(e) **NOTHING IN THIS AGREEMENT SHALL BE INTERPRETED AS WAIVING ANY CLAIM OF PURCHASER WITH RESPECT TO (A) ANY BREACH BY A SELLER OF ANY EXPRESS REPRESENTATIONS, WARRANTIES OR COVENANTS MADE BY SUCH SELLER IN THIS AGREEMENT OR THE CLOSING DOCUMENTS, OR (B) ANY THIRD PARTY (INCLUDING GOVERNMENTAL) CLAIM, DEMAND, OR ACTION AGAINST PURCHASER REGARDING THE PROPERTY THAT RESULTS FROM THE ACTS OR OMISSIONS OF A RELEASED PARTY OR OTHER EVENTS OCCURRING DURING SUCH SELLER'S PERIOD OF OWNERSHIP OF ITS PROPERTY. FURTHER, NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY: (I) PURCHASER SHALL HAVE THE RIGHT TO DEFEND GOVERNMENT AND THIRD-PARTY CLAIMS BY ALLEGING THAT A SELLER, A RELEASED PARTY OR SOMEONE ACTING ON A SELLER'S BEHALF, NOT PURCHASER, IS LIABLE FOR SUCH CLAIMS AND PURCHASER HAS NO OBLIGATION TO INDEMNIFY A RELEASED PARTY FOR GOVERNMENTAL OR THIRD PARTY CLAIMS ASSERTED BEFORE OR AFTER THE CLOSING AS A RESULT OF ANY ACT OR OMISSION TAKEN OR FAILED TO BE TAKEN BY OR ON A RELEASED PARTY'S BEHALF PRIOR TO THE CLOSING; AND (II) THE ACKNOWLEDGMENTS, WAIVERS AND RELEASES SET FORTH BY PURCHASER IN THIS AGREEMENT SHALL NOT APPLY TO THIRD-PARTY TORT CLAIMS RELATING TO THE PROPERTY AND OCCURRING DURING SUCH SELLER'S OWNERSHIP OF THE PROPERTY. ADDITIONALLY, THE SELLERS AND PURCHASER HEREBY ACKNOWLEDGE AND AGREE THAT THE WAIVERS AND RELEASES SET FORTH BY PURCHASER IN THIS AGREEMENT ARE NOT INTENDED TO BE AND SHALL NOT BE CONSTRUED AS A WAIVER OF SIMILAR CLAIMS AGAINST ANY OF SELLERS' PREDECESSORS-IN-TITLE WITH RESPECT TO THE PROPERTY ("PREDECESSORS"), OR ANY SUCH PREDECESSOR'S OFFICERS, MEMBERS, MANAGERS, DIRECTORS, PARTNERS, EMPLOYEES, AGENTS OR CONTRACTORS, OR ANY OTHER PERSON ACTING ON BEHALF OF ANY SUCH PREDECESSORS.**

(f) **ADDITIONALLY, NOTWITHSTANDING ANY PROVISION HEREOF TO THE CONTRARY, THE ACKNOWLEDGMENTS, WAIVERS AND RELEASES SET FORTH IN THIS AGREEMENT BY PURCHASER AND THE SURVIVAL PERIOD (AS SET FORTH IN SECTION 11.4 OF THIS AGREEMENT) SHALL NOT APPLY TO ANY CLAIM WITH RESPECT TO ANY FRAUDULENT MISREPRESENTATION BY A SELLER; PROVIDED, HOWEVER, IN THE EVENT THAT PURCHASER BRINGS AN ACTION AGAINST SELLER ALLEGING FRAUD AND PURCHASER THEREAFTER FAILS TO OBTAIN A FINAL, UNAPPEALABLE JUDGMENT AGAINST SELLER ON THE BASIS OF FRAUD, THEN PURCHASER SHALL PROMPTLY PAY TO SUCH SELLER AS LIQUIDATED DAMAGES, AND NOT AS A PENALTY, THE AMOUNT OF TWO MILLION FIVE HUNDRED THOUSAND DOLLARS (\$2,500,000.00). PURCHASER AND SELLERS AGREE THAT SELLERS' DAMAGES RESULTING FROM AN ALLEGATION OF FRAUD ARE DIFFICULT, IF NOT IMPOSSIBLE, TO DETERMINE, AND THAT THE AMOUNT SET FORTH IN THIS SECTION 7.6(f) IS A FAIR ESTIMATE OF THOSE DAMAGES WHICH HAS BEEN AGREED TO IN AN EFFORT TO CAUSE THE AMOUNT OF SUCH DAMAGES TO BE CERTAIN.**

SECTION 7.7 Effect of Purchaser Waiver of Lead-Based Paint Inspections. Purchaser acknowledges that it has had or will have the opportunity to undertake studies, inspections or investigations of the Real Property as Purchaser deemed or deems necessary to evaluate the presence of lead-based paint and/or lead-based paint hazards on the Real Property. To the extent that Purchaser has waived or otherwise declined the opportunity to undertake such inspections and investigations as a condition to the completion of the transaction under the terms of the Agreement, Purchaser has knowingly and voluntarily done so. Purchaser understands and acknowledges that certain of the Improvements or portions thereof may have been built prior to 1978, and that lead-based paint and/or lead-based paint hazards may be present on the Real Property. Except as otherwise set forth in this Agreement or the Closing Documents, the Sellers shall have no responsibility or liability with respect to any such presence of lead-based paint at any of the Properties.

ARTICLE 8
TITLE AND PERMITTED EXCEPTIONS

SECTION 8.1 Title Insurance and Surveys.

(a) Title Commitments. Sellers have delivered to Purchaser title commitments for ALTA Owner's Title Insurance Policies (individually a "Title Commitment" and collectively the "Title Commitments") issued by the Title Company covering the Real Property providing for the issuance at the Closing to Purchaser of the Owner's Policy. Upon issuance, the Owner's Policy will except from coverage only those exceptions which become Permitted Exceptions pursuant this Agreement. Except as permitted under this Agreement, no additional encumbrances may be created on the Property by Seller from and after the date of the Title Commitments without the prior written consent of Purchaser.

(b) Updated Surveys. The Sellers have provided or shall provide copies of the Sellers' most recent surveys of the Real Property to Purchaser, to the extent in the Sellers' possession, as part of the Sellers' Deliveries. Sellers have delivered to Purchaser new ALTA/NSPS surveys for the Real Property (each individually an "Updated Survey," and collectively the "Updated Surveys"). If the legal description for any Land on an Updated Survey differs from the legal description attached to this Agreement for such Land, upon Purchaser's request, the applicable Seller shall execute and deliver to Purchaser at Closing a quitclaim deed, without representation or warranty, that uses the legal description set forth on such Updated Survey.

(c) Disapproved Title Matters. Purchaser notified the Sellers in writing (the "Title Objection Notice") on **May 31, 2019** (the expiration date of Purchaser's "Title Review Period") as to which matters within the Title Commitments and which survey matters disclosed on the Updated Surveys are not acceptable to Purchaser (individually, a "Disapproved Title Matter"). Any matter within the Title Commitments and the Updated Surveys that Purchaser failed to so disapprove in a Title Objection Notice delivered to the Sellers shall be conclusively deemed to have been approved by Purchaser and shall constitute "Permitted Exceptions." Sellers have notified Purchaser in writing on **June 7, 2019**, as supplemented by written notice to Purchaser on **June 14, 2019** (collectively, the "Title Response Notice"), regarding whether each such Seller either (i) agreed to remove such Disapproved Title Matter from title to the applicable Real Property on or before the Closing, or (ii) declined to remove such Disapproved Title Matter from title to such Real Property. If the applicable Seller failed to timely deliver a Title Response Notice as to a particular Disapproved Title Matter, then such Seller shall be deemed to have made the election in clause (ii) above as to such Disapproved Title Matter.

(d) Regarding the Disapproved Title Matters in Purchaser's Title Objection Notice as to which the Sellers have elected (or are deemed to have elected) not to remove such matters from title (i.e. the Sellers have made the election in clause (c)(ii) above), Purchaser acknowledges that it has elected to accept the condition of title to the Real Property subject to such Disapproved Title Matters, and that such uncured Disapproved Title Matters shall thereafter constitute "Permitted Exceptions."

(e) Required Cure Items. Notwithstanding anything contained herein to the contrary, Seller shall be obligated, at Closing, to cause Title Company to remove (i) deeds of trust, mortgages, security deeds or other security liens encumbering the Property; (ii) judgment liens encumbering the Property; (iii) mechanic's or materialmen's liens encumbering the Property; (iv) any instrument or other matter of record evidencing a lien or monetary encumbrance against the Property, or that may be discharged or satisfied through the payment of money; (v) matters created or appearing of record after the date of the Title Commitments and caused by the act or omission of a Seller without the prior written consent of Purchaser; and (vi) any outstanding water bills, sewer bills, gas bills, electric bills or other utility bills due and owing (items i, ii, iii, iv, v and vi above are collectively referred to as the "Required Cure Items"). Seller shall be entitled to cure any Required Cure Items by compliance with a statutory bonding procedure that has the legal effect of removing the Required Cure Item as a lien on the affected Real Property, provided that such bonding procedure also causes the subject item to be removed as an exception in the Owner's Policy. If any Seller agrees in writing to cure a Disapproved Title Matter prior to Closing but thereafter subsequently fails to do so, Sellers shall be in material default hereunder and Purchaser shall be permitted to pursue the remedies provided in Section 13.2 hereof, subject to any notice and cure provisions relating thereto.

(f) Written approval by Purchaser of any additional materially adverse title exceptions, defects, encumbrances or other title matters not shown on the Title Commitments or Updated Surveys disclosed in writing to Purchaser after the expiration of the Title Review Period or new exceptions, defects, encumbrances or other title matters not shown on the Title Commitments solely due to an error by the Title Company in omitting the same and for which Purchaser had no prior knowledge (collectively, "Additional Title Matters") shall be a condition precedent to Purchaser's obligations to purchase the Properties. Unless Purchaser gives written notice (an "Additional Title Disapproval Notice") that it disapproves any Additional Title Matters, stating the Additional Title Matters so disapproved (the "Additional Title Disapproval Matters"), before the sooner to occur of the Closing or five (5) Business Days after receipt of written notice of such Additional Title Matters, Purchaser shall be deemed to have approved such Additional Title Matters and any such Additional Title Matters shall thereafter constitute "Permitted Exceptions." The Sellers shall have until three (3) Business Days after receipt of any Additional Title Disapproval Notice (the "Additional Title Response Period") to notify Purchaser in writing (an "Additional Title Disapproval Response") of the Additional Title Disapproval Matters, if any, which the Sellers will cure prior to Closing. The Sellers' failure to timely provide such Additional Title Disapproval Response shall be deemed to constitute the Sellers' election not to cure any Additional Title Disapproval Matters. If the Sellers do not agree to cure all Additional Disapproved Matters, then Purchaser may, at its option, terminate this Agreement upon written notice to the Sellers, but only if given prior to the sooner to occur of Closing or five (5) Business Days after Purchaser receives the Additional Title Disapproval Response, or if the Sellers do not provide the Additional Title Disapproval Response, five (5) Business Days after the end of the Additional Title Response Period, in which case this Agreement shall immediately terminate, Purchaser shall be entitled to a return of the Earnest Money, and the Sellers and Purchaser shall have no further rights or obligations hereunder, except for the provisions hereof that expressly survive termination of this Agreement. If Purchaser fails to give such termination notice by such date, Purchaser shall be deemed to have waived its objection to, and to have approved, the matters set forth in the Sellers' notice and any such uncured Additional Title Disapproval Matters shall become "Permitted Exceptions." Notwithstanding the foregoing, in the event that any such matter not set forth on the original Title Commitments or original Updated Surveys, as applicable, constitutes a breach of any Seller's obligations under this Agreement, then the Sellers shall be in default under this Agreement, and Purchaser shall be permitted to pursue the remedies provided in Section 13.2 hereof, subject to any notice and cure provisions relating thereto.

SECTION 8.2 Intentionally Deleted.

SECTION 8.3 Certain Exceptions to Title: Inability to Convey.

(a) Each Seller's interest in its applicable Real Property shall be conveyed by such Seller, and Purchaser agrees to acquire such Seller's interest in such Real Property, subject only to the Permitted Exceptions applicable to such Real Property. Notwithstanding anything in this Agreement to the contrary, Sellers shall be obligated at or prior to the Closing to cause the release or discharge, at Sellers' sole cost and expense, of any Required Cure Items. The parties acknowledge and agree that the Sellers shall have the right to apply or cause the Escrow Agent to apply all or any portion of the Purchase Price to cause the release or discharge of any Required Cure Items when escrow is broken at Closing.

(b) Notwithstanding anything herein to the contrary, if any Seller notifies Purchaser in writing that it will cure a title objection of the Purchaser but subsequently fails to cure such objection at or prior to Closing, Seller shall be in default under this Agreement and all remedies set forth in Section 13.2 shall be available to Purchaser.

(c) Except as expressly set forth in Section 8.1 or in Section 8.3(a), nothing contained in this Agreement shall be deemed to require the Sellers to take or bring any action or proceeding or any other steps to remove any title exception or to expend any moneys therefor, and except in connection with a Seller default under this Agreement, Purchaser shall not have any right of action against any of the Sellers, at law or in equity, for any Seller's inability to convey its interest in any Real Property subject only to the Permitted Exceptions.

SECTION 8.4 Purchaser's Right to Accept Title.

(a) Notwithstanding the foregoing provisions of this Article 8, Purchaser may, by written notice given to the Sellers at any time prior to the earlier of (x) the Closing Date and (y) the termination of this Agreement, elect to accept such title as the Sellers can convey, notwithstanding the existence of any title or survey exceptions that are not Permitted Exceptions and which the Sellers are not required to remove or cure pursuant to this Agreement. In such event, this Agreement shall remain in effect and the parties shall proceed to Closing, but Purchaser shall not be entitled to any abatement of the Purchase Price, any credit or allowance of any kind or any claim or right of action against the Sellers for damages or otherwise by reason of the existence of any title exceptions which are not Permitted Exceptions and which the Sellers are not required to remove or cure pursuant to this Agreement.

(b) Purchaser shall be entitled to request that the Title Company provide such endorsements (or amendments) to the Owner's Policy as Purchaser may reasonably require, provided that (i) such endorsements (or amendments), other than any curative endorsements that the Sellers may elect to obtain pursuant to Section 8.1 or Section 8.3(a), shall be at no cost to, and shall impose no additional liability on, any of the Sellers, (ii) Purchaser's obligations under this Agreement shall not be conditioned upon Purchaser's ability to obtain such endorsements (other than any curative endorsements that the Sellers may elect to obtain pursuant to Section 8.1 or Section 8.3(a)), and, if Purchaser is unable to obtain such endorsements, Purchaser shall nevertheless be obligated to proceed to close the transactions contemplated by this Agreement without reduction of or setoff against the Purchase Price, and (iii) the Closing shall not be delayed as a result of Purchaser's request hereunder.

ARTICLE 9
TRANSACTION COSTS; RISK OF LOSS

SECTION 9.1 Transaction Costs.

(a) Purchaser and the Sellers agree to comply with all real estate transfer tax laws applicable to the sale of the Properties.

(b) At Closing, the Sellers shall pay or cause to be paid the following: (i) any title search and exam fees and the base Owner's Policy premium for the Sovereign Property (Purchaser specifically agreeing and acknowledging that the applicable Sellers shall also be entitled to any rebate or discount associated with such title premiums); (ii) any costs in connection with discharging any encumbrances that the Sellers specifically agree to or are obligated to pay, discharge, remove or cure pursuant to the terms of this Agreement; (iii) any state or local transfer tax, excise tax or documentary stamps payable on the conveyance of the Properties to Purchaser; (iv) solely with respect to the Leigh House Property and the Preston View Property, document recording fees for the applicable Deeds and other recordable conveyance documents for such Properties; (v) the Brokers' commissions; and (vi) one-half (1/2) of all escrow or closing charges of the Escrow Agent.

(c) At Closing, Purchaser shall pay or cause to be paid the following: (i) any title search and exam fees and the base Owner's Policy premium for the Leigh House Property and the Preston View Property; (ii) except to the extent that any such costs are to be paid by the Sellers under Section 9.1(b) hereof, all other costs for the Owner's Policy and any lender's title policy or policies on all Properties, including premiums for any extended coverage, endorsements, update charges and other title charges; (iii) Purchaser's cost to obtain any Updated Surveys; (iv) all other fees, costs or expenses in connection with Purchaser's due diligence reviews and analyses hereunder; (v) document recording fees for the applicable Deeds and other recordable conveyance documents for the Sovereign Property; (vi) all costs associated with Purchaser's acquisition financing, if any, including any state or local documentary stamps, intangibles tax or mortgage tax and recording fees for any recordable loan documents; and (vii) one-half (1/2) of all escrow or closing charges of the Escrow Agent (not to exceed \$750.00 per Property). Except as otherwise expressly provided in this Agreement, each party shall pay the fees of its own attorneys, accountants and other professionals.

(d) Each of Purchaser, on the one hand, and Sellers, on the other hand, shall indemnify the other and their respective successors and assigns from and against any and all loss, damage, cost, charge, liability or expense (including court costs and reasonable attorneys' fees actually incurred) which such other party may sustain or incur as a result of the failure of either such party to timely pay any of the aforementioned fees or other charges for which it has assumed responsibility under this Section 9.1. The provisions of this Section 9.1 shall survive the Closing or the termination of this Agreement.

SECTION 9.2 Risk of Loss.

(a) Prior to the Closing, the risk of loss shall remain with the Sellers. If, on or before the Closing, the Real Property or any portion thereof shall be (i) damaged or destroyed by fire or other casualty or (ii) taken or threatened in writing to be taken as a result of any condemnation or eminent domain proceeding, the Sellers shall promptly notify Purchaser and, at Closing, the Sellers will credit against the Purchase Price payable by Purchaser an amount equal to the net proceeds (other than on account of business or rental interruption relating to the period prior to Closing), if any, received by the Sellers as a result of such casualty or condemnation, together with a credit for any deductible under such insurance, less any amounts spent by any Seller to remedy unsafe conditions at the affected Real Property prior to Closing. If as of the Closing Date, the Sellers have not received any such insurance or condemnation proceeds, then the parties shall nevertheless consummate the conveyance of the Properties on such date (without any credit for such insurance or condemnation proceeds except for a credit for any deductible under such insurance, less any amounts spent by any Seller to remedy unsafe conditions at the affected Real Property prior to Closing), and at Closing the Sellers will assign to Purchaser all rights of the Sellers, if any, to the insurance or condemnation proceeds (other than on account of business or rental interruption relating to the period prior to Closing) and to all other rights or claims arising out of or in connection with such casualty or condemnation. Notwithstanding anything herein to the contrary, after the expiration of the Due Diligence Period, Sellers shall not settle any insurance claim in connection with damage or destruction to the Real Property or any portion thereof by fire or other casualty or settle any condemnation or eminent domain action brought against the Real Property or any portion thereof without the Purchaser's prior written consent, which shall not be unreasonably withheld, conditioned or delayed; provided, however, that in the event of a Material Casualty or Material Condemnation, Purchaser's consent will only be required after Purchaser's waiver of its right to terminate this Agreement pursuant to this Section 9.2 (and provided further that Purchaser shall not be required to waive its termination right until a casualty is determined to be a Material Casualty and a condemnation is determined to be a Material Condemnation).

