

DECLARATION OF CONDOMINIUM

KING FARM VILLAGE CENTER CONDOMINIUM II

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Exhibits

- Exhibit "A" - Description of Property
- Exhibit "B" - Bylaws
- Exhibit "C" - Condominium Plat - Phase 1
- Exhibit "D" - Schedule of Percentage Interests and Votes - Phase 1
- Exhibit "E" - Description of Remaining Phases

DECLARATION OF CONDOMINIUM

KING FARM VILLAGE CENTER CONDOMINIUM II

THIS DECLARATION OF CONDOMINIUM ("Declaration"), is made effective the 12th day of June, 2002 by CENTEX HOMES, a Nevada general partnership (hereinafter and in the exhibits attached hereto called the "Declarant").

WHEREAS, the Declarant is the owner in fee simple of certain land and premises and the buildings constructed or to be constructed thereon and all appurtenances thereto (hereinafter called the "Property") located in the City of Rockville, Montgomery County, State of Maryland, and more particularly described in Exhibit "A", attached hereto and made a part hereof; and,

WHEREAS, the Declarant desires to establish a Condominium pursuant to Real Property Article, Title 11, Section 11-101, et seq., of the Annotated Code of Maryland (1996), as amended (hereinafter called the "Act"), and it is the desire and intention of the Declarant to divide the Property into condominium units and to sell and convey the same subject to the covenants, restrictions, uses, limitations, obligations, easements, equitable servitudes, charges and liens hereinafter set forth, each of which is for the benefit of the Property and the owners thereof from time to time; and,

WHEREAS, prior to the recordation hereof the Declarant has filed for record in the Office of the Clerk of the Circuit Court for Montgomery County, Maryland, a certain condominium plat entitled "KING FARM VILLAGE CENTER CONDOMINIUM II" (hereinafter referred to as the "Condominium Plat"), which Condominium Plat (consisting of four (4) sheets) is recorded at Plat Nos. 8174 through 8177.

NOW, THEREFORE, the Declarant hereby submits the Property to the provisions of the Act.

ARTICLE 1
DEFINITIONS

Unless the context shall plainly require otherwise, the following words when used in this Declaration and/or any and all exhibits attached hereto shall have the following meanings:

Section 1.1. "Common Elements". means all of the Property other than "Units," and includes both "General Common Elements" and "Limited Common Elements" (as defined in Article 3 hereof).

Section 1.2. "Condominium". means the Property having the status of a "Condominium" pursuant to and as defined in the Act.

Section 1.3. "Council of Unit Owners". means the entity comprised of all Unit Owners, sometimes hereinafter referred to as the "Association".

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Section 1.4. "Declarant" means and refers to Centex Homes, a Nevada general partnership, and its successors and assigns to whom any of the rights, reservations, easements, interests, exemptions, privileges or powers of the Declarant are specifically assigned or transferred in writing.

Section 1.5. "Eligible Mortgage Holder" means a holder, insurer, or guarantor of a first mortgage on a Unit who has submitted a written request for notice from the Council of Unit Owners of amendments to the Condominium documents or other significant matters which would affect the interests of the mortgagee.

Section 1.6. "Garage Unit" means a three-dimensional area, as described below and as shown on the Condominium Plat, and includes all improvements contained within such area except such improvements as are expressly excluded in this Declaration or on the Condominium Plat. Unless otherwise designated on the Condominium Plat: (a) the lower boundary of each Garage Unit is a horizontal or inclined plane (or planes), the elevation of which coincides with the elevation of the lower surface of the concrete floor thereof, extended to intersect the lateral or perimetrical boundaries thereof; (b) the upper boundary of each Garage Unit is a horizontal plane (or planes), the elevation of which coincides with the centerline of the horizontal plane shared with neighboring Unit(s) above extended to intersect the lateral or perimetrical boundaries thereof; and (c) the lateral or perimetrical boundaries of any Garage Unit is a vertical plane (or planes) which coincides with the outermost exposed surfaces of the exterior walls thereof, including the windows and doors thereof, extended to intersect the upper and lower horizontal boundaries thereof and to intersect the other lateral or perimetrical boundaries of the Garage Unit; provided, however, that any portion of the lateral or perimetrical boundary of a Garage Unit designed or intended to constitute the boundary between two separate contiguous Garage Units shall coincide with the center line of the party wall(s) between such Garage Units. Unless otherwise designated on the Condominium Plat, all portions of a wall, floor, ceiling, door, window or other improvement that constitute the boundary between a Garage Unit and any Common Element area (whether interior or exterior) shall be part of the Garage Unit. Unless otherwise designated in this Declaration and/or on the Condominium Plat as a Common Element, any mechanical equipment, fixtures and appurtenances located within or outside of any Garage Unit and designated to serve only that Garage Unit, such as pipes, wires, cables, conduits, electrical receptacles and outlets, ducts, flues, chutes, appliances and the like shall be considered a part of the Garage Unit.

Section 1.7. "Percentage Interest" means the undivided interest of each Unit Owner, as set forth in Exhibit "D", with respect to Common Elements of the Condominium and the common profits and common expenses of the Council of Unit Owners.

