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DECLARATION OF

COVENANTS, CONDITIONS AND RESTRICTIONS

FOR HENSON RIDGE

Dated as of: October ____, 2002

SUBMISSION
District of Columbia
CASE NO.03-13
EXHIBIT NO.54A8

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR HENSON RIDGE

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR HENSON RIDGE (**"Declaration"**) is made and entered into as of the _____ day of October, 2002, by and among (i) FDS Homeownership, LLC, a District of Columbia limited liability company (**"Homeowner Declarant"**), (ii) FDS Residential I Limited Partnership, a District of Columbia limited partnership (**"Rental I Declarant"**), (iii) FDS Residential II Limited Partnership, a District of Columbia limited partnership (**"Rental II Declarant"**), (iv) Henson Ridge Resident Association, Inc.; a District of Columbia nonstock corporation (**"Association"**),and (v) District of Columbia Housing Authority, a public body corporate and politic organized under the laws of the District of Columbia and an independent housing authority of the District of Columbia Government (**"Authority"**). The Home Declarant, Rental I Declarant and Rental II Declarant are sometimes herein referred to collectively as the **"Developer Declarants"**. The Developer Declarants and Association are sometimes herein referred to collectively as the **"Declarants"**. The addresses of each of the Declarants is presently c/o Mid-City Urban, LLC, 8403 Colesville Road, Suite 400, Silver Spring Metro Plaza II, Silver Spring, Maryland 20910. The address of the Authority is presently 1133 North Capital Street, N.E., Washington, D.C. 20002, Attn: Executive Director.

RECITALS:

A. The Rental I Declarant is the owner of a leasehold interest in a portion of certain real property. The Rental II Declarant and Homeowner Declarant will be the future owners of certain leasehold interests in different portions of certain real property, and the Association will be the future owner of certain leasehold interests and/or the beneficiary of one or more declarations of use in different portions of certain real property, all located in the District of Columbia, which real property is legally described in Exhibit A, attached hereto and by this reference made a part hereof (hereinafter defined as the **"Land"**). Various street closings, alley closings, street dedications, and alley dedications will change the Land from time-to-time. The defined term "Land" shall mean all land in the "Henson Ridge" (as hereinafter defined) community from time-to-time, whether or not the current Exhibit A attached to this Declaration includes such land and whether or not such land is leased to one of the Declarants, owned by or leased to or subject to one or more declarations of use in favor of the Association or owned by "Homeowner(s)" (as hereinafter defined). The Authority is and will continue to be the fee owner of the Land leased to the Declarants and Association and/or subject to one or more declarations of use in favor of the Association now and in the future, but will not own that portion of the Land which is ultimately sold to Homeowners and possibly the Association. The Authority joins in this Declaration to subject its fee ownership interest in the Land to this Declaration, subject to the condition that the Authority assumes no responsibility, liability or obligation, including without limitation the obligation to pay "Association Assessments" (as hereinafter defined), related to this Declaration.