(b) Notwithstanding the provisions of Section 9.2(a), if, on or before the Closing Date, any Real Property or any portion thereof shall be (i) damaged or destroyed by a Material Casualty or (ii) taken or threatened in writing to be taken as a result of a Material Condemnation, Purchaser shall have the right, exercised by written notice to the Sellers no more than five (5) Business Days after Purchaser has received written notice of such Material Casualty or Material Condemnation from Sellers, to terminate this Agreement, in which event the Earnest Money shall be refunded to Purchaser and no party shall have any further rights or obligations hereunder other than those which expressly survive the termination of this Agreement. If Purchaser fails to timely terminate this Agreement in accordance with this Section 9.2(b), the provisions of Section 9.2(a) shall apply.

(c) A "Material Casualty" shall mean any damage to a particular Real Property or any portion thereof occurring at any time on or after the Effective Date, by fire or other casualty, that is expected to cost in excess of one and one half percent (1.5%) of the Allocable Purchase Price for such individual Property to repair (as determined by the independent insurance adjuster designated by Seller's insurance company).

(d) A "Material Condemnation" shall mean any condemnation or conveyance in lieu of condemnation for a particular Real Property which: (i) permanently and materially impairs the current use or value of the Real Property; (ii) permanently and materially impairs access to the Real Property from public roads; (iii) reduces the number or utility of parking spaces; or (iv) prohibits, as a matter of applicable law, the rebuilding or repair of any Improvements as they currently exist.

(e) Seller and Purchaser hereby agree that the Uniform Vendor and Purchaser Risk Act, Section 5.007 of the Texas Property Code, shall not be applicable to this Agreement or the transaction contemplated hereby.

ARTICLE 10
ADJUSTMENTS

Unless otherwise provided below, the following are to be adjusted and prorated between Sellers, on the one hand, and Purchaser, on the other hand, as of 11:59 pm Eastern Time on the day preceding the Closing (the "Adjustment Point"), based upon a 365-day year, with Purchaser being deemed to be the owner of the Properties during the entire day of the Closing Date and being entitled to receive all operating income of the Properties, and being obligated to pay all operating expenses of the Properties, with respect to the Closing Date, and the net amount thereof under this Article 10 shall be added to (if such net amount is in the Sellers' favor) or deducted from (if such net amount is in Purchaser's favor) the Purchase Price payable at Closing. Escrow Agent shall prepare the Closing Statements of the prorations and adjustments required by this Agreement and submit the same to Purchaser and the Sellers, respectively, for review and approval at least three (3) Business Days prior to the Closing Date.

SECTION 10.1 Rents.

(a) All Rents (as hereinafter defined) paid by tenants under the Leases in connection with their occupancy of the Real Property shall be adjusted and prorated as of the Adjustment Point. Delinquent Rents shall not be prorated. The Sellers shall be entitled to all Rents under Leases attributable to the period prior to the Adjustment Point, and Purchaser shall be entitled to all Rents under Leases attributable to the period from and after the Adjustment Point. All prepaid Rents for periods of occupancy after the Adjustment Point shall be credited to Purchaser at Closing. Any Rents collected by Purchaser or the Sellers after Closing from any tenant who owes Rents for periods prior to Closing shall be applied (i) first, in payment of current Rents at the time of receipt, (ii) second, to delinquent Rents, if any, which became due after the Closing, and (iii) third, to delinquent Rents, if any, which became due and payable prior to the Closing or otherwise attributable to the period prior to Closing. "Rents" for purposes of this Agreement shall mean (whether paid in advance of the date when such payment is due or otherwise) all fixed rents and other charges or amounts payable by tenants under the Leases or in connection with their use or occupancy of the Real Property or any service or amenity relating thereto, including water, electricity, gas, sewage or other utilities charges or other pass-through fees and charges.

(b) For a period of one hundred twenty (120) days following Closing, Purchaser shall bill tenants who owe Rents for periods prior to the Closing and use commercially reasonable efforts to pursue collection of such past due Rents to the full extent that Purchaser would endeavor to collect delinquent Rents owed to Purchaser, but shall not be obligated to engage a collection agency or take legal action or other enforcement action under the applicable Lease to collect such amount. Purchaser shall pay to the Sellers, no later than seven (7) days after collection, any collected amount that is owed to any Seller, it being understood that any Rent and other sums collected by Purchaser under any Lease subsequent to the Closing shall first be applied to Rent and income obligations owing to Purchaser for its period of ownership. For a period of one hundred twenty (120) days following Closing, Purchaser may not waive any delinquent (or unpaid) Rents or modify a Lease so as to reduce or otherwise affect amounts owed thereunder for any period in which any Seller is entitled to receive a share of charges or amounts without first obtaining the applicable Seller's written consent. From and after Closing, Seller shall take no action with regards to obtaining delinquent Rent or other sums from existing tenants at the Properties. With respect to delinquent or other uncollected Rents and any other amounts or other rights of any kind respecting tenants who are no longer tenants of the Properties as of the Closing Date, the Sellers shall retain all of the rights relating thereto. Notwithstanding anything contained herein to the contrary, Seller acknowledges and agrees that Purchaser is under no obligation to collect delinquent Rents on Seller's behalf.

SECTION 10.2 Taxes and Assessments. All non-delinquent real estate, ad valorem real property and personal property taxes and assessments with respect to the Properties for the local tax year (i.e. not the calendar year) in which Closing occurs shall be prorated between the Sellers, on the one hand, and Purchaser, on the other hand, as of the Adjustment Point (on the basis of the most recent available tax bill if the current bill is not then available and on the basis of the actual number of days elapsed over the applicable tax year). The Sellers shall be responsible for the payment of any such real estate and personal property taxes that for years prior to the local tax year in which Closing occurs. In no event shall the Sellers be charged with or be responsible for any increase in the taxes on the Properties resulting from (a) any change in use of the Properties on or after the Closing Date, or (b) any improvements made or leases entered into on or after the Closing Date. If any taxes or assessments on the Properties are payable in installments, then the installment allocable to the current period shall be prorated (with Purchaser being allocated the obligation to pay any installments due on or after the Closing Date). With regards to the Leigh House Property and the Preston View Property, the parties acknowledge and agree that the real estate, ad valorem real property and personal property taxes due and assessment and payable on September 1, 2019 (but not delinquent or accruing interest until January 5, 2020), are for the local tax year that begins on July 1, 2019 and ends on June 30, 2020.

SECTION 10.3 Intentionally Deleted.

SECTION 10.4 Utility Charges.

(a) Water, sewer, gas, steam, electricity and other public utility charges will be paid by the applicable Seller to the utility company on or prior to the Closing Date. The Sellers shall arrange for a final reading of all utility meters (covering gas, water, steam and electricity) as of the Closing. To the extent necessary, each affected Seller and Purchaser shall execute a letter to each such utility company advising it of the termination of such Seller's responsibility for utilities furnished to the applicable Real Property as of the Closing Date and commencement of Purchaser's responsibilities therefor from and after such date. If a bill is obtained from any such utility company as of Closing, the applicable Seller shall pay such bill on or before the Closing Date. Any utilities not read or billed as of the Closing Date will be prorated as of the Adjustment Point based on estimates at Closing, and adjusted after Closing once the final amounts are known. Additionally, the Sellers shall receive credits at Closing for the amount of any utility deposits with respect to the Real Property paid by the Sellers, to the extent Purchaser receives a credit from the applicable utility company on account of such deposit.

(b) Notwithstanding the foregoing, if any Seller pays any utility bills and, directly or through a billing service, bills the tenants for such utilities, then at Closing, such Seller shall receive a credit for the estimated amount of utility charges incurred by such Seller and reimbursable to such Seller from tenants under the Leases for periods prior to Closing ("RUBS"). The credit shall be for sixty (60) days of RUBS calculated based on the average RUBS payable by the tenants for the twelve (12) month period preceding the Closing Date. Such credit shall be final and shall not be subject to re-proration pursuant to Section 10.10.

SECTION 10.5 Miscellaneous Revenues. Periodic revenues, if any, arising out of telephone booths, vending machines, laundry machines or other income-producing agreements shall be adjusted and prorated between Purchaser, on the one hand, and the Sellers, on the other hand, as of the Adjustment Point (provided that, one-time inducement fees, "door fees" or similar non-recurring payments under Assumed Contracts shall not be prorated as of the Closing Date).

SECTION 10.6 Assumed Contracts. Amounts due under the Assumed Contracts shall be adjusted and prorated between Purchaser, on the one hand, and the Sellers, on the other hand, as of the Adjustment Point, with Purchaser to receive a credit at Closing for any amounts unpaid and attributable for the period prior to the Closing and the Sellers to receive a credit at Closing for any amounts previously paid and attributable to the period on and following the Closing.

SECTION 10.7 Association Fees. If applicable, all owners' association fees or similar fees and assessments due and payable with respect to the Real Property with respect to the applicable association's fiscal year in which the Closing occurs shall be adjusted and prorated based on the periods of ownership by the Sellers, on the one hand, and Purchaser, on the other hand, during each such association's fiscal year.

SECTION 10.8 Security Deposits. The actual amounts of the Refundable Security Deposits held by the Sellers as landlord under the Leases shall be credited to Purchaser against the balance of the Purchase Price at Closing. Any such Refundable Security Deposits in forms other than cash (including letters of credit) shall be transferred to Purchaser on the Closing Date by way of appropriate instruments of transfer or assignment.

SECTION 10.9 Other Adjustments. If applicable, the Purchase Price shall be adjusted at Closing to reflect the adjustment of any other item which, under the explicit terms of this Agreement, is to be apportioned at Closing. Any other items of operating income or operating expense that are customarily apportioned between the parties in real estate closings of comparable commercial properties in the metropolitan area where each Property is located shall be prorated as applicable; however, there will be no prorations for debt service, insurance premiums or payroll, because Purchaser is not acquiring or assuming the Sellers' financing, insurance or employees.

SECTION 10.10 Re-Adjustment. In the event any prorations or apportionments made under this Article 10 shall prove to be incorrect for any reason, then any party shall be entitled to an adjustment to correct the same. Any item that cannot be finally prorated because of the unavailability of information shall be tentatively prorated on the basis of the best data then available and re-prorated when the information is available. Notwithstanding anything to the contrary set forth herein, all re-prorations contemplated by this Agreement shall be completed within three (3) months after the Closing Date (subject to extension solely as necessary due to the unavailability of final information but in no event to exceed four (4) months after the Closing Date); provided, however, the final date with respect to real estate, ad valorem real property and property taxes and assessments shall be thirty (30) days after the issuance of final bills or other final resolutions of any contest relating thereto. The obligations of the Sellers and Purchaser under this Article 10 shall survive Closing for the time periods set forth in this Section 10.10.

ARTICLE 11

INDEMNIFICATION

SECTION 11.1 Indemnification by the Sellers. Following Closing and subject to Sections 11.3, 11.4 and 11.5, the Sellers shall indemnify and hold Purchaser and each of its respective Affiliates, members, partners, shareholders, officers and directors (collectively, the "Purchaser-Related Entities") harmless from and against any and all costs, fees, expenses, damages, deficiencies, interest and penalties (including, without limitation, reasonable attorneys' fees and disbursements actually incurred) suffered or incurred by Purchaser in connection with any and all losses, liabilities, claims, damages and expenses ("Losses"), arising out of, or resulting from, (a) any breach of any representation or warranty of the Sellers contained in Section 3.1 of this Agreement or in any Closing Document executed by any of the Sellers (collectively, the "Seller Representations"), and (b) any breach of any covenant of Sellers contained in this Agreement or in any Closing Document that expressly survives the Closing (collectively, the "Surviving Covenants").

SECTION 11.2 Indemnification by Purchaser. From and after the Closing and subject to Sections 11.4, 11.5 and 11.7, the Purchaser that acquires title to each respective Property at Closing shall indemnify and hold each Seller and each of its respective Affiliates, members, partners, shareholders, officers and directors (collectively, the “Seller-Related Entities”) harmless from any and all Losses arising out of, or in any way resulting from, (a) any breach of any representation or warranty by Purchaser contained in Section 4.1 of this Agreement or in any Closing Document executed by Purchaser, and (b) any breach of any covenant of Purchaser contained in this Agreement or in any Closing Document that expressly survives the Closing.

SECTION 11.3 Limitations on Indemnification by Sellers. Notwithstanding the foregoing provisions of Section 11.1, (a) the Sellers shall not be required to indemnify Purchaser unless the amount for which an indemnity would otherwise be payable by an applicable Seller under Section 11.1 exceeds the Basket Limitation and, in such event, the applicable Seller or Sellers shall be responsible for all such amounts from the first dollar of loss up to the Cap Limitation (provided that the Sellers’ obligations under Article 10 with respect to prorations and adjustments and the Sellers’ obligations under Section 14.2 with respect to brokers shall not be subject to the Basket Limitation or the Cap Limitation), (b) in no event shall the liability of each Seller with respect to the indemnification provided for in Section 11.1 exceed the Cap Limitation for such Seller’s Property (provided that the Sellers’ obligations under Article 10 with respect to prorations and adjustments and the Sellers’ obligations under Section 14.2 with respect to brokers shall not be subject to the Basket Limitation or the Cap Limitation), and (c) in the event Purchaser has actual knowledge or any Deemed Purchaser Knowledge of any inaccuracy or breach of any representation, warranty, or covenant of the Sellers contained in this Agreement (a “Purchaser Waived Breach”) after the Effective Date but prior to Closing, and nonetheless proceeds with and consummates Closing, then Purchaser shall be deemed to have waived and forever renounced any right to assert a claim for indemnification under this Article 11 for, or any other claim or cause of action under this Agreement, whether at law or in equity, on account of any such Purchaser Waived Breach. In no event shall Purchaser be entitled to seek or obtain consequential, speculative, special, punitive or exemplary damages against the Sellers.

SECTION 11.4 Survival. The Seller Representations and Surviving Covenants shall survive for a period of one hundred eighty (180) days after the Closing Date (the “Survival Period”), unless a longer or shorter survival period is expressly provided for in this Agreement. Each Seller, on the one hand, and Purchaser, on the other hand, shall have the right to bring an action or proceeding against the other for the breach of any such Seller Representations and Surviving Covenants, but only if the party bringing the action for breach (i) first learns of the breach after Closing, (ii) gives written notice of such breach to the other party within the Survival Period (unless a longer or shorter survival period is expressly provided for in this Agreement), and (iii) files such action for such breach no later than thirty (30) days after the written notice of the breach, unless a longer or shorter survival period is expressly provided for in this Agreement; provided, however, with respect to any actions brought by a party hereunder during the Survival Period but remaining unresolved as of the expiration of such period, the Survival Period shall extend solely as to such claims until the final adjudication (including appeals) or settlement of such claims.

SECTION 11.5 Notification. In the event that any indemnified party (“Indemnified Party”) becomes aware of any claim or demand for which an indemnifying party (an “Indemnifying Party”) may have liability to such Indemnified Party hereunder (an “Indemnification Claim”), such Indemnified Party shall promptly, but in no event more than thirty (30) days following such Indemnified Party’s having become actually aware of such Indemnification Claim, notify the Indemnifying Party in writing of such Indemnification Claim, the amount or the estimated amount of damages sought thereunder to the extent then ascertainable (which estimate shall not be conclusive of the final amount of such Indemnification Claim), any other remedy sought thereunder, any relevant time constraints relating thereto and, to the extent practicable, any other material details pertaining thereto; provided, that no delay on the part of the Indemnified Party in giving any such notice of a Indemnification Claim shall relieve the Indemnifying Party of any indemnification obligations hereunder except to the extent that the Indemnifying Party is prejudiced by such delay.

SECTION 11.6 Indemnification as Sole Remedy. If Closing has occurred, the sole and exclusive remedy available to a party in the event of a breach by the other party to this Agreement of any representation, warranty, covenant or other provision of this Agreement or any Closing Document which expressly survives the Closing shall be the indemnifications provided for under this Article 11, except as it relates to re-proration obligations under Article 10 and the indemnification obligations under Section 7.1 and Section 14.2.

SECTION 11.7 Limits on Indemnification by Purchaser. Notwithstanding the foregoing provisions of Section 11.2, (a) Purchaser shall not be required to indemnify any Seller or any Seller-Related Entities under Section 11.2 unless the amount for which an indemnity would otherwise be payable by Purchaser under Section 11.2 exceeds the Basket Limitation and, in such event, Purchaser shall be responsible for all such amounts, (b) in no event shall the liability of Purchaser with respect to the indemnification provided for in Section 11.2 exceed the Cap Limitation for such Seller’s Property (provided that Purchaser’s obligations under Article 10 with respect to re-prorations and adjustments shall not be subject to the Basket Limitation or the Cap Limitation), and (c) in the event such Seller obtains Knowledge of any inaccuracy or breach of any representation, warranty, or covenant of the Purchaser contained in this Agreement (a “Seller Waived Breach”) after the Effective Date but prior to the Closing, and such Seller nonetheless proceeds with and consummates the Closing, then each Seller and any Seller-Related Entities shall be deemed to have waived and forever renounced any right to assert a claim for indemnification under this Article 11 for, or any other claim or cause of action under this Agreement, whether at law or in equity on account of any such Seller Waived Breach. In no event shall any Seller be entitled to seek or obtain consequential, speculative, special, punitive or exemplary damages against Purchaser.

ARTICLE 12
TAX APPEALS

SECTION 12.1 Prosecution and Settlement of Proceedings. If any tax reduction proceedings in respect of the Real Property, relating to any tax years ending prior to the tax year in which the Closing occurs are pending at the time of Closing, the Sellers reserve and shall have the right to continue to prosecute and/or settle the same. Prior to Closing, the Sellers reserve and shall have the right to initiate and continue any tax reduction proceedings in respect of any of the Real Property relating to the tax year in which Closing occurs; provided, however, that the Sellers shall not settle any such proceeding without Purchaser's prior written consent, which consent shall not be unreasonably withheld or delayed. From and after Closing, Purchaser shall have the right to initiate or assume tax reduction proceedings in respect of the Real Property relating to the tax year in which Closing occurs and shall have the right to continue to prosecute and/or settle the same. The Sellers and Purchaser shall, from time to time, each keep the other reasonably informed of the status of any such tax reduction proceedings.

SECTION 12.2 Application of Refunds or Savings. Any refunds or savings in the payment of taxes resulting from such tax reduction proceedings applicable to taxes payable with respect to the period prior to the Closing Date shall belong to and be the property of the Sellers, and any refunds or savings in the payment of taxes applicable to taxes with respect to the period on or after the Closing Date shall belong to and be the property of Purchaser. All reasonable attorneys' fees and other expenses incurred in obtaining such refunds or savings shall be apportioned between the applicable Seller or Sellers, on the one hand, and Purchaser, on the other hand, in proportion to the gross amount of such refunds or savings payable to the applicable Seller or Sellers and Purchaser, respectively; provided, however, that neither the Sellers nor Purchaser shall have any liability for any such fees or expenses in excess of the refund or savings paid to such party unless such party initiated such proceeding.