Section 1.8. "Residential Unit" means a three-dimensional area, as described below and as shown on the Condominium Plat, and includes all improvements contained within such area except such improvements as are expressly excluded in this Declaration or on the Condominium Plat. Unless otherwise designated on the Condominium Plat: (a) the lower boundary of any Residential Unit situate upon a concrete slab or slabs is a horizontal plane (or planes), the elevation of which coincides with the elevation of the lower surface of such concrete slab or slabs extended to intersect the lateral or perimetrical boundaries thereof; (b) the lower boundary of any Residential Unit not situate upon a concrete slab is a horizontal plane (or planes), the

elevation of which coincides with the centerline of the horizontal plane shared with neighboring Unit(s) below extended to intersect the lateral or perimetrical boundaries thereof; (c) except for Residential Units on the top floor of the building, the upper boundary of each Residential Unit is a horizontal plane (or planes), the elevation of which coincides with the centerline of the horizontal plane shared with neighboring Residential Unit(s) above extended to intersect the lateral or perimetrical boundaries thereof; (d) the upper boundary of each Residential Unit on the top floor of the building is a horizontal (or in some cases inclined) plane (or planes), the elevation of which coincides with the outermost exposed surface of the roof, extended to intersect the lateral or perimetrical boundaries thereof and each top floor Residential Unit contains any attic within the lateral or perimetrical boundaries of such Residential Unit; (e) the lateral or perimetrical boundaries of those portions of each Residential Unit which do not abut another Residential Unit is a vertical plane (or planes) which coincides with the outermost exposed surfaces of the exterior walls thereof, including the windows and doors thereof, extended to intersect the upper and lower horizontal boundaries thereof and to intersect the other lateral or perimetrical boundaries of the Residential Unit; and (f) the lateral or perimetrical boundary of a Residential Unit designed or intended to constitute the boundary between two separate contiguous Residential Units shall coincide with the center line of the party wall(s) between such Residential Units. Unless otherwise designated on the Condominium Plat, all portions of a wall, floor, ceiling, door, window or other improvement that constitute the boundary between a Residential Unit and any Common Element area (whether interior or exterior) shall be part of the Residential Unit. Unless otherwise designated in this Declaration or on the Condominium Plat as a Common Element, (i) any mechanical equipment, fixtures and appurtenances located within or outside of any Residential Unit and designated to serve only that Residential Unit, such as pipes, wires, cables, conduits, electrical receptacles and outlets, ducts, flues (including, without limitation, fireplace flues), chutes, appliances and the like, and (ii) any patios, terraces, decks and balconies designated to serve only that Residential Unit, shall be considered a part of the Residential Unit. Notwithstanding the boundaries of the Garage Units as defined in Section 1.6 above and of the Residential Units as defined in this Section 1.8, the Association shall have the exclusive control over and the right and obligation to maintain the building exteriors, roof, foundation and other components of the Condominium which are deemed by the Board of Directors to be of benefit to multiple Unit Owners.

Section 1.9. "Unit" means both "Garage Units" and "Residential Units" unless specifically designated otherwise in this Declaration or the Bylaws.

Section 1.10. "Unit Owner" means any person, group of persons, corporation, partnership, trust or other legal entity, or any combination thereof, which owns a Unit; provided, however, that any person, group of persons, corporation, partnership, trust or other legal entity, or any combination thereof, which holds such interest solely as security for the performance of an obligation shall not be a Unit Owner solely by reason of such interest.

ARTICLE 2 CREATION OF CONDOMINIUM REGIME

Section 2.1. Submission of Property to Act. The Property and all appurtenances thereto shall be held, conveyed, divided, subdivided, leased, rented, occupied, improved, hypothecated and/or encumbered subject to the Act and the covenants, restrictions, uses, limitations,

obligations, easements, equitable servitudes, charges and liens (hereinafter sometimes referred to as "Covenants and Restrictions") herein set forth, including the provisions of the Bylaws of the Council of Unit Owners of King Farm Village Center Condominium II (the "Bylaws") (a copy of which is attached hereto and made a part hereof as Exhibit "B"), all of which are declared and agreed to be in aid of a plan for the division of the Property into a Condominium pursuant to the Act, and all of which shall be deemed to run with and bind the land, and shall inure to the benefit of and be enforceable by the Declarant and by any person acquiring or owning an interest in the Property, including, without limitation, any person, group of persons, corporation, partnership, trust or other entity, or any combination thereof, which holds such interest solely as security for the performance of an obligation; provided, however, that the rights, reservations, easements, interests, exemptions, privileges and powers of the Declarant shall inure to the benefit of and be enforceable by only those successors and assigns of the Declarant to whom any of the same have been specifically assigned or transferred in writing.

By the recordation of this Declaration, the Council of Unit Owners hereby assumes all liability, responsibility and duty for the care, operation and maintenance of the Common Elements, and each Unit Owner hereby assumes or agrees to assume all liability and duty for the care, operation and maintenance of their respective Units, subject, however, to any rights and/or obligations the Council of Unit Owners or each Unit Owner may have pursuant to this Declaration and the Bylaws. Further, the Council of Unit Owners and each Unit Owner, on their own behalf, and on behalf of their successors and assigns, hereby agrees to indemnify and hold Declarant, its successors and assigns harmless from any loss, liability or damage (including attorneys' fees and court costs) arising out of or resulting from the failure of the Council of Unit Owners or each Unit Owner to care for, maintain or properly operate the Common Elements or Units, as applicable.

Section 2.2. Description of the Units. The general description and number of each Unit, including its area, location and such other data as may be necessary or appropriate for its identification, is set forth on the Condominium Plat, a copy of which Condominium Plat is attached hereto and made a part hereof as Exhibit "C".

Section 2.3. Name of Condominium. The name by which the Condominium shall be known is "King Farm Village Center Condominium II."

ARTICLE 3 COMMON ELEMENTS

Section 3.1. General Common Elements. The "General Common Elements" means all of the Common Elements except Limited Common Elements, and shall (unless otherwise specifically designated herein or on the Condominium Plat), include the following:

(a) The Property (other than Units), parking areas (unless designated as part of a Unit or as a Limited Common Element pursuant to this Declaration or the Condominium Plat) and landscaping; and,

(b) The components or installations of central services and utilities serving the General Common Elements or two (2) or more Units, such as power, light, gas, water, sewer,

telephone, and master antennae, including tanks, pumps, motors, fans, compressors, pipes, valves, controls and other similar equipment to be used in common (unless designated as part of a Unit or as a Limited Common Element pursuant to this Declaration or the Condominium Plat); and,

(c) All Units which may hereafter be acquired and held by the Council of Unit Owners on behalf of all Unit Owners; and,

(d) All other elements, other than Units, of common use or necessary to the Condominium's existence, upkeep and/or safety.