B. The Authority, with the possible joinder of one or more of the Developer Declarants, shall subdivide portions of the Land and shall close certain public streets and alleys contiguous to the Land, and shall dedicate certain public streets and alleys from the Land by recording various subdivision plats, street and/or alley closing plats, and street and/or alley dedication plats (collectively, **"Plats"**) among the records in the Office of the Surveyor for the District of Columbia. The Plats are expected to create the following among the Land: (i) approximately two hundred thirty-two (232) subdivided lots (each hereinafter defined as a **"Rental Lot"**) ground leased or to be ground leased to Rental I Declarant or Rental II Declarant by the Authority, on which buildings will be developed to create forty (40) "Elderly Public Housing Units" (as hereinafter defined), one hundred twenty (120) "Family Public Housing Units" (as hereinafter defined), one hundred twenty (120) "Family Rental Units" (as hereinafter defined), and a "Leasing Center" (as hereinafter defined), the Rental Lots being legally described on the future Exhibit B, which will be attached hereto and revised by future amendments to this Declaration and by this reference made a part hereof at that time; (ii) three hundred twenty (320) subdivided lots (each hereinafter defined as an **"Ownership Lot"**) to be ground leased initially to Homeowner Declarant by the Authority, on which buildings will be developed to create three hundred twenty (320) "Homeownership Townhouses" (as hereinafter defined) and fee simple title to the Ownership Lots and improvements thereon shall be to Homeowners, the Ownership Lots being legally described on the future Exhibit C, which will be attached hereto and revised by future amendments to this Declaration and by this reference made a part hereof at that time; (iii) certain subdivided lots or parcels of land owned or to be owned by the Association, subject to a reversionary interest in the Authority, or ground leased or to be ground leased to the Association, or owned by the Authority subject to a declaration of use for the benefit of the Association on which community parks, playgrounds, green spaces and other common areas (hereinafter defined as the **"General Common Areas"**) will be developed by the Developer Declarants, on which landscaping and other improvements will be located, which will be for the use and enjoyment of all of the "Owners" (as hereinafter defined) and "Tenants" (as hereinafter defined) of the Elderly Public Housing Units, Family Public Housing Units and Family Rental Units, subject to the provisions set forth in this Declaration, the General Common Areas being legally described on the future Exhibit D, which will be attached hereto and revised by future amendments to this Declaration and by this reference made a part hereof at that time; (iv) a subdivided lot (hereinafter defined as the **"Business Center Lot"**) owned or to be owned by the Association, subject to a reversionary interest in the Authority, or ground leased or to be ground leased to the Association by the Authority, or owned by the Authority subject to a declaration of use for the benefit of the Association, on which a business development center will be developed by the Developer Declarants, which will serve the Owners and Tenants of the Ownership Lots and Rental Lots as part of the community's amenities, the Business Center Lot being legally described on future Exhibit E, which will be attached hereto and revised by future amendments to this Declaration and by this reference made a part hereof at that time; and (v) possibly in the future a subdivided lot (hereinafter defined as the **"Community Center Lot"**) owned or to be owned by the Association, subject to a reversionary interest in the Authority, or ground leased or to be ground leased to the Association by the Authority, or owned by the Authority subject to a declaration of use for the benefit of the Association, on which a community center will be developed by the Developer Declarants or the Authority or the District of Columbia, a municipal corporation (hereinafter defined as the **"District Corporation"**), which will serve the Owners

and Tenants of the Ownership Lots and Rental Lots as part of the community's amenities, any such Community Center Lot being legally described on future Exhibit F, which will be attached hereto and revised by future amendments to this Declaration and by this reference made a part hereof at that time. The hereinafter defined term **"Common Areas"** shall include the General Common Areas, Business Center Lot and any Community Center Lot, together with all "Improvements" (as hereinafter defined) thereon, as they are described in this Declaration and the exhibits hereto from time-to-time. The hereinafter defined term **"Development"** and **"Henson Ridge"** shall include the Rental Lots, Ownership Lots, General Common Areas, Business Center Lot and any Community Center Lot, together with all Improvements thereon, as they are described in this Declaration and the exhibits hereto from time-to-time. A schematic site plan (hereinafter defined as the **"Site Plan"**) showing the Rental Lots, Ownership Lots, General Common Areas, Business Center Lot, and possibly the Community Center Lot will be attached hereto and by this reference made a part hereof as future Exhibit G, which will be attached hereto and revised by future amendments to this Declaration and by this reference made a part hereof at that time. The Authority has been awarded a grant under the HOPE VI program administered by "HUD" (as hereinafter defined) pursuant to the HOPE VI Grant Agreement between the Authority and HUD, for use in connection with a "Revitalization Plan" (as hereinafter defined) for the redevelopment of the Land as a mixed-income housing community.