SECTION 12.3 Survival. The provisions of this Article 12 shall survive Closing until the final resolution of any such tax appeals, notwithstanding any earlier "true-up" deadline to the contrary.

ARTICLE 13
DEFAULT

SECTION 13.1 Purchaser's Default. If Purchaser fails to consummate the purchase of the Properties pursuant to this Agreement or otherwise defaults on its obligations hereunder at or prior to Closing for any reason except failure by Seller to perform hereunder, or if prior to Closing any one or more of Purchaser's representations or warranties are breached in any material respect, and such default or breach is not cured by the earlier of the third (3rd) Business Day after written notice thereof from the Sellers or the Closing Date (provided that no notice or cure period shall apply if Purchaser fails to timely deposit any portion of the Earnest Money, or if Purchaser fails to timely consummate the purchase of the Properties or the timely payment of the Purchase Price), the Sellers shall be entitled, as their sole remedy, to terminate this Agreement by giving the Purchaser written notice of such election prior to or at Closing and recover the Earnest Money as liquidated damages and not as penalty, in full satisfaction of claims against Purchaser hereunder. The Sellers and Purchaser agree that the Sellers' damages resulting from Purchaser's default are difficult, if not impossible, to determine, and that the Earnest Money is a fair estimate of those damages which has been agreed to in an effort to cause the amount of such damages to be certain.

SECTION 13.2 Sellers' Default. If the Sellers fail to consummate the sale of the Properties pursuant to this Agreement or otherwise default on their obligations hereunder at or prior to Closing for any reason except failure by Purchaser to perform hereunder, or if prior to Closing any one or more of the Sellers' representations or warranties are breached in any material respect (i.e. in accordance with Section 3.2(g)), and such default or breach is not cured by the earlier of the fifth (5th) Business Day after written notice thereof from Purchaser or the Closing Date (provided that no notice or cure period shall apply if the Sellers fail to timely consummate the sale of the Properties hereunder), Purchaser shall elect, as its sole remedy, either (a) to terminate this Agreement by giving the Sellers written notice of such election prior to or at Closing, and recover the Earnest Money and reimbursement of Purchaser's actual out-of-pocket third-party expenses incurred in connection with this Agreement, up to a maximum reimbursement of \$750,000.00, (b) to enforce specific performance to consummate the sale of the Properties hereunder; provided, however, that if any Seller willfully conveys any of the Properties to a third party or third parties, such that the remedy of specific performance is unavailable to Purchaser, Purchaser shall have the right to seek its actual damages against the Sellers in an amount not to exceed \$3,600,000.00 in the aggregate, or (c) to waive said failure or breach and proceed to Closing without any reduction in the Purchase Price. In no event shall the Sellers be liable for consequential, speculative, remote or punitive damages, or any other damages except as specifically provided herein, and Purchaser hereby waives and releases any right to seek or collect any such consequential, speculative, remote or punitive damages. Notwithstanding anything herein to the contrary, Purchaser shall be deemed to have elected option (a) above if Purchaser fails to deliver to the Sellers written notice of its intent to file a claim or assert a cause of action for specific performance or damages against the Sellers on or before the date that is ten (10) Business Days following the scheduled Closing Date or, having given such notice, fails to file a lawsuit asserting such claim or cause of action for specific performance or damages in the county in which the Earnest Money is deposited within forty five (45) days following the scheduled Closing Date.

SECTION 13.3 Certain Limitations.

(a) Notwithstanding Sections 13.1 and 13.2 hereof, in no event shall the provisions of Sections 13.1 and 13.2 limit (i) either Purchaser's or any Seller's obligation to indemnify the other party, or the damages recoverable by an indemnified party against the indemnifying party due to, a party's express obligation to indemnify another party in accordance with this Agreement, (ii) Purchaser's or any Seller's respective obligation to pay Closing costs under Section 9.1 hereof, or the damages recoverable by any party against another party due to a party's failure to pay such costs, or (iii) either Purchaser's or any Seller's obligations to pay another party's legal costs under Section 14.23 hereof.

(b) Additionally, the Sellers disclaim any joint and several liability under this Agreement. Purchaser hereby waives any right to pursue any claim based upon a theory of joint and several liability with respect to any or all of the Sellers.

SECTION 13.4 Cross Defaults under Affiliated Purchase Agreements.

(a) By Affiliated Sellers. Sellers shall be in default under this Agreement immediately upon the default of any of the Affiliated Sellers under any of the Affiliated Purchase Agreements, and in such event, Purchaser may immediately exercise all rights and remedies set forth in Section 13.2 as to this Agreement.

(b) By Purchaser. Purchaser shall be in default under this Agreement immediately upon the default of Purchaser under any of the Affiliated Purchase Agreements, and in such event, the Sellers may immediately exercise all rights and remedies set forth in Section 13.1 as to this Agreement.

ARTICLE 14
MISCELLANEOUS

SECTION 14.1 Exculpation.

(a) Sellers. Notwithstanding anything to the contrary contained herein (with the sole exception of the terms of the Parent Joinder attached to this Agreement), each Seller's respective shareholders, partners, members, and managers, the partners, members or managers of such partners, members or managers, the shareholders of such partners, members or managers, and the trustees, officers, directors, employees, agents and security holders of such Seller and its partners, members or managers assume no personal liability for any obligations entered into on behalf of any Seller, and their individual assets shall not be subject to any claims of any person relating to such obligations. The foregoing shall govern any direct and indirect obligations of the Sellers under this Agreement.

(b) Purchaser. Notwithstanding anything to the contrary contained herein, Purchaser's shareholders, partners, members, managers or the partners, members or managers of such partners, members or managers, the shareholders of such partners, members or managers, and the trustees, officers, directors, employees, agents and security holders of Purchaser and its partners, members or managers assume no personal liability for any obligations entered into on behalf of Purchaser, and their individual assets shall not be subject to any claims of any person relating to such obligations. The foregoing shall govern any direct and indirect obligations of Purchaser under this Agreement.

SECTION 14.2 Brokers.

(a) Brokers' Commissions. The parties acknowledge that CB Richard Ellis, Inc. and (solely as to the Leigh House Property) ARA Newmark (collectively, the "Brokers") have been retained by and represent the Sellers as brokers in connection with the sale of the Properties by the Sellers to Purchaser, and are to be compensated for their services by the Sellers, pursuant to separate written agreements between the Seller Group and the Brokers.

(b) Representation and Indemnity. Each of the Sellers, on the one hand, and Purchaser, on the other hand, hereby represents and warrants to the other that it has not disclosed this Agreement or the subject matter hereof to, and has not otherwise dealt with, any real estate broker, agent or salesman (other than the Brokers) so as to create any legal right or claim in any such broker, agent or salesman (other than the Brokers) for a real estate commission or similar fee or compensation with respect to the negotiation and/or consummation of this Agreement or the conveyance of any of the Properties by the Sellers to Purchaser. Each of the Sellers, on the one hand, and Purchaser, on the other hand, shall indemnify, hold harmless and defend each other from and against any and claims and demands for a real estate brokerage commission or similar fee or compensation arising out of any claimed dealings with the indemnifying party and relating to this Agreement or the purchase and sale of the Properties (including reasonable attorneys' fees and expenses and court costs actually incurred in defending any such claim or in enforcing this indemnity), except for the Brokers, whose fees, if any, shall be paid by the Sellers.

(c) Texas Disclosure. The Texas Real Estate License Act requires a real estate agent to advise Purchaser that Purchaser should have an attorney examine an abstract of title to the Real Property being purchased; or a title insurance policy should be obtained.

(d) Survival. The indemnification provisions of this Section 14.2 shall survive the rescission, cancellation, termination or consummation of this Agreement.

SECTION 14.3 Confidentiality; Publicity; IRS Reporting Requirements.

(a) Confidentiality.

(i) Purchaser and the Sellers, and each of their respective Affiliates, shall hold as confidential all information disclosed in connection with the transaction contemplated hereby and concerning each other, the Properties, this Agreement and the transactions contemplated hereby that is not generally known to or discoverable by the public, including without limitation the Sellers' Deliveries (collectively, the "Confidential Information"). The Confidential Information obtained by or disclosed to Purchaser and Purchaser's Representatives shall be used by Purchaser and Purchaser's Representatives solely for the purpose of Purchaser's evaluation of the Properties and for other uses related to the transaction contemplated by this Agreement. Neither Purchaser nor any of the Sellers shall release any Confidential Information to third parties without the prior written consent of the other parties hereto, except (A) any information which was previously or is hereafter publicly disclosed (other than in violation of this Agreement, the Access Agreement, or other confidentiality agreements to which Affiliates of Purchaser or the Sellers are parties), (B) to such parties' respective partners, agents, employees, consultants, attorneys, engineers, accountants, licensees, investors, advisors and lenders (collectively, "Permitted Outside Parties") of any of the foregoing, provided that they are advised as to the confidential nature of such information, are instructed to maintain such confidentiality, and upon request of any other party, enter into confidentiality agreements with respect to the Confidential Information, and (C) as required by law, court order or other legal process.

(ii) Notwithstanding anything to the contrary herein, Confidential Information shall not include information which (A) is or becomes generally available to the public other than as a result of a disclosure by a party or the Permitted Outside Parties, (B) was available to a party or the Permitted Outside Parties on a non-confidential basis prior to its disclosure by any party or its representatives, (C) becomes available to a party or the Permitted Outside Parties on a non-confidential basis from a Person, other than any Seller, Purchaser, or their respective representatives, who is not otherwise bound by a confidentiality agreement with such party not to transmit the information to the receiving party or the Permitted Outside Parties, or (D) is independently developed by any employee or agent of any Seller, Purchaser or the Permitted Outside Parties who did not have access to the Confidential Information.

(iii) This Section 14.3(a) shall survive the termination of this Agreement, but shall not survive the Closing.

(b) Publicity; SEC filings. Until Closing, neither the Sellers nor Purchaser shall issue any advertisement, press release or other publicity concerning this transaction without the review and approval of Purchaser or the Sellers, as applicable. Upon Closing, the Sellers or Purchaser may issue a press release or other publicity with respect to this Agreement and the transactions contemplated hereby, provided that the content of any such press release shall be subject to the prior written consent of Purchaser or the Sellers, as applicable, and in no event shall any such publicity disclose the identity of Purchaser's or any Seller's direct or indirect beneficial owners by name, or the consideration paid for the Properties. The foregoing notwithstanding, none of the Sellers nor any of their respective constituent parties shall be obligated to make prior disclosure to, or seek the approval of, Purchaser in connection with disclosures made to its or their attorneys, agents, and lenders, or any securities filings and associated press releases required in connection with the sale of the Properties, including disclosures to investors or the filing of any Form 8-K or any related filings with the U.S. Securities and Exchange Commission. This Section 14.3(b) shall survive Closing or the termination of this Agreement.

(c) IRS Reporting Requirements. For the purpose of complying with any information reporting requirements or other rules and regulations of the IRS that are or may become applicable as a result of or in connection with the transaction contemplated by this Agreement, including, but not limited to, any requirements set forth in proposed Income Tax Regulation Section 1.6045-4 and any final or successor version thereof (collectively, the “IRS Reporting Requirements”), the Sellers and Purchaser hereby designate and appoint the Escrow Agent to act as the “Reporting Person” (as that term is defined in the IRS Reporting Requirements) to be responsible for complying with any IRS Reporting Requirements. The Escrow Agent hereby acknowledges and accepts such designation and appointment and agrees to fully comply with any IRS Reporting Requirements that are or may become applicable as a result of or in connection with the transaction contemplated by this Agreement. Without limiting the responsibility and obligations of the Escrow Agent as the Reporting Person, the Sellers and Purchaser hereby agree to comply with any provisions of the IRS Reporting Requirements that are not identified therein as the responsibility of the Reporting Person, including, but not limited to, the requirement that the Sellers and Purchaser each retain an executed counterpart of this Agreement for at least four (4) years following the calendar year of Closing. This Section 14.3(c) shall survive Closing for four (4) years following the calendar year of Closing.

SECTION 14.4 Escrow Provisions.

(a) Investment of Earnest Money. Escrow Agent shall invest the Earnest Money held by Escrow Agent pursuant to Purchaser’s direction in an interest bearing account at a commercial bank whose deposits are insured by the Federal Deposit Insurance Corporation. The Escrow Agent shall notify the Sellers, no later than one (1) Business Day after receipt thereof, that the Escrow Agent has received any portion of the Earnest Money in immediately available funds, and is holding the same in accordance with the terms of this Agreement. The Escrow Agent shall invest the Earnest Money only in such accounts as will allow the Escrow Agent to disburse the Earnest Money or any portion thereof upon no more than one (1) Business Day’s notice.

(b) Payment on Demand. Prior to the expiration of the Due Diligence Period, upon receipt of any written certification from the Purchaser claiming the Earnest Money pursuant to the provisions of this Agreement, Escrow Agent shall promptly disburse the Earnest Money to Purchaser and shall thereupon be released and discharged from any further duty or obligation hereunder. Upon receipt of any written certification from the Sellers (at any time during the term of this Agreement) or Purchaser (following the expiration of the Due Diligence Period) claiming the Earnest Money pursuant to the provisions of this Agreement, Escrow Agent shall promptly forward a copy thereof to the other such party (i.e., Purchaser or the Sellers, whichever did not claim the Earnest Money pursuant to such notice) and, unless such other party within ten (10) days thereafter notifies the Escrow Agent of any objection to such requested disbursement of the Earnest Money (in which case the Escrow Agent shall retain the Earnest Money subject to Section 10.4 below), the Escrow Agent shall disburse the Earnest Money to the party demanding the same and shall thereupon be released and discharged from any further duty or obligation hereunder.

(c) Exculpation of Escrow Agent. It is agreed that the duties of the Escrow Agent are herein specifically provided and are purely ministerial in nature, and that the Escrow Agent shall incur no liability whatsoever except for its misconduct or negligence, so long as the Escrow Agent is acting in good faith. Except in the event of the Escrow Agent's willful misconduct or gross negligence, each of the Sellers and Purchaser does hereby release the Escrow Agent from any liability for any error of judgment or for any act done or omitted to be done by the Escrow Agent in the good faith performance of its duties hereunder and do each hereby indemnify the Escrow Agent against, and agree to hold, save, and defend the Escrow Agent harmless from, any costs, liabilities, and expenses incurred by the Escrow Agent in serving as the Escrow Agent hereunder and in faithfully discharging its duties and obligations hereunder. The Sellers and Purchaser are aware that Federal Deposit Insurance Corporation coverages apply to a maximum amount of \$250,000.00 per depositor (as may be modified from time to time). Further, the Sellers and Purchaser do not and will not hold the Escrow Agent liable for any loss occurring which arises from bank failure or error, insolvency or suspension, or a situation or event which falls under the above coverages.

(d) Stakeholder. It is acknowledged that the Escrow Agent is acting as a stakeholder only with respect to the Earnest Money. If there is any dispute as to whether the Escrow Agent is obligated to deliver the Earnest Money or as to whom the Earnest Money is to be delivered following the expiration of the Due Diligence Period, the Escrow Agent may refuse to make any delivery and may continue to hold the Earnest Money until receipt by the Escrow Agent of an authorization in writing, signed by the Sellers and Purchaser, directing the disposition of the Earnest Money, or, in the absence of such written authorization, until final determination of the rights of the parties in an appropriate judicial proceeding. If such written authorization is not given, or a proceeding for such determination is not begun, within thirty (30) days of notice to the Escrow Agent of such dispute, the Escrow Agent may bring an appropriate action or proceeding for leave to deposit the Earnest Money in a court of competent jurisdiction located in the City of New York, State of New York pending such determination. The Escrow Agent shall be reimbursed for all costs and expenses of such action or proceeding, including, without limitation, reasonable attorneys' fees and disbursements, by the party determined not to be entitled to the Earnest Money. Upon making delivery of the Earnest Money in any of the manners herein provided, Escrow Agent shall have no further liability or obligation hereunder.

(e) Interest: Taxpayer Identification Number. All interest and other income earned on the Earnest Money deposited with the Escrow Agent hereunder shall be reported for income tax purposes as earnings of Purchaser. Purchaser's taxpayer identification number shall be delivered to the Escrow Agent prior to Closing. Escrow Agent shall have no liability for any levies on the Earnest Money made by taxing authorities based upon the taxpayer identification number or numbers associated with the Earnest Money.

(f) Execution by Escrow Agent. Escrow Agent has executed this Agreement solely for the purpose of acknowledging and agreeing to the provisions of this Section 14.4. Escrow Agent's consent to any modification or amendment of this Agreement, other than to a modification or amendment of this Section 14.4, shall not be required.

SECTION 14.5 Successors and Assigns; No Third-Party Beneficiaries. The stipulations, terms, covenants and agreements contained in this Agreement shall inure to the benefit of, and shall be binding upon, the parties hereto and their respective permitted successors and assigns (including any successor entity after a public offering of stock, merger, consolidation, purchase or other similar transaction involving a party hereto) and nothing herein expressed or implied shall give or be construed to give to any Person, other than the parties hereto and such permitted assigns, any legal or equitable rights hereunder.

SECTION 14.6 Assignment.

(a) Assignments by Sellers.

(i) Exchanges. Notwithstanding any provision of this Agreement to the contrary, each Seller may assign or transfer its rights under this Agreement to a qualified intermediary as may be required for an Exchange under Section 14.25 hereof, without Purchaser's prior written consent, provided that no Seller shall be relieved of any obligations or liabilities under this Agreement as a result of such transfers.

(ii) Leigh House TIC Transfer. Additionally notwithstanding any provision of this Agreement to the contrary, Leigh House Seller shall have the right to consummate a Leigh House TIC Transfer at or prior to Closing on the terms set forth in Section 3.3(f) above, provided that all Leigh House TIC Transfer Terms and Conditions are satisfied.

(b) Assignments by Purchaser. This Agreement may not be assigned by Purchaser in whole or in part without the prior written consent of the Sellers. Any transfer of a majority of the direct or indirect interests in Purchaser shall be deemed to be an assignment of this Agreement by Purchaser. Notwithstanding the foregoing, however, Purchaser may assign its rights under this Agreement prior to Closing without prior written approval of the Sellers to any entity is controlled by, controlling or under common control with Purchaser; provided that (i) the Purchaser originally named in this Agreement will continue to remain liable under this Agreement notwithstanding any such assignment, (ii) Purchaser shall deliver written notice to Sellers of any such assignment at least five (5) Business Days prior to the Closing Date (which notice shall include the name, entity type, state of formation and signature block of the assignee), and (iii) Purchaser and Purchaser's assignee shall execute and deliver an assignment and assumption agreement in form reasonably satisfactory to the Sellers prior to Closing. For the avoidance of doubt, each Seller acknowledges and agrees that Purchaser may partially assign its rights under this Agreement to separate and distinct Affiliates that will take title to each individual Property.

SECTION 14.7 Further Assurances. From time to time, as and when requested by any party hereto, the other party shall execute and deliver, or cause to be executed and delivered, all such documents and instruments and shall take, or cause to be taken, all such further or other actions as such other party may reasonably deem necessary or desirable to consummate the transactions contemplated by this Agreement.