Section 3.2. Limited Common Elements. The "Limited Common Elements" include those designated as such in this Declaration or on the Condominium Plat. All areas designated as Limited Common Elements are reserved for the exclusive use of the Unit Owner(s) of the Unit(s) to which they are declared to be appurtenant by appropriate designation in this Declaration or on the Condominium Plat. If no such designation is made in this Declaration or on the Condominium Plat, then the Limited Common Elements shall be deemed to be appurtenant to Unit(s) to which they are adjacent or which they are rationally intended to serve and benefit. The right of the Unit Owner(s) to whose Unit(s) the Limited Common Elements are appurtenant to use and enjoy the same shall be subject to such reasonable rules and regulations (hereinafter called the "Rules") as the Board of Directors of the Council of Unit Owners may from time to time enact, and are further subject to each Unit Owner's responsibility to pay any charges imposed by the Board of Directors for the use and maintenance of such Limited Common Elements. Pursuant to the Act, the Council of Unit Owners may assess the costs incurred in maintaining any Limited Common Elements against the Unit(s) to which such Limited Common Elements are appurtenant.

ARTICLE 4 PERCENTAGE INTEREST AND VOTING RIGHTS

Each Unit shall have the same incidents as real property, and the Unit Owner shall hold the same in fee simple and shall have a common right to a share with the other Unit Owners of an undivided fee simple interest in the Common Elements, which shall be known as the "Percentage Interest in the Common Elements". The Percentage Interest in the Common Elements appertaining to each Unit is set forth in Exhibit "D". This percentage is also the Percentage Interest of each Unit Owner in the common profits and common expenses of the Council of Unit Owners. Each owner of a Residential Unit shall be entitled to one (1) vote in the Council of Unit Owners, and each owner of a Garage Unit shall be entitled to a vote in the Council of Unit Owners equal to the voting percentage appertaining to such Garage Unit as set forth in Exhibit "D". Except as otherwise specifically provided in this Declaration, the Percentage Interests heretofore described and votes herein established shall not be changed without the unanimous written consent of all of the Unit Owners and the mortgagees (as defined in the Act) evidenced by an appropriate amendment to this Declaration recorded among the Land Records of Montgomery County, Maryland; shall not be separated from the Unit to which they appertain; and shall be deemed conveyed or encumbered with the Unit even though such Percentage Interests and/or votes are not expressly mentioned or described in the conveying deed or other instrument. Subject to the provisions of the Bylaws of the Council of Unit Owners and this

Declaration, a Unit Owner may, pursuant to and in accordance with the Act, grant a part of his or her Unit to another Unit Owner and the part of the Unit conveyed may be incorporated as part of such other Unit, or a Unit Owner may subdivide his or her Unit, whereupon, in accordance with the Act, there shall be a reallocation of a portion of such Unit Owner's (i) Percentage Interest in the Common Elements of the Condominium, (ii) Percentage Interest in the common profits and common expenses of the Council of Unit Owners, and (iii) the vote appurtenant to such Unit. Notwithstanding the foregoing, no portion of a Garage Unit (other than the entire Garage Unit) may be granted or conveyed to another Unit Owner, nor may a Garage Unit be subdivided into smaller Garage Units. No Garage Unit shall be conveyed separate and apart from any Limited Common Element parking space appurtenant to it, no Garage Unit shall be conveyed to anyone who is not a Residential Unit Owner, nor shall any Residential Unit Owner (except for the Declarant) own more than two (2) Garage Units.

ARTICLE 5
COVENANT AGAINST PARTITION; EASEMENTS; ENCROACHMENTS

Section 5.1. Covenant Against Partition. The Common Elements, both General and Limited, shall remain undivided and, except as otherwise provided herein and in the Act, shall remain appurtenant to the designated Unit. No Unit Owner or any other person shall bring any action for partition or division thereof except as may be provided for herein and in the Act.

Section 5.2. Encroachments. If any portion of the Common Elements now encroaches upon any Unit, or if any Unit now encroaches upon any other Unit or upon any portion of the Common Elements, as a result of the construction, reconstruction, repair, shifting, settlement or movement of the Units and/or Common Elements, or if any such encroachment shall occur hereafter as a result of construction, reconstruction, repair, shifting, movement or settlement, or otherwise, a valid easement for the encroachment and for the maintenance of the same exists so long as the encroaching Unit and/or Common Elements shall stand. In the event any Unit, any adjoining Unit, or any adjoining Common Elements shall be partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings, and then constructed, reconstructed or repaired, encroachment of parts of the Common Elements upon any Unit or of any Unit upon any other Unit or upon any portion of the Common Elements resulting from such construction, reconstruction or repair shall be permitted, and valid easements for such encroachment and the maintenance thereof shall exist so long as the encroaching improvements shall stand.

Section 5.3. Easements.

(a) The Council of Unit Owners (through its Board of Directors, if applicable), its agents and employees, shall have:

(i) An irrevocable right and exclusive easement to enter those portions of the Units for which the Association has exclusive control and the right and obligation to maintain, including, without limitation, the building exteriors, roof, foundation and other components of the Condominium which are deemed by the Board of Directors to be of benefit to multiple Unit Owners.

(ii) An irrevocable right and a non-exclusive easement to enter Units to make repairs to Units or Common Elements when the repairs reasonably appear necessary for public safety or to prevent damage to other portions of the Condominium. Except in cases involving manifest danger to public safety or property, the Council of Unit Owners (or the Board of Directors, if applicable) shall make a reasonable effort to give notice to the owner of any Unit to be entered for the purpose of such maintenance and repair pursuant to this subsection. If damage is inflicted on the Common Elements or any Unit through which access is taken, the Council of Unit Owners, if it is responsible for such damage, is liable for the prompt repair of such damage. An entry by the Council of Unit Owners through its Board of Directors, agents, and employees for the purposes specified in this Section 5.3(a) shall not be considered a trespass. An easement for mutual support shall exist in the Units and the Common Elements.