C. On the date of this Declaration, (i) four (4) of the Plats have been completed and recorded, (ii) the Land described in Exhibit A is currently owned by the Authority, but there shall be additions to and deductions from the Land described in Exhibit A pursuant to the Plats, (iii) the legal descriptions for one hundred twelve (112) of the Rental Lots in the first phase of the Development have been determined and are stated in the Exhibit H, attached hereto and by this reference made a part hereof, (iv) the land included in the 112 Rental Lots described in Exhibit H is ground leased to Rental I Declarant as of this date, and (v) pursuant to the Revitalization Plan, the Rental I Declarant plans to develop and operate a total of ten (10) Elderly Public Housing Units, fifty-eight (58) Family Public Housing Units, fifty-six (56) Family Rental Units, and the Leasing Center, i.e., a total of one hundred twenty-four (124) rental "Units" (as hereinafter defined) plus the Leasing Center on the one hundred twelve (112) Rental Lots in the first phase of the Development described on Exhibit H. When all the various Plats are recorded and the Rental Lots, Ownership Lots, General Common Areas, Business Center Lot and any Community Center Lot are finalized, this Declaration shall be amended to provide the final Exhibit A describing the Land, the final Exhibit B describing the Rental Lots, the final Exhibit C describing the Ownership Lots, the final Exhibit D describing the General Common Areas, the final Exhibit E describing the Business Center Lot, the final Exhibit F describing the Community Center Lot, if any, and the final Exhibit G describing the schematic site plan. Interim amendments to this Declaration may also be made to update such identities and descriptions and add or subtract Land, Rental Lots, Ownership Lots, General Common Areas, the Business Center Lot and/or the Community Center Lot. The Declarants and Authority shall have the right to amend this Declaration at any time to revise, update and/or finalize information about Henson Ridge.

D. Developer Declarants intend to develop the Land as described above in Recital B for use as a planned unit development under Chapter 24 of the Zoning Regulations of the District

of Columbia in accordance with Zoning Commission Order No. 942-A dated September 17, 2001, in Zoning Case No. 01-18MM/00-38C (hereinafter defined as the **"Zoning Commission Order"**) and that certain Declaration of Covenants (Planned Unit Development) dated March 22, 2002 (hereinafter defined as the **"Zoning Commission Declaration"**), between the Authority and the District Corporation, recorded prior to this Declaration among the Land Records of the District of Columbia on April 16, 2002, as Instrument No. 2002043758, with HUD approval, if required.

E. Developer Declarants desire to establish for their own benefit and for the mutual benefit of all future Owners and Tenants and the Association, certain mutually beneficial covenants, conditions and restrictions included in this Declaration with respect to the development, use, conduct and maintenance of the Development. At all times, the development, use, conduct and maintenance of the Development shall comply with the requirements of the Zoning Commission Order and Zoning Commission Declaration.

F. Declarants desire to subject the Development or portions thereof, to the covenants, conditions and restrictions set forth in this Declaration, each and all of which is and are for the benefit of the Development and portions thereof and each of the Owners and Tenants and Association, shall run with the land and shall inure to the benefit of and shall pass with the Development and each and every portion thereof.

G. In connection with the covenants, conditions and restrictions created in this Declaration, Developer Declarants have established the Association, which shall be responsible, pursuant to this Declaration and the Association's articles of incorporation and "Bylaws" (as hereinafter defined), for (i) the operation, administration, management, maintenance, repair, replacement and renewal of the General Common Areas, the Business Center Lot, any Community Center Lot and certain other portions of the Development from time to time described in and expressly made subject to this Declaration, (ii) collecting and disbursing the assessments and other charges imposed on the Owners pursuant to this Declaration, and (iii) the monitoring of the Development for compliance with and enforcement of the Zoning Commission Order and Zoning Commission Declaration.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby confirmed, Declarants and the Authority hereby declare and agree that the Development is and shall be transferred, held, occupied, sold, conveyed and accepted subject to this Declaration, all the terms and conditions of which are hereby imposed on the Development for the purpose of protecting the value and desirability, and enhancing the attractiveness of the Development. Declarants and the Authority do hereby further declare and agree that the following covenants, conditions, restrictions, agreements, rights, burdens, uses, privileges, charges and liens shall: (i) exist at all times hereafter among all parties having or acquiring any right, title or interest in or to any portion of the Development; (ii) be binding upon and inure to the benefit of each Owner, the Association and the Authority, and their respective heirs, personal representatives, successor and assigns; (iii) create certain rights and privileges in the Authority; and (iv) run with the Land subjected to this Declaration, such Land to be held, occupied, sold and conveyed subject to this Declaration.

ARTICLE 1.
DEFINITIONS

The following words, together with the agreements and understandings included in these definitions, when used in this Declaration shall have the following meanings, agreements and understandings (wherever appropriate herein, the singular includes the plural, the plural includes the singular, and any gender includes all genders):

1.1 "**ACC**" shall mean that certain Consolidated Annual Contributions Contract between HUD and the Authority applying solely to the Development, as amended from time to time including, without limitation, as amended by (i) a Mixed Finance Amendment between the Authority and HUD for the Elderly Public Housing Units and Family Public Housing Units in the Phase I Rental Development and executed substantially contemporaneously with the Regulatory and Operating Agreement for the Phase I Rental Development, and (ii) a Mixed Finance Amendment between the Authority and HUD for the Elderly Public Housing Units and Family Public Housing Units in the Phase II Rental Development and executed substantially contemporaneously with the Regulatory and Operating Agreement for the Phase II Rental Development.