SECTION 14.8 Notices. Any notice, request or other communication required or permitted to be given hereunder shall be in writing and, except as otherwise specifically provided herein, shall be delivered by hand or overnight courier (such as United Parcel Service or Federal Express), or by e-mail provided that a hard copy of such notice is also transmitted by one of the foregoing methods on the same Business Day. Any such notice shall be considered given on the date of such notice (provided that, with respect to e-mail notices, the e-mail is sent prior to 5:00 pm Eastern Time and a hard copy is also transmitted in compliance with this Section 14.8). Rejection or other refusal to accept or inability to deliver because of changed address of which no notice was given shall be deemed to be receipt of the notice. By giving at least five (5) days' prior written notice thereof, any party may from time to time and at any time change its notice address hereunder. Any notice may be given by a party's counsel on such party's behalf.

The parties' respective addresses for notice purposes are as follows. Telephone numbers are provided for reference purposes only, and notice by telephone shall not be valid.

Notices to the Sellers:

Each c/o Bluerock Real Estate, L.L.C.
712 Fifth Avenue
9th Floor
New York, NY 10019
Attention: Ryan MacDonald
Telephone: (646) 278-4238
E-mail: rmacdonald@bluerockre.com

With a copy (which shall not constitute notice) to:

Bluerock Real Estate, L.L.C.
712 Fifth Avenue
9th Floor
New York, NY 10019
Attention: Michael L. Konig
Telephone: (908) 415-8869
E-mail: mkonig@bluerockre.com

And to:

Nelson Mullins Riley & Scarborough LLP
Atlantic Station
201 17th Street NW, Suite 1700
Atlanta, GA 30363
Attention: Eric R. Wilensky, Esq.
Telephone: (404) 322-6469
E-mail: eric.wilensky@nelsonmullins.com

Notices to Purchaser:

KRE Topaz Portfolio Investor LLC
c/o Carter-Haston Holdings, L.L.C.
1230 Peachtree Street NE, Suite 1909
Atlanta, GA 30309
Attention: James A. Shanks
Telephone: (615) 577-4648
E-mail: jshanks@carterhaston.com

With a copy (which shall not constitute notice) to:

KRE Topaz Portfolio Investor LLC
c/o Kohlberg Kravis Roberts & Co.
600 Travis Street, Suite 7200
Houston, TX 77002
Attention: Paul S. Wasserman
Telephone: (713) 332-8322
E-mail: paul.wasserman@kkr.com

And to:

KRE Topaz Portfolio Investor LLC
c/o Kohlberg Kravis Roberts & Co.
9 West 57th Street, Suite 4200
New York, NY 10019
Attention: Michael Friedland
E-mail: michael.friedland@kkr.com

And to:

Waller Lansden Dortch & Davis, LLP
511 Union Street, Suite 2700
Nashville, TN 37219
Attention: Philip F. Head, Esq.
Telephone: (615) 850-8152
E-mail: philip.head@wallerlaw.com

Notices to the Title Company/Escrow Agent:

First American Title Insurance Company
Six Concourse Parkway, Suite 2000
Atlanta, GA 30328
Attention: Barbara H. Morgan
Telephone: (770) 390-6524
E-mail: bmorgan@firstam.com

SECTION 14.9 Entire Agreement. This Agreement, along with the Exhibits and Schedules hereto, contains all of the terms agreed upon between the parties hereto with respect to the subject matter hereof, and all understandings and agreements heretofore had or made among the parties hereto are merged in this Agreement which alone fully and completely expresses the agreement of the parties hereto.

SECTION 14.10 Amendments. This Agreement may not be amended, modified, supplemented or terminated, nor may any of the obligations of the Sellers or Purchaser hereunder be waived, except by written agreement executed by the party or parties to be charged. The Escrow Agent's consent to any modification or amendment of this Agreement, other than to Section 14.4 hereof, shall not be required. Further, the consent of Parent to any modification or amendment of this Agreement, other than to the Parent Joinder attached hereto, shall not be required.

SECTION 14.11 No Waiver. No waiver by any party of any failure or refusal by any other party to comply with its obligations hereunder shall be deemed a waiver of any other or subsequent failure or refusal to so comply.

SECTION 14.12 Governing Law. This Agreement shall be governed by, interpreted under, and construed and enforced in accordance with, the laws of the State of New York.

SECTION 14.13 Submission to Jurisdiction; Waiver of Jury Trial. To the fullest extent permissible by Applicable Law, the Sellers and Purchaser irrevocably submit to the jurisdiction of the federal and state courts having jurisdiction in the City of New York, New York for the purposes of any suit, action or other proceeding arising out of this Agreement or any transaction contemplated hereby. The Sellers and Purchaser further agree that service of any process, summons, notice or document by U.S. registered mail to such party's or parties' respective address set forth above shall be effective service of process for any action, suit or proceeding in the State of New York with respect to any matters to which it has submitted to jurisdiction as set forth in the immediately preceding sentence. To the fullest extent permissible by Applicable Law, each of the Sellers and Purchaser also irrevocably and unconditionally waives trial by jury and any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the transactions contemplated hereby in the federal and state courts having jurisdiction in the City of New York, New York. To the fullest extent permissible by Applicable Law, each of the Sellers and Purchaser also irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

SECTION 14.14 Severability. If any term or provision of this Agreement or the application thereof to any Person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

SECTION 14.15 Headings. The headings of the various Articles and Sections of this Agreement have been inserted only for purposes of convenience, are not part of this Agreement and shall not be deemed in any manner to modify, explain, expand or restrict any of the provisions of this Agreement.

SECTION 14.16 Counterparts. This Agreement may be executed in two or more counterparts and by facsimile or electronic (e.g., pdf) signatures, which taken together still constitute collectively one agreement. In making proof of this Agreement it shall not be necessary to produce or account for more than one such counterpart with each party's counterpart, facsimile or electronic signature.

SECTION 14.17 Acceptance of Deeds. The acceptance of the Deeds by Purchaser shall be deemed full compliance by the Sellers of all of the Sellers' obligations under this Agreement, except for those obligations of the Sellers which are specifically stated to survive the delivery of the Deeds or the Closing hereunder pursuant to the terms of this Agreement.

SECTION 14.18 Construction. The parties acknowledge that the parties and their counsel have reviewed and revised this Agreement, and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or of any exhibits, schedules or amendments hereto.

SECTION 14.19 Recordation. Neither this Agreement nor any memorandum or notice of this Agreement may be recorded by any party hereto without the prior written consent of the other parties hereto; provided, however, Purchaser's recordation of a notice of *lis pendens* shall be permitted if Purchaser is seeking an action for specific performance. In furtherance of the foregoing, Purchaser hereby indemnifies the Sellers from and against any and all Losses arising out of a breach of this Section 14.19. The provisions of this Section 14.19 shall survive the Closing or any prior termination of this Agreement.

SECTION 14.20 Time is of the Essence. The Sellers and Purchaser agree that time is of the essence with respect to the parties' obligations under this Agreement.

SECTION 14.21 Business Days; Calculation of Time Periods. The Sellers and Purchaser agree that if any notice or action required or permitted by this Agreement falls on a date which is not a Business Day, then such date shall be extended to the next Business Day. The final day of any time period under this Agreement or any deadline under this Agreement shall include the period of time through and including such final day or deadline. The final day of any specified time period or deadline shall be deemed to end at 5:00 p.m. Eastern Time unless otherwise specifically indicated herein.

SECTION 14.22 Survival.

(a) Any obligations or liabilities of Sellers or Purchaser hereunder shall survive Closing or earlier termination of this Agreement solely to the extent expressly provided herein.

(b) Unless expressly stated otherwise, all terms and provisions contained in this Agreement shall not survive Closing.

SECTION 14.23 Legal Costs. The parties hereto agree that they shall pay directly any and all legal costs which they have incurred on their own behalf in the preparation of this Agreement, and all deeds and other agreements pertaining to this transaction, and that such legal costs shall not be part of the Closing costs. In addition, if either Purchaser or any Seller brings any suit or other proceeding with respect to the subject matter or the enforcement of this Agreement, the prevailing party (as determined by the court, agency or other authority before which such suit or proceeding is commenced), in addition to such other relief as may be awarded, shall be entitled to recover reasonable attorneys' fees, expenses and costs of investigation actually incurred. The foregoing includes reasonable attorneys' fees, expenses and costs of investigation (including those incurred in appellate proceedings), costs incurred in establishing the right to indemnification, or in any action or participation in, or in connection with, any case or proceeding under Chapter 7, 11 or 13 of the Bankruptcy Code (11 United States Code Sections 101 et seq.), or any successor statutes. The provisions of this Section 14.23 shall survive Closing or any termination of this Agreement without limitation.

SECTION 14.24 DTPA Waiver. PURCHASER IS A SOPHISTICATED REAL ESTATE INVESTOR AND HAS KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS THAT ENABLE IT TO EVALUATE THE MERITS AND RISKS OF THIS TRANSACTION. PURCHASER HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHTS, REMEDIES AND BENEFITS UNDER THE TEXAS DECEPTIVE TRADE PRACTICES-CONSUMER PROTECTION ACT (SECTIONS 17.41 AND FOLLOWING OF THE TEXAS BUSINESS AND COMMERCE CODE) (THE "DTPA") AND ANY OTHER SIMILAR CONSUMER PROTECTION LAW, WHETHER FEDERAL, STATE OR LOCAL. PURCHASER COVENANTS NOT TO SUE THE SELLERS UNDER THE DTPA OR ANY SUCH SIMILAR CONSUMER PROTECTION LAW IN THE STATES WHERE THE PROPERTIES ARE LOCATED. THE PROVISIONS OF THIS SECTION 14.24 SHALL SURVIVE CLOSING OR ANY TERMINATION OF THIS AGREEMENT.

SECTION 14.25 Exchange. Any of the Sellers or Purchaser may desire to effectuate a tax-deferred “1031” exchange, including but not limited to a “reverse like kind exchange” (an “Exchange”) in connection with the purchase and sale of any or all of the Real Property. Purchaser and the Sellers hereby agree to cooperate with each other in connection with an Exchange, provided that: (a) all documents executed by any party in connection with an Exchange shall be subject to the prior reasonable approval of the other party, and all such Exchange documents shall acknowledge that the other party is acting solely as an accommodating party to such Exchange, the other party shall have no liability with respect thereto, the other party is making no representation or warranty that the transactions qualify as a tax-deferred exchange under Section 1031 of the Internal Revenue Code or any applicable state or local laws, and the other party shall have no liability whatsoever if any such transactions fail to so qualify; (b) no Exchange shall result in the non-exchanging party or parties incurring any additional costs or liabilities, and each party shall indemnify, defend and hold the other harmless against any such additional claims, causes of action, costs and liabilities; (c) no Exchange shall result in any increased risks or any adverse tax consequences to the non-exchanging party or parties; (d) in no event shall the non-exchanging party or parties be obligated to acquire any property or otherwise be obligated to take title, or appear in the records of title, to any property in connection with an Exchange; and (e) in no event shall an exchanging party’s consummation of such Exchange constitute a condition precedent to its obligations under this Agreement, and an exchanging party’s failure or inability to consummate such Exchange for any reason or for no reason at all shall not be deemed to excuse or release such party from its obligations under this Agreement. Any party pursuing an Exchange shall indemnify and hold the other parties harmless from and against all claims, demands, actions, proceedings, damages, losses, liabilities, costs and expenses resulting from such party’s Exchange. The indemnification provisions of this Section 14.25 shall survive Closing or any termination of this Agreement.

SECTION 14.26 Effect of Other Purchase Agreements.

(a) Contemporaneously herewith, (i) ARIUM Palms Seller and Purchaser have entered into the ARIUM Palms Purchase Agreement with respect to the ARIUM Palms Property, (ii) Landings at Four Corners Seller and Purchaser have entered into the Landings at Four Corners Purchase Agreement with respect to the Landings at Four Corners Property, and (iii) Sorrel Phillips Creek Ranch Seller and Purchaser have entered into the Sorrel Phillips Creek Ranch Purchase Agreement with respect to the Sorrel Phillips Creek Ranch Property.

(b) The Sellers and Purchaser specifically agree and acknowledge that, except as otherwise specifically provided in Section 14.27, in Section 14.27 of the Landings of Four Corners Purchase Agreement, in Section 14.27 of the ARIUM Palms Purchase Agreement, or in Section 14.27 of the Sorrel Phillips Creek Ranch Purchase Agreement, (i) a termination of this Agreement shall also automatically terminate the Affiliated Purchase Agreements, and (ii) a termination of any of the Affiliated Purchase Agreements shall also automatically terminate this Agreement.

SECTION 14.27 Special Provisions Regarding Partial Termination.

(a) Purchaser's Partial Termination Rights upon Special Casualty or Special Condemnation.

(i) As used in this Section 14.27(a):

(A) A "Special Casualty" shall mean any damage to a particular Real Property or any portion thereof by fire or other casualty that is expected to cost in excess of ten percent (10%) of the Allocable Purchase Price for such individual Property to repair (as determined by the independent insurance adjuster designated by Seller's insurance company).

(B) A "Special Condemnation" shall mean any condemnation or conveyance in lieu of condemnation for a particular Real Property which meets the standards for a "Material Condemnation" under Section 9.2(d), and for which either (i) the cost of restoration is expected to exceed ten percent (10%) of the Allocable Purchase Price for such individual Property (as determined by a general contractor selected by Purchaser that is reasonably acceptable to Seller) or (ii) results in a diminution in value of the applicable Property by more than ten percent (10%) of the Allocable Purchase Price for such individual Property (as determined by an MAI certified appraiser selected by Purchaser that is reasonably acceptable to Seller).

(C) A "Terminated Property" shall mean any Property affected by a Special Casualty or Special Condemnation that Purchaser elects to terminate this Agreement pursuant to this Section 14.27(a).

(D) The "Remaining Properties" shall mean the remaining Properties with the remaining Sellers pursuant to the terms of this Agreement, other than any Terminated Property.

(ii) In the event of a Special Casualty or Special Condemnation at any of the Properties, Purchaser may elect to terminate this Agreement only with regards to the affected Property by written notice to the Sellers, whereupon the affected Property shall constitute a Terminated Property, the other Properties (and the other properties in the Property Group) shall constitute Remaining Properties, and Purchaser shall proceed to close on the Remaining Properties with the remaining Sellers pursuant to the terms of this Agreement, in which event: (A) the Purchase Price shall be reduced by the amount of the Allocable Purchase Price attributable to the Terminated Property; (B) any Earnest Money allocable to the Terminated Property shall, at Purchaser's election, either be applied to the payment of the Allocable Purchase Price of any of the Remaining Properties or returned to Purchaser, and (C) both parties shall be relieved from all obligations and liabilities arising hereunder related to the Terminated Property, except for any provisions hereof that expressly survive the termination of this Agreement (and then only to the extent such provisions apply to the Terminated Property). For the avoidance of doubt, if Purchaser exercises its rights with regards to a Terminated Property as contemplated in this Section 14.27(a)(ii), such election shall not be deemed to be a termination of this Agreement, this Agreement shall remain in full force and effect with regards to the Remaining Properties, and the Affiliated Purchase Agreements shall remain in full force and effect notwithstanding anything herein or in the Affiliated Purchase Agreements to the contrary. If Purchaser elects to close over a Special Casualty or Special Condemnation, the terms of Section 9.2 shall apply.

(b) Purchaser's Partial Termination Rights as to Affiliated Purchase Agreements.

(i) If Purchaser has a right to terminate, and does terminate, the Sorrel Phillips Creek Ranch Purchase Agreement pursuant to Section 14.27 thereof, then, notwithstanding anything in this Agreement to the contrary, such termination shall apply solely to the Sorrel Phillips Creek Ranch Purchase Agreement, and in such event, this Agreement and the remaining Affiliated Purchase Agreements shall remain in full force and effect.

(ii) If Purchaser has a right to terminate, and does terminate, the Landings at Four Corners Purchase Agreement pursuant to Section 14.27 thereof, then, notwithstanding anything in this Agreement to the contrary, such termination shall apply solely to the Landings at Four Corners Purchase Agreement, and in such event, this Agreement and the remaining Affiliated Purchase Agreements shall remain in full force and effect.

(iii) If Purchaser has a right to terminate, and does terminate, the ARIUM Palms Purchase Agreement pursuant to Section 14.27 thereof, then, notwithstanding anything in this Agreement to the contrary, such termination shall apply solely to the ARIUM Palms Purchase Agreement, and in such event, this Agreement and the remaining Affiliated Purchase Agreements shall remain in full force and effect.

(c) In the event of a conflict between the terms of this Section 14.27 and any other provision of this Agreement, the terms of this Section 14.27 shall control.

SECTION 14.28 Texas Water District Disclosure. **THE SOVEREIGN PROPERTY IS LOCATED IN A DISTRICT CREATED BY THE STATE OF TEXAS PROVIDING OR PROPOSING TO PROVIDE, AS THE DISTRICT'S PRINCIPAL FUNCTION, WATER, SEWER, DRAINAGE, AND FLOOD CONTROL OR PROTECTION FACILITIES OR SERVICES. SUCH DISTRICT HAS TAXING AUTHORITY SEPARATE FROM ANY OTHER TAXING AUTHORITY, AND MAY ISSUE BONDS AND/OR LEVY ADDITIONAL TAXES TO PROVIDE UTILITY FACILITIES AND/OR SERVICES WITHIN THE DISTRICT. SUCH DISTRICT ALSO HAS AUTHORITY TO ADOPT AND IMPOSE STANDBY FEES ON PROPERTY IN THE DISTRICT. A DISTRICT MAY EXERCISE AUTHORITY WITHOUT HOLDING AN ELECTION ON THE MATTER.** Purchaser acknowledges that Chapter 49 of the Texas Water Code requires such Seller to deliver and Purchaser to sign and deliver the Notice Regarding Texas Water Code at Closing. Purchaser hereby (a) acknowledges receipt of the notice contained in this Section and this Agreement, (b) waives any other rights Purchaser may have under this Agreement or Applicable Law with respect to notice that the Sovereign Property is situated in a utility or other statutorily created district providing water, sewer, drainage or flood control facilities and services, and (c) agrees to execute and deliver Purchaser's counterpart to the Notice Regarding Texas Water Code at Closing.

**[REMAINDER OF PAGE LEFT BLANK;
SIGNATURES BEGIN ON NEXT PAGE]**

IN WITNESS WHEREOF, the Sellers and Purchaser have executed this Agreement, to be effective as of the Effective Date.

SELLERS:

BR CARROLL KELLER CROSSING, LLC, a Delaware limited liability company

By: /s/ Jordan B. Ruddy
Name: Jordan B. Ruddy
Title: Authorized Signatory

[SIGNATURE PAGE TO PURCHASE AND SALE AGREEMENT]
[SIGNATURES CONTINUE ON THE FOLLOWING PAGES]

SELLERS:

(cont.)