(b) Each of the sidewalks, lanes, driveways, paved areas and roadways (not including Garage Units or areas designated as Limited Common Element parking spaces or reserved parking spaces pursuant to this Declaration, the Condominium Plat, or that certain Reciprocal Easement Agreement for the King Farm Village Center recorded among the Land Records of Montgomery County, Maryland in Liber 18414, folio 154 et seq.) shall be subject to an easement in favor of all of the Unit Owners for reasonable and necessary pedestrian and vehicular ingress and egress to and from the improvements within the Property and to and from all public and private roadways and streets serving the Property. Each Unit Owner shall have a right of ingress and egress to and from such Unit Owner's Unit.

(c) There is hereby reserved unto the Declarant (and its successors and assigns to whom such easement has been specifically assigned in writing) for the benefit of the Declarant and its agents a nonexclusive easement over, across and through all of the Property and Common Elements, except for Units conveyed by the Declarant, for the purpose of access, the storage of building supplies and materials and equipment in the Common Elements, and, without any limitation, for any and all purposes reasonably related to the completion of the construction, improvement and repair of the Property and the marketing, sales and leasing of Units.

(d) There is hereby reserved unto the Declarant (and its successors and assigns to whom such easement has been specifically assigned in writing), for the benefit of the real property described in Exhibit "E" attached hereto and made a part hereof (the "Expansion Area"), and for the benefit of the Declarant, its agents and any person or entity at any time owning any portion of the Expansion Area, a non-exclusive perpetual blanket easement and right of passage on, through, over, under, and across all of the Property and Common Elements for ingress, egress, installation, replacement, repair, maintenance and use of all utilities, including, but not limited to, water, sewer, drainage, gas, cable television, telephones and electricity, and further including the right to connect to and use any such utilities which may exist or be located upon the Property from time to time. By virtue of this easement, it shall be expressly permissible to erect and maintain the necessary poles and other equipment on the Property, to affix and maintain electrical or telephone wires and conduits, sewer and water drainage lines, on, above, or below any portion of the Property, including any improvements constructed thereon and to have construction vehicles, personnel, equipment and the like exercise the aforesaid right of ingress and egress over the Property. There is further reserved unto the Declarant (and its successors and assigns to whom such right has been specifically assigned in writing), the right to grant specific easements, both temporary and permanent, to any person or entity, including all public

authorities and utility companies, over any part of the Property in furtherance of the blanket easement created by this Section 5.3(d). In the exercise of any rights under this Section 5.3(d), there shall be no unreasonable interference with the use of the Property or any Unit for residential purposes, or with the Common Elements or the Expansion Area for the purposes for which each is reasonably intended. Any person or entity exercising any rights under this Section 5.3(d) shall be obligated to promptly repair, at their own expense, any damage caused by the exercise of such rights and to restore, to the extent practicable, any damaged real or personal property to the condition of such property prior to the exercise of such rights.

(e) There is hereby reserved unto the Declarant (and its successors and assigns to whom such easement has been specifically assigned in writing), for the benefit of the Expansion Area, and for the benefit of the Declarant, its agents and any person or entity at any time owning any portion of the Expansion Area, a non-exclusive perpetual blanket easement and right of passage on, through, over, under and across all of the Property and Common Elements for (i) pedestrian and vehicular ingress and egress to and from any and all portions of the Expansion Area, (ii) parking, (iii) ingress and egress to and from any and all portions of the Expansion Area by construction equipment, construction personnel and the like to facilitate and enable the development and construction of buildings, improvements and related facilities upon the Property and the Expansion Area, and (iv) the conduct of all other development and construction related activities as are deemed necessary or desirable by the Declarant or any person or entity at any time owning any portion of the Expansion Area. The Declarant (and its successors and assigns to whom such right has been specifically assigned in writing) and any person or entity at any time owning any portion of the Expansion Area shall have all rights and privileges reasonably necessary to the exercise of the foregoing easement, including, without limitation, a reasonable right of ingress and egress on, over and through the Property and Common Elements. In the exercise of any rights under this Section 5.3(e), there shall be no unreasonable interference with the use of the Property or any Unit for residential purposes, or with the Common Elements or the Expansion Area for the purposes for which each is reasonably intended. Any person or entity exercising any rights under this Section 5.3(e) shall be obligated to promptly repair, at their own expense, any damage caused by the exercise of such rights and to restore, to the extent practicable, any damaged real or personal property to the condition of such property prior to the exercise of such rights.

(f) There is hereby reserved unto the Board of Trustees of the King Farm Citizens Assembly, Inc. (the "Assembly"), and its agents, employees and independent contractors, a non-exclusive perpetual easement and right of passage on, through, over, under and across the Property to perform such functions and operations as the Board of Trustees of the Assembly may be empowered, authorized or directed to carry out within the Property pursuant to the governing documents of the Assembly, this Declaration and/or the Bylaws, including, without limitation, any maintenance responsibilities as may now or hereafter be assumed by the Board of Trustees of the Assembly with respect to any open space, landscaping or the exteriors of any structures located within the Property; provided, however, that this easement shall not authorize or empower the Board of Trustees to assume any maintenance responsibilities with respect to the interior of any Unit. The Board of Trustees of the Assembly shall have all rights and privileges reasonably necessary to the exercise of the foregoing easement which shall not be inconsistent with the rights and privileges granted to the Board of Directors of the Condominium herein, including, without limitation, a reasonable right of ingress and egress on, over and through the

Property and any structure located therein; provided, however, that the Board of Trustees of the Assembly shall take reasonable steps to minimize any damage to the Units and Common Elements to their original condition if there is any damage to such Units or Common Elements as a result of the exercise of this easement.

