

deposit in the sum of \$10,000.00, hereinafter called "Deposit," as security for the performance of the obligations of the Purchaser under this Agreement. The Purchaser shall be entitled to have the \$10,000.00 Deposit applied against the final \$10,000 increment of the total purchase price, and when the total payments against purchase price, including application of the binder, reach \$42,500, all remaining parcels shall be conveyed to Purchaser, provided Purchaser has otherwise complied with all other conditions precedent to conveyance. The horizontal property regime affecting each of the condominium sites (A, B, C & D) shall be filed simultaneously with the deed transferring that parcel to Purchaser; provided, Purchaser retains the option to develop parcel D with some form of housing other than condominium housing, so long as the ultimate development plan must meet the city's approval. City shall maintain the Deposit in an interest-bearing account satisfactory to Purchaser, and Purchaser shall be entitled to all interest earned thereon.

(d) In the event that Purchaser shall fail to purchase any of the parcels constituting the Property within the time periods and on the terms and conditions hereinafter set forth, for any reasons whatsoever other than a misrepresentation by the City herein or a default by the City under any of its obligations set forth herein, the entire remaining balance of the Deposit shall be forfeited to the City and Purchaser shall have no further rights therein or claims thereto.

SECTION 2. CONVEYANCE OF PROPERTY.

(a) Set forth on Exhibit B, attached hereto and made a part hereof, is a list of the number of condominium units which the Purchaser presently plans to construct on parcels A, B, & C of