BR-TBR LAKE BOONE NC OWNER, LLC, a Delaware limited liability company

By: BR-TBR Lake Boone Capital Member, LLC, a Delaware limited liability company, its Sole Member

By: BR-TBR Lake Boone NC Venture, LLC, a Delaware limited liability company, its Manager

By: BR Lake Boone JV Member, LLC, a Delaware limited liability company, its Co-Manager

By: /s/ Jordan B. Ruddy
Jordan B. Ruddy
Its Authorized Signatory

BR PRESTON VIEW, LLC, a Delaware limited liability company

By: BRG Preston View Manager, LLC, a Delaware limited liability company, its Manager

By: /s/ Jordan B. Ruddy
Name: Jordan B. Ruddy
Title: Authorized Signatory

**[SIGNATURE PAGE TO PURCHASE AND SALE AGREEMENT]
[SIGNATURES CONTINUE ON THE FOLLOWING PAGES]**

PURCHASER:

KRE TOPAZ PORTFOLIO INVESTOR LLC, a Delaware limited liability company

By: /s/ Michael Friedland
Name: Michael Friedland
Title: VP

**[SIGNATURE PAGE TO PURCHASE AND SALE AGREEMENT]
[SIGNATURES CONTINUE ON THE FOLLOWING PAGES]**

Escrow Agent has executed this Agreement for the limited purposes set forth herein.

**ESCROW AGENT:
FIRST AMERICAN TITLE INSURANCE COMPANY**

By: /s/ Myra A. Kellner
Name: Myra A. Kellner
Title: Escrow Agent

**[SIGNATURE PAGE TO PURCHASE AND SALE AGREEMENT]
[SIGNATURES CONTINUE ON THE FOLLOWING PAGES]**

PARENT JOINDER

This joinder (this “Parent Joinder”) is attached to and made a part of the foregoing Agreement and all terms capitalized but not defined herein shall have the respective meanings given to them in the Agreement. The undersigned, BLUEROCK RESIDENTIAL GROWTH REIT, INC., a Maryland corporation (“Parent”), for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby duly executes with proper authority, joins in the execution of this Agreement, and agrees that it is a party to the Agreement and is jointly and severally liable, as a principal and not as a surety, solely for Sellers’ obligations under Section 10.10 and for any indemnity obligations of any of the Sellers arising under Section 11.1 hereof; provided, however, that any claim brought hereunder must be brought within one hundred eighty (180) days following the Closing Date, failing which, Purchaser shall be deemed to have waived and forever renounced any right to assert a claim pursuant to this Parent Joinder under Sections 10.10 and 11.1 for any claim or cause of action under the Agreement, whether at law or in equity. Purchaser shall have the right to proceed directly against Parent without first making written demand to any of the Sellers (and without any obligation to bring suit against any of the Sellers) for the satisfaction of any such obligations.

Parent represents and warrants that its Tangible Net Worth (as hereinafter defined) exceeds the Aggregate Cap Limitation. Until the expiration of the Survival Period (or if Purchaser makes a claim against any Seller during the Survival Period, until the final adjudication (including appeals) or settlement of such claim), Parent shall at all times: (i) remain an entity in good standing and not legally dissolve; (ii) maintain a Tangible Net Worth, measured on a consolidated basis, in an amount not less than the Aggregate Cap Limitation, and (iii) not sell, dispose or make distributions of assets of Parent that would cause a breach of the foregoing financial covenants. “Tangible Net Worth” means the excess of total assets over total liabilities, in each case as determined in accordance with generally accepted accounting principles consistently applied (“GAAP”), excluding, however, from the determination of total assets all assets which would be classified as intangible assets under GAAP including goodwill, licenses, patents, trademarks, trade names, copyrights, and franchises.

Parent is an indirect owner of each of the Sellers, will derive substantial benefits from the transactions described in the Agreement and acknowledges that the execution of this Parent Joinder is a material inducement and condition to Purchaser’s execution of the Agreement. Parent represents and warrants that it has the legal right, power, authority and capacity to execute this Parent Joinder, that such execution does not violate the organizational documents of, or any other agreement or instrument by which Parent is bound, and that this Parent Joinder is binding and enforceable against Parent. Parent acknowledges and agrees that this Parent Joinder may not be assigned to any other Person without Purchaser’s prior written consent (which may be withheld in Purchaser’s sole discretion) and shall be binding upon Parent’s successors and assigns.

Parent unconditionally waives any guarantor or suretyship defenses that might otherwise be available to it with respect to its obligations under this Parent Joinder. The terms of this Joinder shall survive Closing until the expiration of the Survival Period (as the same may be extended pursuant to Section 11.4).

The provisions set forth in Section 14.1, Section 14.3, and Section 14.5 through Section 14.27, inclusive, of the Agreement are hereby incorporated by reference into this Parent Joinder as if fully set forth herein, provided that the undersigned shall be the "Seller" or "Sellers," as applicable, under such Sections.

**[REMAINDER OF PAGE LEFT BLANK;
SIGNATURE APPEARS ON NEXT PAGE]**

PARENT:

BLUEROCK RESIDENTIAL GROWTH REIT, INC., a Maryland
corporation

By: /s/ Michael Konig

Name: Michael Konig

Title: Authorized Signatory

**[SIGNATURE PAGE TO PARENT JOINDER TO
PURCHASE AND SALE AGREEMENT]
[END OF SIGNATURES]**

Schedule A-1

INTENTIONALLY DELETED

Schedule A-2

LEGAL DESCRIPTION OF SOVEREIGN LAND

TRACT 1:

LOT 1, BLOCK 1, OF THE FINAL PLAT OF THE SOVEREIGN ADDITION, AN ADDITION TO THE CITY OF FORT WORTH, TARRANT COUNTY, TEXAS, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN INSTRUMENT NO. D213119066, OFFICIAL PUBLIC RECORDS, TARRANT COUNTY, TEXAS.

TRACT 2: EASEMENT ESTATE

NON-EXCLUSIVE, PERPETUAL EASEMENTS FOR PEDESTRIAN AND VEHICULAR INGRESS AND EGRESS, LANDSCAPING MAINTENANCE, AND TEMPORARY CONSTRUCTION GRANTED IN THE ACCESS EASEMENT AND MAINTENANCE AGREEMENT RECORDED UNDER INSTRUMENT NO. D212074584, OFFICIAL PUBLIC RECORDS, TARRANT COUNTY, TEXAS, AS AMENDED BY FIRST AMENDMENT TO ACCESS EASEMENT AND MAINTENANCE AGREEMENT RECORDED 2/28/2014, UNDER TARRANT COUNTY CLERK'S FILE NO. D214039440, OFFICIAL PUBLIC RECORDS OF TARRANT COUNTY, TEXAS.

Schedule A-3

LEGAL DESCRIPTION OF LEIGH HOUSE LAND

FEE TRACT

BEING ALL OF LOTS 5 AND 6, AS SHOWN ON PLAT ENTITLED VILLAGES OF LAKE BOONE TRAIL, RECORDED IN BOOK OF MAPS 2015, PAGES 2011-2013, WAKE COUNTY, NORTH CAROLINA REGISTRY.

EASEMENT TRACT

TOGETHER WITH APPURTENANT EASEMENT RIGHTS IN THAT CERTAIN DECLARATION OF RECIPROCAL EASEMENTS AND RESTRICTIONS RECORDED IN BOOK 16461, PAGE 1503, WAKE COUNTY, NORTH CAROLINA REGISTRY.

Schedule A-4

LEGAL DESCRIPTION OF PRESTON VIEW LAND

ALL THAT CERTAIN LOT, PIECE OR PARCEL OF LAND, WITH THE BUILDINGS AND IMPROVEMENTS THEREON ERECTED, SITUATE, LYING AND BEING IN THE CITY OF MORRISVILLE, COUNTY OF WAKE, STATE OF NORTH CAROLINA.

TRACT I - FEE SIMPLE:

A CERTAIN TRACT OR PARCEL OF REALTY, LYING AND BEING IN TOWN OF MORRISVILLE, WAKE COUNTY, NORTH CAROLINA, BEING MORE FULLY DESCRIBED AS FOLLOWS, VIZ:

COMMENCING AT A POINT IN THE NORTHERN RIGHT OF WAY LINE OF MORRISVILLE PARKWAY (NCSR 3060, 100' R/W) MARKING THE EASTERN PROPERTY LINE OF HUNTINGTON WOODS SUBDIVISION; THENCE N02°50'57" W 3.72 FEET TO AN X-CUT IN CONCRETE, THE POINT AND PLACE OF BEGINNING THENCE WITH THE EASTERN LINE OF SAID HUNTINGTON WOODS SUBDIVISION A COURSE OF N02°50'57" W FOR A DISTANCE OF 469.93 FEET TO AN EXISTING IRON PIPE; THENCE CONTINUING WITH THE LINE OF HUNTINGTON WOODS SUBDIVISION THE FOLLOWING FOUR CALLS: 1) A COURSE OF N78°34'52" W FOR A DISTANCE OF 378.61 FEET TO A CONCRETE MONUMENT FOUND; 2) A COURSE OF N81°22'58" W FOR A DISTANCE OF 1,158.13 FEET TO AN EXISTING AXLE; 3) A COURSE OF N88°28'52" W FOR A DISTANCE OF 226.31 FEET TO AN EXISTING IRON PIPE; AND 4) A COURSE OF N88°34'14" W FOR A DISTANCE OF 640.95 FEET TO A CONCRETE MONUMENT FOUND, THE NORTHWEST CORNER OF SAID HUNTINGTON WOODS SUBDIVISION AND THE NORTHEAST CORNER OF PARK GROVE AT HUNTINGTON (MAP BOOK 1995 PAGE 144); THENCE WITH THE LINE OF SAID PARK GROVE AT HUNTINGTON A COURSE OF N88°41'53" W FOR A DISTANCE OF 202.58 FEET TO AN EXISTING IRON PIPE, THE NORTHWEST CORNER OF PARK GROVE AT HUNTINGTON IN THE LINE OF HUNTINGTON APARTMENTS AND ATHLETIC CLUB; THENCE WITH THE LINE OF HUNTINGTON APARTMENTS AND ATHLETIC CLUB AND THE TOWN OF MORRISVILLE A COURSE OF N1°55'19" E FOR A DISTANCE OF 738.60 FEET TO A POINT IN A CREEK IN THE SOUTHERN LINE OF TRACT "C" OF PRESTONWOOD COUNTRY CLUB, INC.; THENCE WITH THE SOUTHERN LINE OF TRACT "C" OF PRESTON WOOD COUNTRY CLUB, INC. THE FOLLOWING TWO CALLS: 1) A COURSE OF S79°32'25" E FOR A DISTANCE OF 246.24 FEET TO A POINT; AND 2) A COURSE OF S72°58'10" E FOR A DISTANCE OF 301.20 FEET TO A POINT IN THE LINE TRACT "B" OF PRESTONWOOD COUNTRY CLUB, INC.; THENCE WITH THE LINE OF 'B' OF PRESTONWOOD COUNTRY CLUB, INC. THE FOLLOWING SEVEN CALLS: 1) A COURSE OF S74°26'54"W FOR A DISTANCE OF 96.36 FEET TO AN EXISTING IRON PIPE; 2) A COURSE OF S13°42'57" W FOR A DISTANCE OF 204.39 FEET TO AN EXISTING IRON PIPE; 3) A COURSE OF S37°58'49" E FOR A DISTANCE OF 99.92 FEET TO AN IRON PIPE SET; 4) A COURSE OF N88°45'23"E FOR A DISTANCE OF 606.33 FEET TO AN IRON PIPE SET; 5) A COURSE OF N80°31'40" E FOR A DISTANCE OF 557.59 FEET TO AN IRON PIPE SET; 6) A COURSE OF S65°04'23" E FOR A DISTANCE OF 644.07 FEET TO AN IRON PIPE SET; AND 7) A COURSE OF S0°08'02" W FOR A DISTANCE OF 139.26 FEET TO AN IRON PIPE SET IN THE RIGHT OF WAY LINE OF THE CUL-DE-SAC PORTION OF DOUBLE EAGLE COURT (PUBLIC, 50' R/W, BOOK OF MAPS 1997 PAGE 1148); THENCE THE FOLLOWING NINE CALLS WITH THE SOUTHERN RIGHT OF WAY LINE OF DOUBLE EAGLE COURT: 1) ALONG THE ARC OF A CIRCULAR CURVE WITH A RADIUS OF 54.00 FEET, A DELTA ANGLE OF 152°06'31" FOR AN ARC LENGTH OF 143.36 FEET, SUBTENDED BY A CHORD THAT BEARS S19°41'57" E FOR A CHORD LENGTH OF 104.82 FEET TO A POINT; 2) ALONG THE ARC OF A CIRCULAR CURVE WITH A RADIUS OF 100.00 FEET, A DELTA ANGLE OF 29°13'55" FOR AN ARC LENGTH OF 51.02 FEET, SUBTENDED BY A CHORD THAT BEARS S81°08'15" E FOR A CHORD LENGTH OF 50.47 FEET TO A POINT; 3) ALONG THE ARC OF A CIRCULAR CURVE WITH A RADIUS OF 330.92 FEET; A DELTA ANGLE OF 4°38'31" FOR AN ARC LENGTH OF 26.81 FEET, SUBTENDED BY A CHORD THAT BEARS S68°50'33" FOR A CHORD LENGTH OF 26.80 FEET TO A POINT; 4) A COURSE OF S71°09'48"E FOR A DISTANCE OF 130.81 FEET TO A POINT; 5) THENCE ALONG THE ARC OF A CIRCULAR CURVE WITH A RADIUS OF 275.00 FEET, A DELTA ANGLE OF 76°38'26" FOR AN ARC LENGTH OF 367.85 FEET, SUBTENDED BY A CHORD THAT BEARS S32°50'35" E FOR A CHORD LENGTH OF 341.03 FEET TO A POINT; 6) A COURSE OF S5°28'38"W FOR A DISTANCE OF 100.00 FEET TO A POINT; 7) ALONG THE ARC OF A CIRCULAR CURVE WITH A RADIUS OF 863.01 FEET, A DELTA ANGLE OF 8°31'14" FOR AN ARC LENGTH OF 128.34 FEET, SUBTENDED BY A CHORD THAT BEARS S1°13'00" W FOR A CHORD LENGTH OF 128.22 FEET TO A POINT; 8) A COURSE OF S3°02'37"E FOR A DISTANCE OF 40.08 FEET TO A POINT; AND 9) ALONG THE ARC OF A CIRCULAR CURVE WITH A RADIUS OF 31.00 FEET, A DELTA ANGLE OF 61°37'41" FOR AN ARC LENGTH OF 33.34 FEET, SUBTENDED BY A CHORD THAT BEARS S27°46'14" W FOR A CHORD LENGTH OF 31.76 FEET TO A POINT, THE POINT AND PLACE OF BEGINNING.

TRACT II - FEE SIMPLE:

A CERTAIN TRACT OR PARCEL OF REALTY, LYING AND BEING IN TOWN OF MORRISVILLE, WAKE COUNTY, NORTH CAROLINA, BEING MORE FULLY DESCRIBED AS FOLLOWS, VIZ:

BEGINNING AT AN EXISTING IRON PIPE IN THE NORTHERN RIGHT OF WAY LINE OF MORRISVILLE PARKWAY (NCSR 3060, 100' R/W) MARKING THE WESTERN PROPERTY LINE OF PRESTONWOOD COUNTRY CLUB, INC. TRACT "B" (MAP BOOK 1997 PAGE 1148); THENCE WITH THE NORTHERN RIGHT OF WAY LINE OF MORRISVILLE PARKWAY A COURSE OF S 86°59'50" W FOR A DISTANCE OF 154.43 FEET TO A CHISELED X-CUT IN CONCRETE; THENCE WITH THE EASTERN AND THEN NORTHERN RIGHT OF WAY LINE OF DOUBLE EAGLE COURT (PUBLIC, 50' R/W, BOOK OF MAPS 1997 PAGE 1148) THE FOLLOWING EIGHT CALLS: 1) ALONG THE ARC OF A CIRCULAR CURVE WITH A RADIUS OF 31.00 FEET, A DELTA ANGLE OF 89°57'33" FOR AN ARC LENGTH OF 48.67 FEET, SUBTENDED BY A CHORD THAT BEARS N 48°01'23" W FOR A CHORD LENGTH OF 43.83 FEET TO A POINT; 2) A COURSE OF N 3°02'37" W FOR A DISTANCE OF 40.15 FEET TO A POINT; 3) ALONG THE ARC OF A CIRCULAR CURVE WITH A RADIUS OF 813.01 FEET, A DELTA ANGLE OF 8°31'14" FOR AN ARC LENGTH OF 120.91 FEET, SUBTENDED BY A CHORD THAT BEARS N 1°13'00" E FOR A CHORD LENGTH OF 120.79 FEET TO A POINT; 4) A COURSE OF N 5°28'38" E FOR A DISTANCE OF 100.00 FEET TO A POINT; 5) ALONG THE ARC OF A CIRCULAR CURVE WITH A RADIUS OF 325.00 FEET, A DELTA ANGLE OF 76°38'26" FOR AN ARC LENGTH OF 434.73 FEET, SUBTENDED BY A CHORD THAT BEARS N 32°50'35" W FOR A CHORD LENGTH OF 403.04 FEET TO A POINT; 6) A COURSE OF N 71°09'48" W FOR A DISTANCE OF 130.81 FEET TO A POINT; 7) ALONG THE ARC OF A CIRCULAR CURVE WITH A RADIUS OF 280.92 FEET, A DELTA ANGLE OF 3°17'38" FOR AN ARC LENGTH OF 16.15 FEET, SUBTENDED BY A CHORD THAT BEARS N 69°31'00" W FOR A CHORD LENGTH OF 16.15 FEET TO A POINT; AND 8) ALONG THE ARC OF A CIRCULAR CURVE WITH A RADIUS OF 50.00 FEET, A DELTA ANGLE OF 52°11'15" FOR AN ARC LENGTH OF 45.54 FEET, SUBTENDED BY A CHORD THAT BEARS N 41°46'33" W FOR A CHORD LENGTH OF 43.98 FEET TO AN IRON PIPE SET MARKING A WEST LINE FOR SAID PRESTONWOOD COUNTRY CLUB TRACT "B"; THENCE THE FOLLOWING SEVEN CALLS WITH SAID PRESTONWOOD TRACT "B": 1) A COURSE OF N 22°44'05" E FOR A DISTANCE OF 82.48 FEET TO AN IRON PIPE SET; 2) A COURSE OF N 55°04'38" E FOR A DISTANCE OF 414.42 FEET TO AN X CUT ON A SANITARY MANHOLE; 3) A COURSE OF S 81°15'25" E FOR A DISTANCE OF 202.07 FEET TO AN IRON PIPE SET; 4) A COURSE OF S 25°06'34" E FOR A DISTANCE OF 368.21 FEET TO AN IRON PIPE SET; 5) A COURSE OF S 16°41'35" W FOR A DISTANCE OF 335.56 FEET TO AN IRON PIPE SET; 6) A COURSE OF S 46°59'26" W FOR A DISTANCE OF 170.33 FEET TO AN IRON PIPE SET; AND 7) A COURSE OF S 15°00'08" E FOR A DISTANCE OF 220.00 FEET TO AN EXISTING IRON PIPE, THE POINT AND PLACE OF BEGINNING.