(g) There is hereby reserved unto the Declarant (and its successors and assigns to whom such easement has been specifically assigned in writing) for the benefit of the Declarant and its agents a nonexclusive easement and right of access to the Units for the purpose of making necessary inspections of the Units and/or Common Elements relative to its responsibilities as Declarant, and for the purpose of performing installations, alterations and/or repairs to the Units and/or the mechanical and electrical services and other Common Elements in the Units or elsewhere in the Condominium relative to its responsibilities as Declarant, and to correct any condition which violates the provisions of any warranty regarding the Units and/or Common Elements, provided that requests for entry are made in advance and that such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency such right of entry shall be immediate, whether the Unit Owner is present at the time or not.

ARTICLE 6

DECLARANT'S RIGHT TO RENT OR SELL UNITS

Anything contained in this Declaration or the Bylaws of the Council of Unit Owners to the contrary notwithstanding, the Declarant shall have the right to transact any business on the Property and utilize any portion of the Property (including the Common Elements) necessary or desirable to consummate sales or rentals of Units, including, but not limited to, the right to maintain employees in the sales or rental office, and to show Units for sale or rent. The sales or rental office, the furniture and furnishings in the model Units, signs and all items pertaining to the sale or rental of Units by the Declarant shall not be considered Common Elements but shall remain the property of the Declarant. The right to consummate rentals of units and to maintain and start a rental or management office shall extend to any managing agent or rental agents employed by the nominees or designees of the Declarant. Such sales, rental or management office may also be utilized for the sale, rental or management of other residential units in the area for so long as the Declarant shall own any portion of the Property or the Expansion Area.

In furtherance of the rights granted Declarant in this Article 6, no act of omission or commission shall be taken by any Unit Owner, or the Council of Unit Owners, which, in the sole discretion of the Declarant, would infringe upon the Declarant's ability to sell or rent Units, including, without limitation, altering the design, location or appearance of any of the Common Elements, failing to maintain any portion of the Condominium in accordance with sound property management standards or otherwise detracting from the aesthetic nature of the Condominium established by the Declarant.

ARTICLE 7

RIGHT TO EXPAND CONDOMINIUM

Section 7.1. Reservation of Right to Expand Condominium. The Declarant hereby reserves the right to expand the Condominium without the consent of the Unit Owners and to annex to the Property additional land and improvements thereon, provided that this reserved right

shall terminate on the tenth (10th) anniversary after the date of the recordation of this Declaration and shall otherwise comply with the provisions of Section 11-120 of the Act. Notwithstanding the foregoing, the Declarant shall be under no obligation to expand the Condominium and any such expansion shall be at the Declarant's sole discretion.

Section 7.2. Conditions of Right to Expand Condominium.

(a) The land and the improvements now or hereafter to be located thereon which may be annexed to and made a part of the Condominium are described in Exhibit "E" attached hereto and made a part hereof.

(b) The total number of Residential Units which may be contained in the Condominium is fifty-one (51), and the total number of Garage Units is thirty-six (36); however, such Units may be added in stages.

(c) The Percentage Interest in the Common Elements, in the common expenses and common profits of the Council of Unit Owners and the number of votes appurtenant to any Unit following the addition of any group of Units to the Condominium shall be determined in accordance with the method set forth in Exhibit "D" attached hereto and made a part hereof. The Declarant shall set forth in a Supplementary Declaration at the time of such expansion the Percentage Interests and votes for all Units following the expansion, said figures to be computed in the manner set forth in Exhibit "D".

(d) The expansion of the Condominium shall not be effective until such time as there has been recorded among the Land Records for Montgomery County, Maryland (i) a Supplementary Declaration setting forth the new Percentage Interest in the Common Elements and Percentage Interest in the common profits and common expenses appurtenant to each Unit and the vote appertaining thereto, and (ii) an amendment to the Condominium Plat setting forth with respect to the new property which has been added to the Condominium the information that is required to be shown upon the Condominium Plat, pursuant to Section 11-105 of the Act.

Section 7.3. Effect of Expansion. Upon the recordation of the Supplementary Declaration and amendment to the Condominium Plat, each Unit Owner shall automatically have the Percentage Interest in the Common Elements and Percentage Interest in the common profits and common expenses and the vote appurtenant to his or her Unit set forth in the Supplementary Declaration. The interest of each mortgagee, as that term is defined in the Act, shall attach by operation of law to the Percentage Interest in the Common Elements appurtenant to the Unit with respect to which it holds a lien. In addition, the assessments for the common expenses of the Condominium on each Unit listed on a Supplementary Declaration shall commence upon the recordation of such Supplementary Declaration.

Section 7.4. Power of Attorney. There is hereby reserved unto the Declarant (or such other party as may in writing be designated by the Declarant) an irrevocable Power of Attorney, coupled with an interest, for the purpose of reallocating the Percentage Interests and voting rights appurtenant to each of the Units in the Condominium in accordance with the provisions of this Declaration and to execute, acknowledge and deliver such further instruments as may from time to time be required in order to accomplish the purposes of this Article 7. Each Unit Owner and

each mortgagee of a Unit shall be deemed to have acquiesced in amendments to this Declaration and in amendments to the Condominium Plat for the purpose of adding the aforesaid additional Units and Common Elements to the Condominium, as set forth above, and shall be deemed to have granted unto the Declarant (or such other party as may in writing be designated by the Declarant), an irrevocable Power of Attorney, coupled with an interest, to effectuate, execute, acknowledge and deliver any such amendments and each such Unit Owner and mortgagee shall be deemed to have agreed and covenanted to execute such further assurances and instruments, if any, as may be required by the Declarant and its successors or assigns, to properly accomplish such amendments.

Section 7.5. Future Improvements. Any improvements situated on property added to the Condominium in accordance with this Article 7 of the Declaration and the Act will be substantially completed prior to annexation and will be substantially consistent in terms of quality of construction and structure type with the initial improvements of the Condominium, unless otherwise approved by the Federal National Mortgage Association ("FNMA"). The Declarant reserves the right to modify the architectural type, style, size and floor plans of the Units and buildings within any property to be annexed within the Condominium.

