

1700 KALORAMA LOFTS, A CONDOMINIUM

CONDOMINIUM GUARANTY AGREEMENT
AGAINST STRUCTURAL DEFECTS

THIS AGREEMENT is made this _____ day of _____, _____ by and between 1700 KALORAMA CONDOMINIUM, LLC, a District of Columbia limited liability company (the “Declarant”) and THE UNIT OWNERS ASSOCIATION OF 1700 KALORAMA LOFTS, A CONDOMINIUM (the “Association), and _____ (the “Depository”).

RECITALS

The Declarant has submitted the property located at 1700 Kalorama Road, N.W., Washington, D.C. (the “Property”) to a condominium regime under the provisions of Section 42-1901.01 et seq., of the District of Columbia Code, as amended (the District of Columbia Condominium Act of 1976, as amended) (the “Act”). The name of the condominium is 1700 Kalorama Lofts, a Condominium.

Section 1903.16(b) of the Act provides that the Declarant shall warrant against structural defects, each of the condominium units for two years from the date of conveyance and all of the common elements for two years. A copy of the warranty provided by Declarant pursuant to Section 1903.16(b) of the Act (the “Warranty”) is attached to this Agreement as Exhibit A.

Section 1903.16 of the Act provides that the Declarant shall post with the Mayor of the District of Columbia (the “Mayor”) a bond or such other security as the Mayor may require to assure compliance with Section 1903.16 of the Act.

NOW THEREFORE, for the purpose of assuring compliance with Section 1903.16 of the Act, and in consideration of the amount of One Dollar paid by the Declarant to the Depository, the parties hereto agree as follows:

1. The Declarant hereby deposits with the Depository, which acknowledges the receipt thereof, an irrevocable letter of credit (“Letter of Credit”) in the amount of \$_____ (identified as Irrevocable Letter of Credit No. _____) issued by _____ at the request of the Declarant, and designating the Mayor and the Association as joint beneficiaries.
2. Upon receipt of joint written instructions from the Association and the Mayor or his designee, the Declarant authorizes the Depository to release the Letter of Credit to the Mayor for purposes of meeting the requirements of Section 1903.16 of the Act and the terms of the Declarant’s Warranty.
3. If the Letter of Credit has not been released to the Mayor pursuant to paragraph 2 within the Warranty period (as set forth in the Warranty), then the Depository shall release the Letter of Credit to the Declarant upon expiration of the Warranty period.

4. It is the intention of the parties to this Agreement that the Depository shall act solely at all times on the joint instructions of the Association and the Mayor with respect to the Letter of Credit deposited with it by the Declarant, and for so acting the Declarant hereby expressly releases and relieves the Depository of any and all liability or claims of any nature. The Declarant agrees to pay all costs and expenses incurred by the Depository by reason of acting as Depository of the Letter of Credit.

5. The Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the parties. The word "Mayor" or the word "designee" shall be deemed to include his successor or successors.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have hereunto caused these presents to be executed on their behalf the day and year first above written.

DECLARANT

1700 KALORAMA CONDOMINIUM, LLC,
a District of Columbia limited liability
company

By: _____ (SEAL)

Name:

Title:

UNIT OWNERS ASSOCIATION OF
1700 KALORAMA LOFTS, A
CONDOMINIUM

By: _____

(Depository)

By: _____