TRACT III - EASEMENT:

TOGETHER WITH ALL OF GRANTOR'S RIGHT, TITLE AND INTEREST IN AND TO THE EASEMENTS AS DESCRIBED IN THAT DEED OF EASEMENT BY AND BETWEEN PRESTONWOOD COUNTRY CLUB, INC., A NORTH CAROLINA CORPORATION (GRANTOR) AND LEGENDS AT PRESTON LLC, A CALIFORNIA LIMITED LIABILITY COMPANY (GRANTEE) RECORDED IN BOOK 7845, PAGE 948, WAKE COUNTY REGISTRY, THE DESCRIPTIONS OF WHICH ARE INCORPORATED HEREIN BY REFERENCE.

Schedule B

LIST OF SELLERS' DELIVERIES

LEGAL

- 1 Existing Title Policy with underlying documents
- 2 Existing ALTA As-Built Survey
- 3 Legal description of the property
- 4 City development agreements and impact fees
- 5 Restrictive covenants, easements, and common area agreements, including any invoices for prior 2 years associated therewith
- 6 Summary of all pending or threatened litigation, or written statement that none exists
- 7 Loss run from completion of the property
- 8 Ground Leases, Master Leases
- 9 Insurance certificates currently in place

OPERATIONS / PROPERTY MANAGEMENT

- 10 Inventory of Personal Property
- 11 All resident lease agreements and any amendments
- 12 Tenant demographic profile
- 13 Rent roll indicating unit number, square feet, lease beginning/ending dates, and market rents (in Excel)
- 14 Prospect traffic report
- 15 History of concessions, including a concession schedule reflecting all up-front concessions for lessees in place
- 16 Accounts Receivable Report for the training 12 months
- 17 List of security / pet deposits current in place
- 18 Parking and garage income / assignments by unit
- 19 Capital Expenditure Schedule for the past 12 months, with dollar amounts
- 21 Operating statements for the previous fiscal year as well as year-to-date statement (in Excel)
General Ledger (redacted for balance sheet / equity accounts)
- 24 Utility bills for the Property for the previous 12 months
- 25 Real estate tax bills and assessments for the Property for the previous year, including any appeal information
- 26 Any leasing and management reports and comparable property market surveys
- 27 Standard Lease Form
- 28 Prospective Tenant Lease Application Form Credit Report Form and detailed credit approval criteria
- 29 List of all employees involved in the operation of the Property with date of hire, salary, rent concessions and bonus schedule
- 30 List and copies of service contracts, equipment leases, maintenance agreements
- 31 All licenses, permits (including construction), Certificates of Occupancy for the Property

PHYSICAL ASSESSMENT

- 33 Floor plans (.jpeg or .eps format)
- 34 Complete construction drawings, including civil, architectural, MEP, landscaping and a structural (digital format)
- 35 As-built drawings and engineering calculations, including recent mechanical/electrical changes
- 38 Existing Environmental Reports, including any reports related to radon
- 39 Existing Soils / Geotech Reports if available
- *40 Any other physical reports of the Property in Seller's possession or obtainable by Seller, including asbestos and mechanical
- *41 List of Hazardous Material in use at the Property as well as any air quality inspections / surveys
- 42 Compliance letters (ADA, fire, building codes, etc.)
- 43 Most recent life safety inspection report and an invoice from vendor associated therewith
- 44 Any warranties and guaranties for building construction or systems, including from any general or sub-contractors if available
- 45 Temtite Report/ Bond and evidence of current payment
- 46 Zoning compliance letter of governmental authorities or similar evidence of zoning compliance.
Green Certifications (GreenPoint Rated New Home Multifamily, GreenPoint Rated Whole Building Existing Multifamily, Enterprise Green Communities Criteria, Green Globes Multifamily for Existing Buildings, Green Gobes Multifamily for New Construction, NGBS Green Home Remodeling Project Certification, NGBS Multifamily Certification, ILFI Zero Energy Certification, Passive House Institute Passive House Standard, PHIUS+, EarthCraft, ENERGY STAR® Certified Homes, ENERGY STAR® for Existing Multifamily Building, ENERGY STAR® Qualified Multifamily High-Rise-Prescriptive and Performance Path, LEED Building Design and Construction, LEED for Homes, LEED Operations Maintenance) if available

GENERAL

- 48 Aerial Photograph Indicating Site
- 49 Site Plans, Leasing Brochures, Maps, & Photographs (in .jpeg or .eps format)

Strictly Confidential

*both in Phase I

Schedule C-1

INTENTIONALLY DELETED

Schedule C-2

INVENTORY OF SOVEREIGN PERSONAL PROPERTY

Please see attached.

Schedule C-3

INVENTORY OF LEIGH HOUSE PERSONAL PROPERTY

Please see attached.

Schedule C-4

INVENTORY OF PRESTON VIEW PERSONAL PROPERTY

Please see attached.

Schedule C-5

EXCLUDED PERSONAL PROPERTY

Please see attached.

Schedule 2.1(b)(iii)

LEIGH HOUSE CONSTRUCTION CONTRACTS AND WARRANTIES

Please see attached.

Schedule 2.2(a)

SELLER GROUP, PROPERTY GROUP, AND ALLOCABLE PURCHASE PRICE

The aggregate purchase price for the entire Property Group is \$325,000,000.00. This aggregate price is allocated as follows.

Sellers and Properties under this Agreement (Three Property Purchase Agreement):

SELLER NAME	PROPERTY NAME AND LOCATION	ALLOCABLE PURCHASE PRICE FOR PROPERTY	ALLOCABLE PURCHASE PRICE AS PERCENTAGE OF \$325,000,000.00 AGGREGATE PRICE	ALLOCABLE PORTION OF EARNEST MONEY
BR Carroll Keller Crossing, LLC , a Delaware limited liability company	The Sovereign Apartments 5301 North Tarrant Parkway Fort Worth, Texas 76244 (Tarrant County)	\$ 53,000,000.00	16.31%	\$ 2,038,461.00
BR-TBR Lake Boone NC Owner, LLC , a Delaware limited liability company	Leigh House Apartments 2421 Landmark Drive Raleigh, North Carolina 27607 (Wake County)	\$ 51,975,000.00	15.99%	\$ 1,999,039.00
BR Preston View, LLC , a Delaware limited liability company	Preston View Apartments 1000 Stony Court Morrisville, North Carolina 27560 (Wake County)	\$ 64,000,000.00	19.69%	\$ 2,461,539.00
TOTALS FOR THIS AGREEMENT:		\$168,975,000.00	51.99%	\$ 6,499,039.00

(CONTINUED ON NEXT PAGE)

Sorrel Phillips Creek Ranch Purchase Agreement:

SELLER NAME	PROPERTY NAME AND LOCATION	ALLOCABLE PURCHASE PRICE FOR PROPERTY	ALLOCABLE PURCHASE PRICE AS PERCENTAGE OF \$325,000,000.00 AGGREGATE PRICE	ALLOCABLE PORTION OF EARNEST MONEY
BR Carroll Phillips Creek Ranch, LLC , a Delaware limited liability company	Sorrel Phillips Creek Ranch Apartments 5050 FM423 Frisco, Texas 75036 (Denton County)	\$ 57,904,000.00	17.82%	\$ 2,227,077.00

Landings at Four Corners Purchase Agreement:

SELLER NAME	PROPERTY NAME AND LOCATION	ALLOCABLE PURCHASE PRICE FOR PROPERTY	ALLOCABLE PURCHASE PRICE AS PERCENTAGE OF \$325,000,000.00 AGGREGATE PRICE	ALLOCABLE PORTION OF EARNEST MONEY
BR Four Corners Orlando, DST , a Delaware statutory trust	Landings at Four Corners Apartments 1000 Ketner Street Davenport, Florida 33897 (Polk County)	\$ 51,275,000.00	15.78%	\$ 1,972,115.00

ARIUM Palms Purchase Agreement:

SELLER NAME	PROPERTY NAME AND LOCATION	ALLOCABLE PURCHASE PRICE FOR PROPERTY	ALLOCABLE PURCHASE PRICE AS PERCENTAGE OF \$325,000,000.00 AGGREGATE PRICE	ALLOCABLE PORTION OF EARNEST MONEY
BR World Gateway, LLC , a Delaware limited liability company	ARIUM Palms at World Gateway Apartments 9000 Avenue Pointe Circle Orlando, Florida 32821 (Orange County)	\$ 46,846,000.00	14.41%	\$ 1,801,769.00

(CONTINUED ON NEXT PAGE)

TOTALS FOR ALL FOUR PURCHASE AGREEMENTS:

AGGREGATE PURCHASE PRICE	ALLOCABLE PURCHASE PRICES AS PERCENTAGE OF \$325,000,000.00 AGGREGATE PRICE	AGGREGATE EARNEST MONEY
\$ 325,000,000.00	100.00% \$	12,500,000.00

Schedule 3.1

SELLERS' CORE DELIVERIES

Any and all information contained on that certain website with a domain name of: _____ . [NTD: At execution, download/delete privileges will be revoked and an email of the images of the site will be sent to both parties. A new site will be created for any incremental requests/documents.]

Schedule 3.1(h)

LITIGATION

Schedule 3.1(i)

NOTICES OF VIOLATION

Schedule 3.1(j)-1

INTENTIONALLY DELETED

Schedule 3.1(j)-2

SOVEREIGN CONTRACTS

Please see attached.

Schedule 3.1(j)-3

LEIGH HOUSE CONTRACTS

Please see attached.

Schedule 3.1(j)-4

PRESTON VIEW CONTRACTS

Please see attached.

Schedule 3.1(k)-1

INTENTIONALLY DELETED

Schedule 3.1(k)-2

SOVEREIGN RENT ROLL

Please see attached.

Schedule 3.1(k)-3

LEIGH HOUSE RENT ROLL

Please see attached.

Schedule 3.1(k)-4

PRESTON VIEW RENT ROLL

Please see attached.

Schedule 3.1(q)-1

INTENTIONALLY DELETED

Schedule 3.1(q)-2

SOVEREIGN INSURANCE CERTIFICATE

Please see attached.

Schedule 3.1(q)-3

LEIGH HOUSE INSURANCE CERTIFICATE

Please see attached.

Schedule 3.1(q)-4

PRESTON VIEW INSURANCE CERTIFICATE

Please see attached.

Exhibit A

FORM OF BILL OF SALE AND ASSIGNMENT

**BILL OF SALE AND ASSIGNMENT AND ASSUMPTION OF
LEASES, CONTRACTS AND GENERAL INTANGIBLES**

THIS BILL OF SALE AND ASSIGNMENT AND ASSUMPTION OF LEASES, CONTRACTS AND GENERAL INTANGIBLES (this “Agreement”) is made and entered into this [____]day of [____], 2019, by and between [____], a [____] (“Seller”), and [____], a [____] (“Purchaser”).

WITNESSETH:

WHEREAS, Seller, [Purchaser] and certain additional parties have previously entered into that certain Purchase and Sale Agreement, dated as of June ____, 2019 [DESCRIBE AMENDMENTS, IF APPLICABLE] (the “Purchase Agreement”);

WHEREAS, concurrently with the execution and delivery of this Agreement and pursuant to the Purchase Agreement, Seller is conveying to Purchaser, by Special Warranty Deed, (i) those certain tracts or parcels of real property located in [____] County, [____], and more particularly described on Exhibit A, attached hereto and made a part hereof (the “Land”), (ii) the rights, easements and appurtenances pertaining to the Land (the “Related Rights”), and (iii) the buildings, structures, fixtures and other improvements on and within the Land (the “Improvements”; and the Land, the Related Rights and the Improvements being sometimes collectively referred to as the “Real Property”);

WHEREAS, Seller has agreed to convey to Purchaser certain personal property and assign to Purchaser certain leases, service contracts, and intangible rights as hereinafter set forth;

NOW, THEREFORE, in consideration of the receipt of Ten Dollars (\$10.00), the assumptions by Purchaser hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser agree as follows:

1. Bill of Sale.

(a) Seller hereby sells, assigns, transfers and conveys to Purchaser, without representation or warranty, all of Seller’s right, title and interest in, to and under the Personal Property and the Intangible Property.

(b) “Personal Property” shall have the meaning ascribed to such term in the Purchase Agreement.

(c) “Intangible Property” shall mean, collectively, the following **[to be conformed for applicable Property as set forth in Section 2.1]**:

(1) to the extent they may be freely transferred by Seller under Applicable Law without third-party consent (unless any such consent is obtained by Purchaser at Purchaser’s sole cost and expense), all licenses, certificates of occupancy, permits, approvals and authorizations presently issued in connection with the operation of all or any part of the Real Property as it is presently being operated;

(2) to the extent freely assignable by Seller without any third party’s consent (unless any such consent is obtained by Purchaser at Purchaser’s sole cost and expense), all guaranties and warranties, if any, in favor of Seller by any manufacturer or contractor in connection with construction or installation of equipment or any component of the Improvements; and

(3) all other intangible property relating to the Real Property or the Personal Property and not otherwise described or excluded herein, including, but not limited to, assignable telephone exchanges, trade names and trademarks used by Seller in connection with the operation of [_____], including Seller’s right, title and interest in (i) the name “_____”, (ii) all variations of such name used or owned by Seller, and (iii) all other names utilized or owned by Seller with respect to the Real Property or the Improvements; [domain names and websites used exclusively in the operation of the apartment complex located on the Real Property commonly known as “_____”, including, without limitation, [https://www._____.com/;](https://www._____.com/)]¹ architectural drawings, plans and specifications, as-built drawings, and advertising materials (in each case, solely to the extent delivered to Purchaser prior to the Effective Date or located on-site as of the date hereof); and assignable development rights.

[NOTE TO DRAFT: ADD THE FOLLOWING FOR LEIGH HOUSE: “On a non-exclusive basis only, and solely to the extent that any other parties to such agreements consent to such assignment (if such parties have a consent right over assignments), Seller’s rights, but not its obligations, under all guaranties, warranties, and agreements from contractors, subcontractors, vendors and suppliers regarding their performance, quality of workmanship and quality of materials supplied in connection with the construction, manufacture, development, installation and operation of any and all Improvements and Personal Property, a complete schedule of which is attached hereto as Schedule 1(c) (collectively the “Construction Contracts and Warranties”)]

(d) Seller hereby represents and warrants to Purchaser that (a) the Personal Property and Intangible Property are not subject to any assignment, claim, lien or encumbrance, and that no circumstance has occurred that, with notice or the passage of time or both, will constitute such an assignment, claim, lien or encumbrance, and (b) Seller owns and has the right to grant, convey, bargain, sell, assign, transfer, set over and deliver the Personal Property and Intangible Property as hereinabove provided.

¹ NTD: Exclude from Properties where URL cannot be assigned.

(e) Seller hereby binds itself, its legal representatives, successors and assigns, to WARRANT, and FOREVER DEFEND title to the Personal Property and Intangible Property unto Purchaser, its legal representatives, successors and assigns, against every Person claiming by, through or under Seller, but against no other.

2. Assignment and Assumption of Leases.

(a) Seller hereby sells, assigns, transfers and conveys to Purchaser all of Seller's right, title and interest as landlord in, to and those Leases (as defined in the Purchase Agreement) which are described in Exhibit B attached to this Agreement, together with any and all unapplied Refundable Security Deposits (as defined in the Purchase Agreement). The Refundable Security Deposits are set forth on Exhibit B. The assignment of the Refundable Security Deposits has been made by means of a credit or payment on the closing statement executed by Seller and Purchaser pursuant to the Purchase Agreement.

(b) Purchaser hereby assumes all of the covenants, agreements, conditions and other terms and provisions stated in the Leases which, under the terms of the Leases, are to be performed, observed, and complied with by the landlord from and after the date of this Agreement. Purchaser acknowledges that Purchaser shall become solely responsible and liable as landlord under the Leases for obligations arising or accruing from and after the date hereof. It is specifically agreed between Seller and Purchaser that Seller shall remain liable for the performance of the obligations to be performed by Seller under the described in Exhibit B which were required to be performed prior to (but not from and after) the date hereof.

(c) Purchaser shall indemnify, hold harmless and defend Seller from and against any and all claims, demands, causes of action, liabilities, losses, costs, damages and expenses (including reasonable attorneys' fees and expenses and court costs incurred in defending any such claim or in enforcing this indemnity) that may be incurred by Seller by reason of the failure of Purchaser to perform, observe and comply with the landlord's obligations under any of the Leases arising or accruing during the period from and after the date hereof, including without limitation, claims made by tenants with respect to the Refundable Security Deposits (to the extent paid or assigned to Purchaser or for which Purchaser has received a credit or payment at Closing). Seller shall indemnify, hold harmless and defend Purchaser from and against any and all claims, demands, causes of action, liabilities, losses, costs, damages and expenses (including reasonable attorneys' fees and expenses and court costs incurred in defending any such claim or in enforcing this indemnity) that may be incurred by Purchaser by reason of the failure of Seller to perform, observe and comply with the landlord's obligations under any of the Leases arising or accruing during the period prior to the date hereof, including without limitation, claims made by tenants with respect to the Refundable Security Deposits arising before the date hereof (to the extent such Refundable Security Deposits were not paid or assigned to Purchaser or for which Purchaser did not receive a credit or payment at Closing).

(d) For purposes of this Paragraph 2, the word "landlord" means the landlord, lessor or other equivalent party under any of the Leases, and the word "tenant" means the tenant, lessee or other equivalent party under any of the Leases.

3. Assignment and Assumption of Contracts.

(a) Seller hereby sells, assigns, transfers and conveys to Purchaser all of Seller's right, title and interest in, to and under those service, supply and similar agreements set forth on Exhibit C, attached hereto and made part hereof (the "Contracts").

(b) Purchaser hereby assumes all of the covenants, agreements, conditions and other terms and provisions stated in the Contracts which, under the terms of the Contracts, are to be performed, observed, and complied with by the property owner from and after the date of this Agreement. Purchaser acknowledges that Purchaser shall become solely responsible and liable under the Contracts for obligations arising or accruing from and after the date hereof, including with respect to any and all payments coming due under the Contracts for which Purchaser has received a credit or payment on the closing statement executed by Purchaser and Seller (the "Credited Payments"). It is specifically agreed between Seller and Purchaser that Seller shall remain liable for the performance of the obligations to be performed by Seller under the Contracts which were required to be performed prior to (but not from and after) the date hereof.

(c) Purchaser shall indemnify, hold harmless and defend Seller from and against any and all claims, demands, causes of action, liabilities, losses, costs, damages and expenses (including reasonable attorneys' fees and expenses and court costs incurred in defending any such claim or in enforcing this indemnity) that may be incurred by Seller by reason of the failure of Purchaser to perform, observe and comply with its obligations under any of the Contracts arising or accruing during the period from and after the date hereof, including without limitation, claims made by any other contract party with respect to the Credited Payments (to the extent paid or assigned to Purchaser or for which Purchaser received a credit or payment at Closing). Seller shall indemnify, hold harmless and defend Purchaser from and against any and all claims, demands, causes of action, liabilities, losses, costs, damages and expenses (including reasonable attorneys' fees and expenses and court costs incurred in defending any such claim or in enforcing this indemnity) that may be incurred by Purchaser by reason of the failure of Seller to perform, observe and comply with its obligations under any of the Contracts arising or accruing during the period prior to the date hereof, including without limitation, claims made by any other contract party with respect to the Credited Payments, arising before the date hereof (to the extent such Credited Payments were not paid or assigned to Purchaser or for which Purchaser did not receive a credit or payment at Closing).