Section 7.6. FHA Approval. So long as the Federal Housing Administration ("FHA") insures, or agrees to insure, loans made with respect to the sales of Units within the Condominium, no annexation of additional real property shall be made pursuant to this Article 7 of the Declaration except in accordance with a general plan for the expansion of the Condominium previously approved in writing by the FHA or, if no such general plan was approved by the FHA, except following the prior written approval of the FHA. FHA approval shall not be withheld if the additional real property to be annexed substantially conforms to the plan of expansion included as part of Exhibit "C" hereto and the other requirements of HUD Handbook 4265.1, Appendix 24, dated October, 1980, as amended (or other applicable HUD requirements), have been met. Failure to obtain such approval may result in the Units located within the annexed property not being eligible for FHA insured loans, but such failure shall not be deemed to preclude or be a waiver of the Declarant's right to annex additional real property within the jurisdiction of the Condominium.

ARTICLE 8

WATER AND SEWER UTILITIES

Each present and future Unit Owner and, if applicable, tenants of each Unit Owner, shall grant a right of access to his or her Unit to the managing agent employed by the Unit Owner or the Council of Unit Owners and/or any other person authorized by the Council of Unit Owners for the purpose of making inspections of the plumbing system or for the purpose of correcting any plumbing problems in any Unit which might affect that Unit, any other Unit in the building or any of the Common Elements. In the event of an emergency, such entry shall be immediate whether the Unit Owner or tenant is present or not, provided that if such entry is not needed on an emergency basis the managing agent or other authorized person shall provide the Unit Owner or tenant with reasonable prior notice of such entry. The managing agent or other authorized person may permit employees or agents of the WSSC or other water and sewer utility company serving the Property to enter the premises for the purpose of making corrections in order to protect the water and sewer systems serving the Property. The provisions of this Article shall not

be deemed to alter the responsibilities of the Association and/or any Unit Owner for the maintenance and repair of the Units and/or Common Elements as specified elsewhere in this Declaration or in the Bylaws.

ARTICLE 9
MISCELLANEOUS

Section 9.1. Construction and Enforcement.

(a) The provisions hereof shall be liberally construed to achieve the purpose of creating a uniform plan for the operation of the Property as a Condominium. Enforcement of this Declaration, the Bylaws attached hereto and the Rules shall be by the Declarant, any Unit Owner and/or the Council of Unit Owners or its Board of Directors by any proceeding at law or in equity against any person or persons violating any of the same, either to restrain or enjoin violation or to recover damages, or both, and against any Unit to enforce any lien created hereby and the failure or forbearance by the Council of Unit Owners or the Unit Owner of any Unit to enforce any of the Covenants and Restrictions herein or in the Bylaws or Rules shall in no event be deemed a waiver of the right to do so thereafter. The Unit Owners shall have the same rights of enforcement against the Council of Unit Owners as the Council of Unit Owners has against the Unit Owners.

(b) There shall be and there is hereby created and declared to be a conclusive presumption that any violation or breach or any attempted violation or breach of any of the provisions of this Declaration, the Bylaws attached hereto or the Rules, as amended from time to time, cannot be adequately remedied by action at law or exclusively by recovery of damages.

Section 9.2. Severability. Invalidation of any part of this Declaration by judgment, decree or order shall in no way affect any other provisions hereof, each of which shall remain in full force and effect.

Section 9.3. Captions. The captions contained in this Declaration are for convenience only, are not a part of this Declaration and are not intended in any way to limit or enlarge the terms and provisions of this Declaration.

Section 9.4. Amendments. This Declaration may be amended only in accordance with the Act. Any amendment to this Declaration shall not become effective until such time as it has been recorded in the same manner as this Declaration among the Land Records of Montgomery County, Maryland. During the period the Declarant controls the Board of Directors of the Council of Unit Owners, any amendment of this Declaration or the Bylaws must receive the prior written consent of the Department of Veteran's Affairs ("VA") if any Unit is subject to a mortgage guaranteed by the VA.

Section 9.5. Consents. Notwithstanding any other provision of this Declaration, unless otherwise provided by statute (or in case of condemnation or insurable loss to the Units and/or Common Elements of the Condominium), neither the Declarant, the Council of Unit Owners nor the Board of Directors shall take any of the following actions unless the approvals indicated have been obtained:

(a) By act or omission, seek to abandon or terminate the Condominium project unless at least eighty percent (80%) of the Unit Owners (except in the case of a taking of all the Units by eminent domain under Section 11-112 of the Act) and at least sixty-seven percent (67%) of the Eligible Mortgage Holders (or at least fifty-one percent (51%) of such Eligible Mortgage Holders in the case of the substantial condemnation or substantial destruction of the Property) have given their prior written approval;

(b) Change the pro-rata interest or obligations of any Unit unless all of the first mortgagees and all Unit Owners of the Units have given their prior written approval (except in connection with expansion of the Condominium pursuant to Article 7 hereof);

(c) Provided that any Unit is then encumbered by a deed of trust or mortgage which is insured by the FHA or guaranteed by the VA, (i) amend or merge the Condominium regime with a successor Condominium regime, or (ii) construct units within the future phases, if any, of the Condominium which are inconsistent, in terms of quality of construction, with the Units presently within the Condominium, without prior written approval of the FHA and the Administrator of the VA;

(d) Except as provided pursuant to the Act or other applicable law, or in case of condemnation or substantial loss to the Units and/or Common Elements, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Elements by act or omission without the prior consent of two-thirds (2/3) of the first mortgagees (based on one (1) vote per first mortgage owned) or two-thirds (2/3) of the Unit Owners (other than the Declarant);

(e) Except as provided pursuant to the Act or other applicable law, use hazard insurance proceeds for losses to any of the Property (whether Units or Common Elements) for other than the repair, replacement or reconstruction of the Property and the improvements situated thereon without the prior written consent of two-thirds (2/3) of the first mortgagees (based on one (1) vote per first mortgage owned), or two-thirds (2/3) of the Unit Owners (other than the Declarant);