1.2 **"Act"** shall mean the United States Housing Act of 1937, as amended from time-to-time, and any successor legislation.

1.3 **"Alteration"** shall mean any addition (including awnings and screens), change, or alteration (including any retreatment by painting or otherwise of any exterior of any Structure unless the original color and materials or reasonably similar colors and materials are used) to the exterior of any Structure or the contour or boundary of any Lot.

1.4 **"Architectural Review Committee"** shall mean the Henson Ridge Architectural Review Committee composed of three persons appointed, replaced or substituted by the Developer Declarants or the Board pursuant to Article 4 of this Declaration.

1.5 **"Association"** shall mean and refer to Henson Ridge Resident Association, Inc., a non-profit, non-stock, membership corporation formed by Developer Declarants under the laws of the District of Columbia. All Owners and Tenants shall be Members of the Association, all as more particularly described in this Declaration.

1.6 **"Association Assessments"** shall mean those certain (i) regular assessments and charges, and (ii) special assessments for capital or other improvements or maintenance requirements, together with such late charges and costs of enforcement and collection, including reasonable attorneys' fees and litigation expenses which each Owner of a Rental Lot or Ownership Lot is obligated to pay to the Association; the amount of such regular and special assessments and charges to be fixed, established and collected from time to time as provided in this Declaration.

1.7 **"Authority"** shall mean and refer to the District of Columbia Housing Authority, a public body corporate and politic organized under the laws of the District of Columbia and an independent housing authority of the District of Columbia Government.

1.8 **"Board"** shall mean the Board of Directors of the Association as constituted, at any time or from time to time, in accordance with the applicable provisions of Article 3 of this Declaration.

1.9 **"Builder"** shall mean any person or entity other than the Developer Declarants, which shall, in the ordinary course of such person's or entity's business, construct a Structure on a Rental Lot or Ownership Lot for sale or lease to another person to occupy as such person's residence or on a Rental Lot for a Leasing Center or on the Business Center Lot for the operation of a community business development center.

1.10 **"Business Center Lot"** shall mean a subdivided lot at the northwest corner of Alabama Avenue, S.E. and Stanton Road, S.E. on which a 1,200 square foot, one-story business development center will be rehabilitated by the Developer Declarants from the existing Stanton Community Center building, and owned or to be owned by the Association, subject to a reversionary interest in the Authority, or leased or to be leased by the Association from the Authority, or owned by the Authority subject to a declaration of use for the benefit of the Association, which will serve the Association and Owners and Tenants of the Ownership Lots and Rental Lots, the Business Center Lot being legally described on future Exhibit E, which will be attached hereto and revised by future amendments to this Declaration and by this reference made a part hereof at that time. The defined term Business Center Lot shall include all Improvements on the land described in Exhibit E from time-to-time. The maintenance, repair, improvement, use, enjoyment and operation of the Business Center Lot described in Exhibit E from time-to-time shall be in accordance with the terms and provisions of this Declaration.

1.11 **"Bylaws"** shall mean the Bylaws of the Association, a copy of which is attached hereto and by this reference made a part hereof as Exhibit I.

1.12 **"Commercial Vehicle"** shall mean any motor vehicle with a rated load capacity greater than ¾ ton, i.e., 1,500 pounds.

1.13 **"Common Areas"** shall mean the General Common Areas and as the context may require or permit, the Business Center Lot and possibly the Community Center Lot. The maintenance, repair, improvement, use, enjoyment, and operation of all of the Common Areas, as they are described in this Declaration and the exhibits hereto from time-to-time, shall be in accordance with the terms and provisions of this Declaration.