4. Qualifications. This Agreement is subject to those provisions of the Purchase Agreement limiting Seller's liability to Purchaser, including but not limited to Article 11 of the Purchase Agreement.

5. Counterparts. This Agreement may be executed in two or more identical counterparts, and it shall not be necessary that any one of the counterparts be executed by all of the parties hereto. Each fully or partially executed counterpart shall be deemed an original, but all of such counterparts taken together shall constitute one and the same instrument.

6. Successors and Assigns. This Agreement shall inure to the benefit of, and be binding upon, the successors, executors, administrators, legal representatives and assigns of the parties hereto.

7. Governing Law. This Agreement shall be construed under and enforced in accordance with the laws of the State of New York.

EXECUTED effective as of the date first above written.

SELLER:

_____,
a _____

By: _____, a

By: _____
Name: _____
Title: _____

PURCHASER:

_____,
a _____

By: _____

Name: _____

Title: _____

Exhibits to Bill of Sale and Assignment

A - Legal Description of Land

B - List of Leases

C - List of Assumed Contracts

Exhibit B

FORM OF TENANT NOTICE

[TO BE REVISED TO COMPLY WITH APPLICABLE STATE LAW IF NECESSARY]

NOTICE TO TENANT

[_____], 2019

To: Tenants of [_____]

Re: Sale by [_____], a [_____] (the "Landlord"), to
_____, a _____ (the "New Landlord"), of the property known as
"[_____]" located at [_____] (the "Property")

Dear Tenant:

Please be advised that the Property has been sold and your lease (the "Lease") has been assigned by Landlord to New Landlord. New Landlord has assumed all of the obligations under your Lease accruing from and after this day, including any obligations to return your security deposit, if any, in accordance with the terms of your Lease.

Until further notice, all correspondence and notices shall be directed, and all rents, additional rents and other charges under the Lease shall be paid, to New Landlord at the following address:

[_____

_____]

Please make all rent checks payable to [_____].

Your security deposit, if any, under the Lease has been transferred to New Landlord.

Thank you for your assistance and cooperation during this transition.

[Signature page follows]

LANDLORD:

[_____], a
[_____]

By: _____

Name: _____

Title: _____

Exhibit C

**FORM OF
CONDOMINIUM CONVERSION PROHIBITION AGREEMENT**

[TO BE ADAPTED TO THE REQUIREMENTS OF EACH PROPERTY JURISDICTION]

Return after recording to:

SPACE ABOVE THIS LINE FOR RECORDER'S USE

[_____]

**PROHIBITION AGAINST
CONDOMINIUM CONVERSION AGREEMENT**

THIS PROHIBITION AGAINST CONDOMINIUM CONVERSION AGREEMENT (the "Condominium Agreement") is made and entered into as of [_____], 2019, by and between _____ ("Purchaser"), and [_____], a [_____] ("Seller").

WITNESSETH:

WHEREAS, Seller and Purchaser, together with certain other parties, have entered into that certain Purchase and Sale Agreement dated as of June ____, 2019 (the "Sale Agreement") relating to, among other things, the sale by Seller to Purchaser of that parcel of real property located in [_____] County, [_____] and more particularly described on Exhibit "A" attached hereto (the "Land"), together with certain apartment buildings and related personal property and other rights located thereon and relating thereto (the "Improvements"; and the Land and the Improvements collectively referred to herein as the "Property").

WHEREAS, as a condition to Seller conveying the Property to Purchaser and in consideration of Seller accepting the purchase price and conveying the Property as set forth in the Sale Agreement to Purchaser, Purchaser has agreed with Seller to execute and record this Condominium Agreement providing for certain restrictions relating to the future use of the Property for a period of time after the date of this Condominium Agreement as more fully set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and undertakings set forth herein, and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, Seller and Purchaser hereby agree as follows:

Section 1. Definitions and Interpretation. The following terms shall have the respective meanings assigned to them in this Section I unless the context in which they are used clearly requires otherwise:

“Condominium Conversion” - Shall mean the filing or recording of any document providing for the conversion of the Property to a form of condominium ownership under any state or local statute or ordinance.

“County” - The county in which the Land is located.

“Deed” - Special Warranty Deed.

“Event of Default” - As defined in Section 11 hereof.

“First Mortgage” – As defined in Section 20(a) hereof.

“First Mortgagee” – As defined in Section 20(a) hereof.

“Hazardous Materials” or “Hazardous Substances” - Shall mean (i) hazardous wastes, hazardous materials, hazardous substances, hazardous constituents, toxic substances or related materials, whether solids, liquids or gases, including but not limited to substances defined as “hazardous wastes,” “hazardous materials,” “hazardous substances,” “toxic substances,” “pollutants,” “contaminants,” “radioactive materials,” “toxic pollutants,” or other similar designations in, or otherwise subject to regulation under, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (“CERCLA”), 42 U.S.C. § 9601 et seq.; the Toxic Substance Control Act (“TSCA”), 15 U.S.C. § 2601 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. § 1802; the Resource Conservation and Recovery Act (“RCRA”), 42 U.S.C. § 9601, et seq.; the Clean Water Act (“CWA”), 33 U.S.C. § 1251 et seq.; the Safe Drinking Water Act, 42 U.S.C. § 300f et seq.; the Clean Air Act (“CAA”), 42 U.S.C. § 7401 et seq.; any Regional Water Quality Control Board; and in any permits, licenses, approvals, plans, rules, regulations or ordinances adopted, or other criteria and guidelines promulgated pursuant to the preceding laws or other similar federal, state or local laws, regulations, rules or ordinance now or hereafter in effect relating to environmental matters; and (ii) any other substances, constituents or wastes subject to any applicable federal, state or local law, regulation or ordinance, including any environmental law, now or hereafter in effect, including but not limited to (A) petroleum, (B) refined petroleum products, (C) waste oil, (D) waste aviation or motor vehicle fuel and their byproducts, (E) asbestos, (F) lead in water, paint or elsewhere, (G) radon, (H) Polychlorinated Biphenyls (PCB’s), (I) ureaformaldehyde, (J) volatile organic compounds (VOC), (K) total petroleum hydrocarbons (TPH), (L) benzene derivative (BTEX), (M) petroleum byproducts and (N) methane gas or any of its derivatives.

“Improvements” - As defined in the Recitals hereof.

“Indemnified Parties” - As defined in Section 3 hereof.

“Land” - As defined in the Recitals hereof.

“Property” - As defined in the Recitals hereof.

“Property Conditions” - As defined in Section 3 hereof.

“Related Parties” – Bluerock Real Estate, L.L.C., a Delaware limited liability company, and its successors and assigns.

“Residential Rental Property” - Shall mean property used for the rental of apartments to the general public under leases providing for residential use by any occupant of any apartment.

“Purchaser” - As defined in the Preamble hereof. In the event more than one person and/or entity executes this Condominium Agreement as Purchaser, each such person and/or entity which comprises Purchaser under this Condominium Agreement shall be jointly and severally liable for all of the obligations, covenants, liabilities and indemnifications of the Purchaser under this Condominium Agreement.

“Seller” - As defined in the Preamble hereof.

“Term” - As defined in Section 7 herein.

“Units” - Shall mean any portion of the Property created in connection with any Condominium Conversion.

Section 2. No Condominium Conversion.

(a) During the Term of this Condominium Agreement:

(i) The Property shall not be subject to any Condominium Conversion and no portion of the Property shall be converted to Units for sale in connection with a Condominium Conversion, nor shall the title to any such Units be transferred to any party.

(ii) No part of the Property will at any time be owned or used as a cooperative housing corporation, community apartment property or stock corporation.

Section 3. Indemnification. In the event any of the provisions of Section 2 hereof are breached, the then current owner of the Property (“Indemnitor”) agrees to indemnify, defend and hold harmless the Seller, and each of its members, partners, officers, directors, trustees, affiliates (including, but not limited to, Bluerock Real Estate, L.L.C. and Bluerock Residential Growth REIT, Inc.), parents, subsidiaries, shareholders, managers, beneficiaries, employees and agents (collectively, the “Indemnified Parties”) from any and all demands, claims, including claims for personal injury, property damage or death, legal or administrative proceedings, losses, liabilities, damages, penalties, fines, liens, judgments, costs or expenses whatsoever, whether in tort, contract or otherwise (including without limitation, court costs and reasonable attorneys’ fees and disbursements) arising out of, or in any way relating to: (a) claims made or brought by any party or parties who acquire or contract to acquire any Units in the Property (or any cooperative housing corporation, community apartment property or stock corporation interests in the Property) following the date hereof, their agents, employees and successors and assigns in connection with or related to (i) the physical condition of the Property, including, without limitation, latent or patent defects, and claims relating to the existence of asbestos, any other construction defects, claims relating to mold, all structural and seismic elements, all mechanical, electrical, plumbing, sewage, heating, ventilating, air conditioning and other systems, the environmental condition of the Property and the presence of Hazardous Materials or Hazardous Substances on, under or about the Property, and (ii) any law or regulation applicable to the Property, including, without limitation, any environmental law and any other federal, state or local law (the matters described in (i) and (ii) hereof collectively the “Property Conditions”); and (b) a breach of any of the covenants, terms and conditions of this Condominium Agreement by Indemnitor. Indemnitor consents to the right of Indemnified Parties to approve and appoint defense counsel and to participate in or assume the defense of any claim. Until any determination is made in any appropriate legal proceeding challenging the obligation of Indemnitor herein, Indemnitor’s obligations under all the terms and provisions of this Section shall remain in full force and effect. Indemnitor acknowledges that it is a sophisticated and experienced purchaser of real estate and has reviewed with its counsel the full meaning and affect of the foregoing indemnity.

Section 4. Consideration. In consideration of the Seller's acceptance of the purchase price for the Property from Purchaser, Purchaser has entered into this Condominium Agreement and has agreed to restrict the uses to which the Property can be put on the terms and conditions set forth herein.

Section 5. Intentionally deleted.

Section 6. Intentionally deleted.

Section 7. Term. This Condominium Agreement shall become effective upon its execution and delivery and shall remain in full force and effect until [_____] (the "Term")². Upon the expiration of the Term, the parties hereto agree to execute, deliver and record appropriate instruments of release and discharge of the terms hereof; provided, however, that the execution and delivery of such instruments shall not be necessary or a prerequisite to the termination of this Condominium Agreement in accordance with its terms.

Section 8. Covenants to Run With the Land. The Purchaser and Seller hereby subject the Property to the covenants, reservations and restrictions set forth in this Condominium Agreement. The Purchaser and the Seller hereby declare their express intent that the covenants, reservations and restrictions set forth herein shall be deemed covenants running with the land and shall pass to and be binding upon the Purchaser's successors in title to the Property; provided, however, that on the termination of this Condominium Agreement said covenants, reservations and restrictions shall expire. Each and every contract, deed or other instrument hereafter executed covering or conveying the Property or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instrument.

² NTD: to be based on each state's statute of repose running from the Closing Date (NC: the date which is six (6) years from the Closing Date; FL and TX: 10 years from the Closing Date)

Section 9. Burden and Benefit. The Purchaser and Seller hereby declare their understanding and intent that the burden of the covenants set forth herein touch and concern the Land in that the Purchaser's legal interest in the Property is rendered less valuable thereby. The Purchaser and Seller hereby further declare their understanding and intent that the benefit of such covenants touch and concern the Land by enhancing and increasing the enjoyment and use of the Property by persons entitled to rent the apartments contained therein.

Section 10. Uniformity: Common Plan. The covenants, reservations and restrictions hereof shall apply uniformly to the entire Property in order to establish and carry out a common plan for the use of the Property.

Section 11. Enforcement. If the Purchaser or any of its successors or assigns defaults in the performance or observance of any covenant, agreement or obligation of the Purchaser and its successors or assigns set forth in this Condominium Agreement, then the Seller or any of the Indemnified Parties may declare an "Event of Default" to have occurred hereunder, and, at any of said Parties option, it may take any one or more of the following steps: (a) by mandamus or other suit, action or proceeding at law or in equity, to require the Purchaser and its successors and assigns to perform its obligations and covenants hereunder, or enjoin any acts or things which may be unlawful or in violation of the rights of the Seller hereunder; or (b) take such other action at law or in equity as may appear reasonably necessary to enforce the obligations, covenants and agreements of the Purchaser hereunder. All rights and remedies as set forth herein shall be cumulative and non-exclusive to the extent permitted by law.

Section 12. Recording and Filing. The Seller shall cause this Condominium Agreement and all amendments and supplements hereto and thereto, to be recorded and filed in the real property records of the County. The Seller shall pay all fees and charges incurred in connection with any such recording.

Section 13. Attorneys' Fees. In the event that a party to this Condominium Agreement brings an action against any other party to this Condominium Agreement by reason of the breach of any condition or covenant, representation or warranty in this Condominium Agreement, or otherwise arising out of this Condominium Agreement, the prevailing party in such action shall be entitled to recover from the other reasonable attorneys' fees to be fixed by the court which shall render a judgment, as well as the costs of suit.

Section 14. Governing Law. This Condominium Agreement shall be governed by the laws of the State of [_____].

Section 15. Amendments. This Condominium Agreement shall be amended only with the express written consent of the Seller, or by any one (1) of the Related Parties for or on behalf of the Seller, by a written instrument executed by the parties hereto or their successors in title, and duly recorded in the real property records of the County.

Section 16. Execution of Termination. Any one (1) of the Related Parties is authorized and empowered to execute a termination of this Condominium Agreement with the full force and effect as though it had been executed by the Seller.

Section 17. Notice. Any notice required to be given hereunder shall be made in writing and shall be given by personal delivery, overnight courier, or certified or registered mail, postage prepaid, return receipt requested, at the addresses specified below, or at such other addresses as may be specified in writing by the parties hereto:

TO SELLER:

c/o Bluerock Real Estate, L.L.C.
712 Fifth Avenue
9th Floor
New York, NY 10019
Attention: Ryan MacDonald

With a copy (which shall not constitute notice) to:

c/o Bluerock Real Estate, L.L.C.
712 Fifth Avenue
9th Floor
New York, NY 10019
Attention: Michael L. Konig

And to:

Nelson Mullins Riley & Scarborough LLP
Atlantic Station
201 17th Street NW, Suite 1700
Atlanta, GA 30363
Attention: Eric R. Wilensky, Esq.

TO PURCHASER:

c/o Carter-Haston Holdings, L.L.C.
1230 Peachtree St. NE, Suite 1909
Atlanta, GA 30309
Attention: James A. Shanks

With a copy (which shall not constitute notice) to:

KRE Topaz Portfolio Investor LLC
c/o Kohlberg Kravis Roberts & Co.
600 Travis Street, Suite 7200
Houston, TX 77002
Attention: Paul S. Wasserman

And to:

KRE Topaz Portfolio Investor LLC
c/o Kohlberg Kravis Roberts & Co.
9 West 57th Street, Suite 4200
New York, NY 10019
Attention: Michael Friedland

And to:

Waller Lansden Dortch & Davis, LLP
511 Union Street, Suite 2700
Nashville, TN 37219
Attention: Philip F. Head, Esq.

Notice shall be deemed given three (3) Business Days after the date of mailing, by certified mail, postage prepaid, return receipt requested, or, if personally delivered or delivered by overnight courier, when received.

Section 18. Severability. If any provision of this Condominium Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby.

Section 19. Multiple Counterparts. This Condominium Agreement may be simultaneously executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original.

Section 20. Mortgagee's Rights.

(a) Definitions. For purposes of this Section 20, the following terms shall have the following meanings:

“First Mortgage” shall mean any bona-fide unpaid and outstanding mortgage or deed of trust on the Property or other instrument creating a security interest against the Property having priority of record over all other recorded liens except those governmental liens and statutory liens which are made superior by statute.

“First Mortgagee” shall mean the holder of any First Mortgage.

(b) Transfer of Property to or from First Mortgagee. Notwithstanding anything contained herein to the contrary, in the event of a sale, transfer, or other disposition of the Property including, but not limited to, a conveyance pursuant to a deed-in-lieu of foreclosure or the sale of the Property at a foreclosure to (i) a First Mortgagee, (ii) an affiliate of a First Mortgagee, (iii) a purchaser at a foreclosure sale, and (iv) any transferee of a First Mortgagee or affiliate of a First Mortgagee (collectively a “Foreclosure Purchaser”), shall have no obligation to indemnify, defend and hold harmless Seller or the Related Parties with respect to any Condominium Conversion occurring (x) prior to the date such Foreclosure Purchaser acquires title to the Property (regardless of whether such Foreclosure Purchaser consented to such Condominium Conversion prior to its acquisition of the Property), or (y) following the conveyance of the Property by such Foreclosure Purchaser to a third party purchaser, provided that such Foreclosure Purchaser did not commit a Condominium Conversion during such Foreclosure Purchaser’s period of ownership of the Property. In the event that Foreclosure Purchaser did commit a Condominium Conversion during such Foreclosure Purchaser’s period of ownership of the Property, then Foreclosure Purchaser shall have the obligation to indemnify, defend and hold harmless Seller and the Related Parties with respect to any Condominium Conversion during such Foreclosure Purchaser’s period of ownership. Any third party transferee of a Foreclosure Purchaser shall have the obligation to indemnify, defend and hold harmless Seller and the Related Parties with respect to any Condominium Conversion after such transferee’s acquisition of the Property. In the event of litigation arising out of such indemnifications, covenants or conditions, the prevailing party shall be entitled to recover its reasonable attorneys’ fees and costs of court from the non-prevailing party. Seller acknowledges that Foreclosure Purchaser’s liability under this Condominium Agreement shall be limited to Foreclosure Purchaser’s interest in the Property.

(c) No Amendments. No amendment of this Condominium Agreement shall be effective without the written consent and approval of any First Mortgagee, which shall not be unreasonably withheld, conditioned and/or delayed.

Section 21. Joint and Several Liability of Purchaser. In the event more than one person and/or entity executes this Condominium Agreement as Purchaser, each such person and/or entity which comprises Purchaser under this Condominium Agreement shall be jointly and severally liable for all of the obligations, covenants, liabilities and indemnifications of the Purchaser under this Condominium Agreement.

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

SELLER:

[_____],
a [_____]

By: _____
Name: _____
Title: _____

[ADAPT TO ADD JURISDICTION-SPECIFIC ACKNOWLEDGMENT AND TO
SATISFY ANY OTHER RECORDING REQUIREMENTS]

PURCHASER:

[_____,
a _____]

By: _____
Name: _____
Title: _____

[ADAPT TO ADD JURISDICTION-SPECIFIC ACKNOWLEDGMENT AND TO SATISFY ANY OTHER RECORDING REQUIREMENTS]

Exhibits to Condominium Agreement

Exhibit A – Legal Description of Property

Exhibit D-1

FORM OF TEXAS SPECIAL WARRANTY DEEDS

SPECIAL WARRANTY DEED

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

STATE OF TEXAS §
 §
COUNTY OF _____ §

KNOW ALL PERSONS BY THESE PRESENTS:

That _____, a _____ (“Grantor”), for and in consideration of the sum of Ten and No/100 Dollars (\$10.00), paid to Grantor, has GRANTED, BARGAINED, SOLD and CONVEYED, and by these presents does hereby GRANT, BARGAIN, SELL and CONVEY unto _____, a _____ (“Grantee”), its successors and assigns, in fee simple, that certain tract of land in _____ County, Texas, being more particularly described on Exhibit A attached hereto and incorporated herein by reference for all purposes (the “Land”), together with all of Grantor’s right, title and interest in and to all buildings, structures, fixtures, parking facilities, and other improvements located on the above described Land (collectively, the “Improvements”), together with all of Grantor’s right, title and interest in and to all easements, licenses, covenants, privileges and other rights appurtenant to the Land or the Improvements, and any land lying in the bed of any street, road, avenue or alley, open or closed, in front of or adjoining the Land (collectively, “Appurtenances”; with the Land and Improvements, collectively, the “Property”).