(f) Restore or repair the Condominium after a partial condemnation other than substantially in accordance with the Declaration and the original plans and specifications, unless at least fifty-one percent (51%) of the Eligible Mortgage Holders (based on one (1) vote for each First Mortgage owned) have given their prior written approval;

(g) Reallocate interests in the Common Elements after the partial destruction of the Condominium unless at least fifty-one percent (51%) of the Eligible Mortgage Holders have given their prior written approval; or

(h) Unless the consent of the Unit Owners to which at least sixty-seven percent (67%) of the votes in the Council of Unit Owners are allocated (or such higher percentage as may otherwise be required by this Declaration or the Act) and the approval of Eligible Mortgage Holders holding mortgages on Units which have at least fifty-one percent (51%) of the votes of Units subject to mortgages or deeds of trust held by Eligible Mortgage Holders is obtained, amend any material provision of this Declaration, the Bylaws or Condominium Plat which establishes, provides for, governs or regulates any of the following:

- (i) Voting rights;
- (ii) Increases in assessments that raise the previously assessed amount by more than twenty-five percent (25%), assessment liens or the priority of such liens;
- (iii) Reductions in reserves for maintenance, repair and replacement of the Common Elements;
- (iv) Responsibility for maintenance and repairs;
- (v) Reallocation of interests in the Common Elements or rights to their use; Reallocation of interests in the Common Elements or rights to their use;
- (vi) Definition of Unit boundaries or the exclusive easement rights appertaining to Units;
- (vii) Convertibility of Units into Common Elements or of Common Elements into Units;
- (viii) Expansion or contraction of the Property or the addition, annexation or withdrawal of property to or from the Condominium;
- (ix) Hazard or fidelity insurance requirements;
- (x) Imposition of any restrictions on the leasing of Units;
- (xi) Imposition of any restrictions on the right of a Unit Owner to sell or transfer his or her Unit;
- (xii) A decision by the Council of Unit Owners to establish self management if professional management has been required previously by this Declaration, the Bylaws or an Eligible Mortgage Holder;
- (xiii) Restoration or repair of the Condominium (after damage or partial condemnation) in a manner other than that specified in this Declaration, the Bylaws or the Act;
- (xiv) Any action to terminate the Condominium after substantial destruction or condemnation occurs;
- (xv) Any provisions that expressly benefit mortgage holders, insurers or guarantors of first mortgages; or
- (xvi) Any provisions regarding the powers and duties of the Board of Directors or the Council of Unit Owners.

An amendment shall not be considered material for purposes of this Section 9.5(h) if such amendment is for purposes of correcting typographical errors or omissions, or is for purposes of clarification only.

Section 9.6. Successors of Declarant. Any and all rights, reservations, easements, interests, exemptions, privileges and powers of the Declarant hereunder, or any part of them, may be assigned or transferred (exclusively or non-exclusively) by the Declarant to its successors and assigns (hereinafter referred to as an "Assignee") by an instrument in writing. Unless expressly otherwise agreed between the parties to any such assignment or transfer (i) the Declarant shall not assume or be responsible for any liabilities, warranties or obligations which have or may accrue to any such Assignee under this Declaration or pursuant to law in connection with such Assignee's development of any lot or parcel of land subject, or to be subjected, to this Declaration, including, but not limited to, any liabilities, warranties or obligations concerning any Units, Common Elements, buildings or other improvements constructed, or to be constructed, by or on behalf of any such Assignee, and (ii) such Assignee shall not assume or be responsible for any liabilities, warranties or obligations which have or may accrue to the Declarant under this Declaration or pursuant to law in connection with the development of any lot or parcel of land subject, or to be subjected, to this Declaration, including, but not limited to, any liabilities, warranties or obligations concerning any Units, Common Elements, buildings or other improvements constructed, or to be constructed, by or on behalf of the Declarant. Any such written assignment or transfer shall specify that the Assignee has the obligation to meet the registration and disclosure requirements of the Act regarding any Units, Common Elements, buildings or other improvements constructed, or to be constructed, by or on behalf of such Assignee.

Section 9.7. Declarant Reserved Rights. No amendment to this Declaration or the Bylaws may remove, revoke, modify or amend any of the rights, reservations, easements, interests, exemptions, privileges or powers of the Declarant under this Declaration or the Bylaws, or any provision of this Declaration or the Bylaws that otherwise inures to the benefit of the Declarant, without the prior written consent of the Declarant.

Section 9.8. Declarant's Power of Attorney. The Declarant hereby reserves for itself, its successors, transferees and assigns, for a period of ten (10) years from the date the first Unit is conveyed to an individual purchaser, or until it conveys title to the last Unit, whichever occurs first, the right to execute on behalf of all contract purchasers, Unit Owners, Eligible Mortgage Holders, mortgagees, and other lienholders or parties claiming a legal or equitable interest in the Condominium, any such agreements, documents, amendments or supplements to this Declaration, the Bylaws or the Condominium Plat which may be so required by FNMA, FHA, VA, the Federal Home Loan Mortgage Corporation ("FHLMC"), the Government National Mortgage Association ("GNMA"), or by any governmental or quasi-governmental agency having regulatory jurisdiction over the Condominium, or institutional lender or title insurance company designated by the Declarant.

(a) By acceptance of a deed to any Unit or by the acceptance of any other legal or equitable interest in the Condominium, each and every such contract purchaser, Unit Owner, Eligible Mortgage Holder, mortgagee or other lienholder or party having a legal or equitable interest in the Condominium does automatically and irrevocably name, constitute, appoint and confirm the Declarant, its successors, transferees and assigns, as attorney-in-fact for the purpose of executing such agreement, document, amendment, supplement and other instrument(s) necessary to effect the foregoing subject to the limitations set forth herein.