1.14 **"Community Center Lot"** shall mean a subdivided lot or unsubdivided parcel of land on which a community center may be constructed or rehabilitated in the future by the Developer Declarants, Authority or others, and owned or to be owned by the Association, subject to a reversionary interest in the Authority, or leased or to be leased by the Association from the Authority, or owned by the Authority subject to a declaration of use for the benefit of the Association, which if provided, will serve the Association and Owners and Tenants of the

Ownership Lots and Rental Lots, the Community Center Lot being legally described on future Exhibit F, which will be attached hereto and revised by future amendments to this Declaration and by this reference made a part hereof at that time. The defined term Community Center Lot shall include all Improvements on the land described in Exhibit F from time-to-time. On the date this Declaration is recorded, none of the Declarants are obligated to provide the Community Center Lot. There is also the possibility a community center will be provided separately, outside this Declaration, by the Authority, District Corporation or some other governmental entity. If the Community Center Lot is specifically added to the Common Areas by the inclusion of an Exhibit F to this Declaration, then and only in such event, the maintenance, repair, improvement, use, enjoyment and operation of the Community Center Lot shall be in accordance with the terms and provisions of this Declaration.

1.15 **"Covenants"** shall mean the covenants, conditions, restrictions, agreements, rights, burdens, uses, privileges, charges and liens imposed on the Development, Owners and Tenants pursuant to this Declaration.

1.16 **"Declarants"** shall mean the Developer Declarants and the Association, and their respective designated successors and assigns; provided, however, that any rights specifically reserved herein to Declarants shall not inure to the benefit of such successors and assigns unless with respect to each of the Declarants (i) such Declarant conveys or otherwise transfers to such successor or assign all of its right, title and interest in the Land and Development, as an entirety, without reservation of any kind, or (ii) specifically assigns, transfers and/or sets-over in a recorded instrument or conveys by operation of law all of its right, title and interest under this Declaration to such successor or assign. Where this Declaration provides for any act to be undertaken by Declarants, such act shall be deemed to include any action taken directly by or at the direction of the Developer Declarants and Association, and their respective successors and assigns who hold such rights as aforesaid. The rights of the Declarants herein contained shall be exercised solely by the Developer Declarants and the Association and those designated successors and assigns to whom such Developer Declarant or Association specifically assigns such right as aforesaid.

1.17 **"Declaration"** shall mean this Declaration of Covenants, Conditions and Restrictions for Henson Ridge, together with any and all modifications, amendments, additions and supplements thereto and replacements thereof.

1.18 "**Declaration of Trust**" shall mean (i) that certain Declaration of Trust and Declaration of Restrictive Covenants in favor of HUD, recorded among the Land Records, which obligates the Authority, Rental I Declarant and any successor in title to the Phase I Rental Development, including a successor in title by foreclosure or deed-in-lieu of foreclosure (or the leasehold equivalent), to maintain and operate the Elderly Public Housing Units and Family Public Housing Units in the Phase I Rental Development in compliance with Public Housing Requirements for the period stated therein, as the same may be amended or supplemented from time-to-time, and/or (ii) that certain Declaration of Trust and Declaration of Restrictive Covenants in favor of HUD, recorded among the Land Records, which obligates the Authority, Rental II Declarant and any successor in title to the Phase II Rental Development, including a successor in title by foreclosure or deed-in-lieu of foreclosure (or the leasehold equivalent), to

maintain and operate the Elderly Public Housing Units and Family Public Housing Units in the Phase II Rental Development in compliance with Public Housing Requirements for the period stated therein, as the same may be amended or supplemented from time-to-time.

1.19 **"Design Guidelines"** shall mean the architectural design criteria for the Development, established by the Architectural Review Committee pursuant to Article 4 of this Declaration, which will be applied only after the end of the Development Period to completed and occupied portions of the Development.

1.20 **"Developer Declarants"** shall mean the Homeowner Declarant, the Rental I Declarant and the Rental II Declarant and their respective designated successors and assigns; provided, however, that any rights specifically reserved herein to Developer Declarants shall not inure to the benefit of such successors and assigns unless with respect to each of the Developer Declarants (i) such Developer Declarant conveys or otherwise transfers to such successor or assign all of its right, title and interest in the Land and Development, as an entirety, without reservation of any kind, or (ii) specifically assigns, transfers and/or sets-over in a recorded instrument or conveys by operation of law all of its right, title and interest under this Declaration to such successor or assign. Where this Declaration provides for any act to be undertaken by Developer Declarants, such act shall be deemed to include any action taken directly by or at the direction of the Developer Declarants, and their respective successors and assigns who hold such rights as aforesaid. The rights of the Developer Declarants herein contained shall be exercised solely by the Developer Declarants and those designated successors and assigns to whom such Developer Declarant specifically assigns such right as aforesaid. When used in the singular, "Developer Declarant" shall refer to any one of the Developer Declarants, and when used in the plural, "Developer Declarants" shall refer to all of the Developer Declarants.