The conveyance is made subject only to the matters described in Exhibit B attached hereto and incorporated herein by this reference, but only to the extent the same are currently valid and enforceable against the Property (collectively, the “Permitted Exceptions”).

TO HAVE AND TO HOLD the Property, together with all and singular the rights and appurtenances thereto in anywise belonging, subject to the Permitted Exceptions, unto Grantee and Grantee’s successors and assigns, forever; and Grantor does hereby bind itself, its successors and assigns, TO WARRANT AND FOREVER DEFEND all and singular the Property unto Grantee, Grantee’s successors and assigns forever against every person whomsoever lawfully claiming or to claim the same or any part thereof by, through or under Grantor but not otherwise, and subject only to the Permitted Exceptions.

Grantee’s address is: _____.

[SIGNATURE PAGE FOLLOWS]

Exhibit D-2

FORM OF NORTH CAROLINA SPECIAL WARRANTY DEEDS

PREPARED BY:

Nelson Mullins Riley & Scarborough LLP (CMR)
GlenLake One
4140 Parklake Avenue
Suite 200
Raleigh, NC 27612

RETURN TO:

Tax Parcel [No.] [Nos.]: [_____]

STATE OF NORTH CAROLINA

Excise Tax: \$_____00

COUNTY OF WAKE

NORTH CAROLINA SPECIAL WARRANTY DEED

THIS DEED is made as of the ____ day of _____, 2019, by _____, a _____, having a mailing address at _____ (“Grantor”), _____, in favor of _____, a _____, having a mailing address at _____ (“Grantee”); the designation Grantor and Grantee as used herein shall include said parties and their respective heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context;

WITNESSETH, that Grantor, for a valuable consideration paid by Grantee, the receipt of which is hereby acknowledged, has and by these presents does grant and convey unto Grantee in fee simple all those certain lots or parcels of land situated in Wake County, North Carolina, and more particularly described as follows:

See **Exhibit A** attached hereto and incorporated herein by reference.

The property hereinabove described was acquired by Grantor by instrument recorded in Book _____ at Page _____ of the Wake County Public Registry.

The above described property does does not include the primary residence of the Grantor.

TO HAVE AND TO HOLD the aforesaid lot or parcel of land and all privileges and appurtenances thereto belonging to Grantee in fee simple;

AND GRANTOR covenants with Grantee that Grantor has done nothing to impair such title as Grantor received, and Grantor will warrant and defend the title against the lawful claims of all persons claiming by, under or through Grantor, except for the exceptions hereinafter stated:

See Exhibit B attached hereto and incorporated herein by reference.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Grantor has caused this instrument to be signed as of the day and year first above written.

GRANTOR:

STATE OF _____

COUNTY OF _____

I certify that _____, in his capacity as the _____ of _____, a _____, personally appeared before me this day, acknowledging to me that he signed the foregoing document:

Date: _____, 2019.

Official Signature of Notary

(Official Seal)

Notary's printed or typed name

My commission expires: _____

Exhibits to North Carolina Special Warranty Deed:

Exhibit A – Legal Description of Land

Exhibit B – Permitted Exceptions

Exhibit E-1

FORM OF TEXAS OWNER/SELLER AFFIDAVITS

**AFFIDAVIT AS TO DEBTS AND LIENS AND PARTIES IN POSSESSION
(ENTITY OWNER)**

GF: _____

SUBJECT PROPERTY: Being a tract of land in _____ County, Texas, and being more fully described in the title commitment for the referenced GF#.

OWNER: _____

SALE TO: _____

STATE OF _____

COUNTY OF _____

BEFORE ME, the undersigned authority, on this day personally appeared the undersigned Affiant, personally known to me to be the person whose name is subscribed hereto and upon oath deposes and says that:

1. To the best knowledge and belief of Affiant:
 - a. The charges for all labor and materials that may have been furnished to the property or to the improvements thereon have been fully paid.
 - b. All contracts for the furnishing of labor or materials to the property or for improvements thereon have been completed and fully paid.
 - c. There are no security agreements or leases affecting any goods or chattels that have become attached, or that will at any later date become attached, to the property or improvements thereon as fixtures that have not been fully performed and satisfied, which are not shown on the referenced title commitment.
 - d. There are no loans of any kind on the property, which are not shown on the referenced title commitment.
 - e. There are no brokers that have a signed commission agreement with Owner under which a commission is claimed or earned and has not been paid, which are not shown on the settlement statements.
2. Affiant has no knowledge of a notice of change of use nor has Owner received written notice of change of use by the appraisal district.
3. The property is currently being used for the following purposes, and to the best knowledge and belief of Affiant, the improvements, if any, and such use does not violate any restrictive covenants affecting the property: **Multifamily apartment community.**
4. Affiant has no knowledge of any proceedings involving Owner, nor has Owner received written notice of, any proceedings, by any agency or authority, public or private, that levies taxes or assessments, which may result in taxes or assessments affecting the property and which are not shown by the referenced title commitment.

5. Affiant has no knowledge of any Judgments, Federal Tax Liens, or State Tax Liens against Owner and/or the property, nor has Owner received written notice of any of the foregoing; and, to Affiant's knowledge, neither Owner nor the Property is subject to a claim under the Medicaid Estate Recovery Program, nor has Owner received written notice of any such claim.
6. (a) All ad valorem and personal property taxes (if any), all "use" type business taxes (if any), including but not limited to hotel use and occupancy taxes, and all association/ maintenance type taxes or assessments (if any) that are currently due and payable have been paid or will be paid at closing and are shown on the settlement statements. (b) Any of the above referenced taxes which are the obligation of Owner and which have been prorated on the settlement statements are based on information approved by Owner.
7. Owner is the only occupant of the property, except (list any leases):

Rights of tenants, as tenants only, without purchase option or right of first refusal, under leases described on the rent roll attached hereto as Exhibit A.
8. Owner has not entered into any, and to Affiant's knowledge there are no, unrecorded contracts (other than service contracts pertaining to property operations); deeds; mortgages; mechanic's liens; options of any kind, including but not limited to options to purchase or lease; rights of first refusal or requirements of prior approval of a future purchaser or occupant; rights of reentry; rights of reverter; or rights of forfeiture affecting the property or improvements thereon, which are not shown on the referenced title commitment, other than _____ [describe PSA for property sale].
9. No proceedings in bankruptcy or receivership have ever been instituted by or against Owner, and Owner has never made an assignment for the benefit of creditors.
10. The property has curb cuts and driveways providing actual vehicular and pedestrian access to _____, which are open and in use.

[NO FURTHER TEXT ON THIS PAGE]

THIS affidavit is made to First American Title Insurance Company, as an inducement to them to complete the above referenced transaction, and Affiant realizes that First American Title Insurance Company, is relying upon the representations contained herein; and Affiant does hereby swear under the penalties of perjury that the foregoing information is true and correct in all respects, to the best knowledge and belief of Affiant, and that Affiant is authorized to make this affidavit on behalf of Owner.

EXECUTED effective as of _____, 2019.

By: _____
_____ of Owner

STATE OF _____

COUNTY OF _____

SWORN TO AND SUBSCRIBED BEFORE ME on _____, 2019, by _____.

Notary Public, State of
Notary's printed name: _____
My commission expires: _____

Exhibits to Affidavit as to Liens and Parties in Possession:

Exhibit A – Rent Roll

Exhibit E-2(a)

**FORM OF NORTH CAROLINA OWNER AFFIDAVITS AND
INDEMNITY AGREEMENTS**

Please see attached.

Exhibit E-2(b)

FORM OF NORTH CAROLINA GAP INDEMNITIES

GAP INDEMNITY AGREEMENT

Date: _____, 2019

NCS-_____

WHEREAS, First American Title Insurance Company (the "Company") is about to issue its title insurance policy or policies to upon the parcel of real estate (the "Premises") described in title insurance commitment no. _____ dated _____, 2019;

AND WHEREAS, the Company has been requested to issue such policy or policies (or "marked-up" commitment therefor) prior to the recording of the deed, mortgage or other instruments to be insured;

NOW THEREFORE, in consideration of the issuance of said title insurance policy or policies and other good and valuable consideration, the undersigned covenants and agrees as follows:

As an inducement to the Company to insure over any matters attaching or created during the "gap" in time between the last continuation of title and the recording of the deed, mortgage, or other such instrument with respect to the Premises, the undersigned shall (1) promptly remove of record any matters filed of record during said gap period, and (2) hold harmless and indemnify the Company or any loss, cost expense, claim or damage, including without limitation reasonable attorneys fees, arising with respect to any such matters.

THE UNDERSIGNED EXECUTES THIS AGREEMENT BECAUSE OF THE BENEFITS DIRECTLY AND INDIRECTLY ACCRUING TO IT BY REASON OF THE ISSUANCE OF SAID POLICY OR POLICIES.

IN WITNESS WHEREOF, this instrument has been executed as of _____, 2019.

By: _____,

SELLERS:

Exhibits to Sellers' Closing Certificate

Exhibit A-1 — Intentionally deleted

Exhibit A-2 — Updated Rent Roll (Sovereign Property)

Exhibit A-3 — Updated Rent Roll (Leigh House Property)

Exhibit A-4 — Updated Rent Roll (Preston View Property)

Exhibit B — Additional Disclosure Items [if applicable]

Exhibit G

FORM OF NOTICE REGARDING TEXAS WATER CODE

**Prepared By and Upon
Recording Return To:**

**Eric R. Wilensky, Esq.
Nelson Mullins Riley & Scarborough LLP
201 17th Street, Suite 1700
Atlanta, GA 30363**

NOTICE REGARDING TEXAS WATER CODE

THE UNDERSIGNED PARTIES CONCERNING THE PROPERTY LOCATED IN [_____] COUNTY, TEXAS

The real property, described below, which you are about to purchase, is located in the [_____] Water District. The district has taxing authority separate from any other taxing authority, and may, subject to voter approval, issue an unlimited amount of bonds and levy an unlimited rate of tax in payment of such bonds. As of this date, the rate of taxes levied by the district on real property located in the district is \$[_____]. If the district has not yet levied taxes, the most recent projected rate of debt service tax, as of this date, is n/a on each \$[_____] of assessed valuation. The total amount of bonds which has been approved by the voters and which have been or may, at this date, be issued is \$[_____], and the aggregate initial principal amounts of all bonds issued for one or more of the specified facilities of the district and payable in whole or in part from property taxes is \$[_____].

The district has the authority to adopt and impose a standby fee on property in the district that has water, sewer, sanitary, or drainage facilities and services available but not connected and which does not have a house, building, or other improvement located thereon and does not substantially utilize the utility capacity available to the property. The district may exercise the authority without holding an election on the matter. As of this date, the amount of the standby fee is [_____]. An unpaid standby fee is a personal obligation of the person that owned the property at the time of imposition and is secured by a lien on the property. Any person may request a certificate from the district stating the amount, if any, of unpaid standby fees on a tract of property in the district.

The purpose of this district is to provide water, sewer, drainage, or flood control facilities and services within the district through the issuance of bonds payable in whole or in part from property taxes. The cost of these utility facilities is not included in the purchase price of your property, and these utility facilities are owned or to be owned by the district. The legal description of the property which you are acquiring is as follows:

SEE ATTACHED DESCRIPTION ON EXHIBIT A.

EXECUTED effective as of the date first above written.

[SIGNATURES ON FOLLOWING PAGE]

Exhibit H

PRESTON VIEW PROPERTY CODE VIOLATIONS

Please see attached.

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Section 7: EX-10.6 (EXHIBIT 10.6)

Exhibit 10.6

FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT

THIS FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT (this “**Amendment**”) is made as of the 17th day of June, 2019 (the “**Effective Date**”), by and among **BR CARROLL KELLER CROSSING, LLC**, a Delaware limited liability company (“**Sovereign Seller**”), **BR-TBR LAKE BOONE NC OWNER, LLC**, a Delaware limited liability company (“**Leigh House Seller**”), and **BR PRESTON VIEW, LLC**, a Delaware limited liability company (“**Preston View Seller**”; Sovereign Seller, Leigh House Seller, or Preston View Seller, as applicable, are sometimes each referred to individually herein as a “**Seller**” and collectively as the “**Sellers**”), and **KRE TOPAZ PORTFOLIO INVESTOR LLC**, a Delaware limited liability company (“**Purchaser**”)

RECITALS

A. Sellers and Purchaser are parties to that certain Purchase and Sale Agreement dated as of June 17, 2019 (the “**Agreement**”) for the purchase and sale of the following properties: (i) the property located in Fort Worth, Tarrant County, Texas, commonly known as The Sovereign Apartments, (ii) the property located in Raleigh, Wake County, North Carolina, commonly known as Leigh House Apartments, and (iii) the property located in Morrisville, Wake County, North Carolina, commonly known as Preston View Apartments, each as further described in the Agreement.

B. Sellers and Purchaser desire to amend the terms of the Agreement pursuant to the terms and conditions of this Amendment.

NOW THEREFORE, in consideration of the mutual promises set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

AGREEMENT

1. Incorporation of Recitals; Definitions. The foregoing recitals are incorporated herein. Capitalized terms not otherwise defined herein shall have the meaning given such terms in the Agreement.

2. Sorrel Purchaser. All references in the Agreement to Purchaser as related to the Sorrel Phillips Creek Ranch Purchase Agreement shall be revised to mean “Carter-Haston Holdings, L.L.C., a Delaware limited liability company.” Accordingly, the defined term “**Sorrel Phillips Creek Ranch Purchase Agreement**” shall mean that certain Purchase and Sale Agreement dated as of even date herewith, by and between Sorrel Phillips Creek Ranch Seller, as seller, and Carter-Haston Holdings, L.L.C., a Delaware limited liability company, as purchaser, with respect to the purchase and sale of the Sorrel Phillips Creek Ranch Property. Further, the reference to Purchaser in Section 14.26(a)(iii) of the Agreement is revised to mean Carter-Haston Holdings, L.L.C., a Delaware limited liability company.

3. Seller Repair Covenant. Section 3.3 of the Agreement is hereby revised to insert the following new Section 3.3(i):

“(i) Repair Covenant. Preston View Seller agrees to use commercially reasonable efforts to inspect and replace the recalled sprinkler heads at the Preston View Property (with an estimated cost of \$3,500) on or before Closing and pay for the costs of such work in full (“**Preston Repair Item**”). To the extent the Preston Repair Item is not substantially completed and paid in full by Closing, then Preston View Seller shall provide Purchaser with a credit at Closing for the amount of the unpaid balance of the Preston Repair Item, with such credit determined by Preston View Seller in its commercially reasonable discretion. In addition to the foregoing, Preston View Seller will credit Purchaser at Closing \$3,500 for the pressure reducing valve for Building #8 at the Preston View Property, and Seller shall have no obligation to repair the same prior to Closing. Leigh House Seller agrees to use commercially reasonable efforts to cause the following work to be substantially completed and paid in full by Closing: (i) repair the vehicle gate at the Leigh House Property that has been damaged (with an estimated cost of \$2,500), (ii) repair the vinyl site fencing along the retaining wall at the Leigh House Property that is leaning and displaced as of the Effective Date (with an estimated cost of \$5,000), (iii) replace dead foundational landscaping materials at the Leigh House Property, (iv) obtain current elevator inspections for elevators at the Leigh House Property, and (v) restore the two units at the Leigh House Property that are currently “down units” (with an estimated repair cost of \$3,000) (collectively, the “**Leigh House Repair Items**”). To the extent that the Leigh House Repair Items are not substantially completed and paid in full by Closing, then Leigh House Seller shall provide Purchaser with a credit at Closing for the amount of the unpaid balance of the Leigh House Repair Items, with such credit determined by Leigh House Seller in its commercially reasonable discretion. Sovereign Seller agrees to use commercially reasonable efforts to cause the following work to be substantially completed and paid in full by Closing: (i) correct the open life safety items including repair or replace as necessary the battery operated corridor emergency exit light fixtures, unblock the building 11 spare fire sprinkler head cabinet or relocate the same, remedy the open yellow tag items on buildings 8 and 9 riser, and remedy the open red tag items on buildings 7 and 11 fire panels, and (ii) close the open violations from the City of Fort Worth Code Compliance Department (Case Number 19-5107992) (collectively, the “**Sovereign Repair Items**”). To the extent that the Sovereign Repair Items are not substantially completed and paid in full by Closing, then Sovereign Seller shall provide Purchaser with a credit at Closing for the amount of the unpaid balance of the Sovereign Repair Items, with such credit determined by Sovereign Seller in its commercially reasonable discretion. For the avoidance of doubt, failure of any Seller to complete the Preston Repair Item, Leigh House Repair Items, or Sovereign Repair Items prior to Closing shall in no event be a default of any Seller under the Agreement and Purchaser’s sole remedy for the same shall be a credit from such applicable Seller at Closing as provided in this Section 3.3(h).

4. Ratification and No Further Amendment. As modified by this Amendment, the Agreement is fully ratified, adopted and approved by the parties hereto effective as of the date hereof. Except as expressly set forth herein, the Agreement remains unmodified and in full force and effect.

5. Miscellaneous. This Amendment may be executed in multiple counterparts each of which shall be deemed an original but together shall constitute one and the same instrument.

6. Signatures. Signatures to this Amendment transmitted by telecopy or electronic transmission (for example, through use of a Portable Document Format or “**PDF**” file) shall be valid and effective to bind the party so signing.

[signature page next page]

IN WITNESS WHEREOF, Seller and Purchaser have caused this Amendment to be duly executed and delivered, effective as of the Effective Date.

SELLERS:

BR CARROLL KELLER CROSSING, LLC, a Delaware limited liability company

By: /s/ Michael Konig
Name: Michael Konig
Title: Authorized Signatory

BR-TBR LAKE BOONE NC OWNER, LLC, a Delaware limited liability company

By: BR-TBR Lake Boone Capital Member, LLC, a Delaware limited liability company, its Sole Member

By: BR-TBR Lake Boone NC Venture, LLC, a Delaware limited liability company, its Manager

By: BR Lake Boone JV Member, LLC, a Delaware limited liability company, its Co-Manager

By: /s/ Michael Konig
Michael Konig
Its Authorized Signatory

BR PRESTON VIEW, LLC, a Delaware limited liability company

By: BRG Preston View Manager, LLC, a Delaware limited liability company, its Manager

By: /s/ Michael Konig
Name: Jordan B. Ruddy
Title: Authorized Signatory

PURCHASER:

KRE TOPAZ PORTFOLIO INVESTOR LLC,
a Delaware limited liability company

By: /s/ Michael Friedland

Name: Michael Friedland

Title: UP

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