(b) No such agreement, document, amendment, supplement or other instrument which adversely affects the value or substantially alters the floor plan of a Unit, or changes the Percentage Interest appurtenant to such Unit, or substantially increases the financial obligations of the Unit Owner, or reserves any additional or special privileges for the Declarant not previously reserved, shall be made without the prior written consent of the affected Unit Owner(s) and all owners of any mortgage(s) encumbering the Unit(s) owned by the affected Unit Owner(s). Any such agreement, document, amendment, supplement or instrument which adversely affects the priority or validity of any mortgage which encumbers any Unit shall not be made without the prior written consent of the owners of all such mortgages.

(c) The power of attorney aforesaid is expressly declared and acknowledged to be coupled with an interest in the subject matter hereof and the same shall run with the title to any and all Units and be binding upon the heirs, personal representatives, successors, transferees and assigns of any of the foregoing parties. Further, said power of attorney shall not be affected by the death or disability of any principal and is intended to deliver all right, title and interest of the principal in and to said power of attorney. Said power of attorney shall be vested in the Declarant, its successors, transferees and assigns until the initial conveyance of all Units planned to be within the Condominium or the expiration of same.

Section 9.9. Extraordinary Actions. Although the Board of Directors shall generally have broad powers to regulate, govern and manage the Condominium, the power to approve certain Extraordinary Actions (as defined below) shall remain vested in the Council of Unit Owners. Any provision of this Declaration or the Bylaws to the contrary notwithstanding, the Board of Directors shall not be authorized to take any Extraordinary Actions without the affirmative vote of Unit Owners representing not less than sixty-seven percent (67%) of the Unit Owners present, in person or by proxy, and voting at any meeting of the Association. As used herein, the term "Extraordinary Actions" shall mean any and all actions taken by or on behalf of the Council of Unit Owners, including, without limitation, commencing or maintaining any litigation, arbitration or similar proceeding (except for routine common expense collection matters, or actions required to enforce the restrictions on use of Units, rules or architectural controls set forth in Article 5 of the Bylaws) which would reasonably require the expenditure of funds in excess of Fifteen Thousand Dollars (\$15,000.00) in the aggregate during any fiscal year of the Association. However, Extraordinary Actions shall not be deemed to include actions by the Council of Unit Owners in connection with the normal care, upkeep, repair, maintenance or replacement of any of the existing Common Elements, including the establishment and utilization of reserves for the repair or replacement of existing Common Elements. Such actions with respect to the normal care, upkeep, repair, maintenance or replacement of any of the existing Common Elements shall be subject to Article 5, Sections 5.2, 5.3 and 5.4 of the Bylaws. Each planned expenditure of more than Fifteen Thousand Dollars (\$15,000.00) shall require the aforesaid consent of Unit Owners representing not less than sixty-seven percent (67%) of the Unit Owners present, in person or by proxy, and voting at any meeting of the Association.

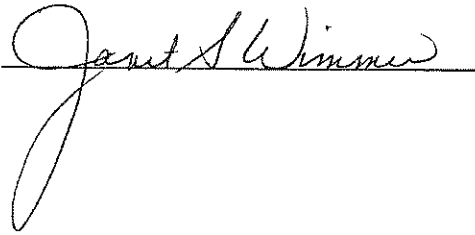
[SIGNATURE PAGES FOLLOW]

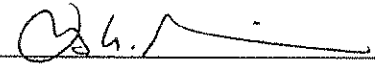
IN WITNESS WHEREOF, the Declarant has caused this writing to be executed and delivered in its name and on its behalf on the day and year first above written.

ATTEST/WITNESS:

CENTEX HOMES,
a Nevada general partnership

By: Centex Real Estate Corporation, a Nevada
corporation, its managing general partner



By: 

Robert K. Davis, Division President

STATE OF VIRGINIA

*

*

to wit:

*

COUNTY OF FAIRFAX

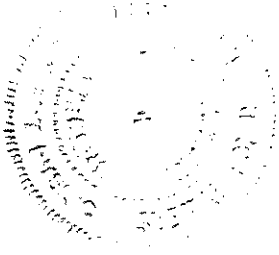
I HEREBY CERTIFY that on this 3RD day of JUNE, 2002, before me, a Notary Public in and for the aforesaid jurisdiction, personally appeared Robert K. Davis, known to me (or satisfactorily proven) to be the Division President of Centex Real Estate Corporation, a Nevada corporation, managing general partner of Centex Homes, a Nevada general partnership, and that such he, in such capacity and being authorized to do so, executed the foregoing and annexed instrument for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Daniel Lee Byrnes
Notary Public

My Commission Expires: DECEMBER 31, 2004

[NOTARIAL SEAL]



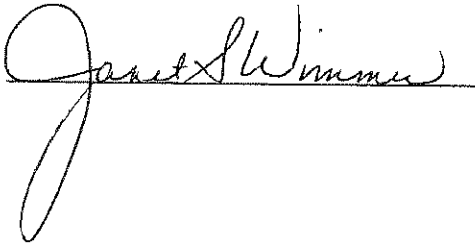
DECLARANT'S CERTIFICATION

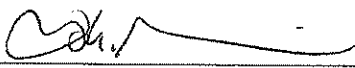
I HEREBY AFFIRM under penalty of perjury that the notice requirements of Section 11-102.1 of the Real Property Article of the Annotated Code of Maryland (1996 Replacement Volume), if applicable, have been fulfilled.

ATTEST/WITNESS:

CENTEX HOMES,
a Nevada general partnership

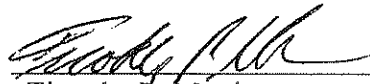
By: Centex Real Estate Corporation, a Nevada corporation, its managing general partner



By: 
_____ Robert K. Davis, Division President

ATTORNEY'S CERTIFICATION

I HEREBY CERTIFY THAT I am an attorney duly licensed to practice before the Court of Appeals of Maryland, and that the foregoing instrument was prepared by me or under my supervision.



Timothy P. Martin