1.21 **"Development"** shall mean all Rental Lots, Ownership Lots, General Common Areas, Business Center Lot and possibly the Community Center Lot, together with all Improvements thereon from time-to-time described in this Declaration and the exhibits hereto, which are subject to this Declaration. The defined terms "Development" and "Henson Ridge" have the same meaning in this Declaration.

1.22 **"Development Period"** shall mean and refer to the period commencing as of the date of this Declaration and ending on the later of: (i) substantial completion of the Development; or (ii) the earlier of (a) December 31, 2007, or (b) the date on which eighty-five percent (85%) of the Homeownership Townhouses are owned by Homeowners. The Authority and Developer Declarants may terminate the Development Period at any time in an amendment to this Declaration.

1.23 **"Director"** shall mean a duly appointed or elected member of the Board of the Association from time-to-time.

1.24 **"District Corporation"** shall mean the District of Columbia, a municipal corporation.

1.25 **"Elderly Public Housing Unit"** shall mean (i) any one of the forty (40) planned Units on the Rental Lots designated for elderly use in accordance with Section 7 of the Act by the Rental I Declarant or Rental II Declarant and operated and maintained as a "public housing" unit in accordance with Public Housing Requirements and the applicable Regulatory and Operating Agreement, and (ii) the applicable Rental Lot on which such Unit is located.

1.26 **"Family Public Housing Unit"** shall mean (i) any one of the Units on the Rental Lots, excluding the Elderly Public Housing Units, designated for family use in accordance with the Act from time-to-time by the Rental I Declarant or Rental II Declarant and operated and maintained as a "public housing" dwelling in accordance with Public Housing Requirements and the applicable Regulatory and Operating Agreement, and (ii) the applicable Rental Lot on which such Unit is located. There are one hundred twenty (120) planned Family Public Housing Units in the Development. At any time, the Rental I Declarant or Rental II Declarant shall have the right to change the designation of a Family Public Housing Unit to a Family Rental Unit and to change the designation of a Family Rental Unit to a Family Public Housing Unit based on the occupancy of such Unit as provided in the applicable Regulatory and Operating Agreement.

1.27 **"Family Rental Unit"** shall mean (i) any one of the Units on the Rental Lots, excluding the Elderly Public Housing Units and Family Public Housing Units, designated for family use from time-to-time by the Rental I Declarant or Rental II Declarant, and (ii) the applicable Rental Lot on which such Unit is located. There are one hundred twenty (120) planned Family Rental Units in the Development. At any time, the Rental I Declarant or Rental II Declarant shall have the right to change the designation of a Family Rental Unit to a Family Public Housing Unit and to change the designation of a Family Public Housing Unit to a Family Rental Unit based on the occupancy of such Unit.

1.28 **"General Common Areas"** shall mean certain subdivided lots or parcels of land on which community parks, playgrounds, green spaces and other common areas will be developed by the Developer Declarants, and owned or to be owned by the Association, subject to a reversionary interest in the Authority, or leased or to be leased by the Association from the Authority, or owned by the Authority subject to a declaration of use for the benefit of the Association, on which landscaping and other improvements will be located, which will be for the use and enjoyment of all of the Owners and Tenants of the Homeownership Townhouses and Tenants of the Elderly Public Housing Units, Family Public Housing Units and Family Rental Units, subject to the provisions set forth in this Declaration, the General Common Areas being legally described on future Exhibit D, which will be attached hereto and revised by future amendments to this Declaration and by this reference made a part hereof at that time. The defined term General Common Areas shall include all Improvements on the land described in Exhibit D from time-to-time. The maintenance, repair, improvement, use, enjoyment, and operation of all of the General Common Areas described in Exhibit D from time-to-time shall be in accordance with the terms and provisions of this Declaration.

1.29 **"Henson Ridge"** shall mean all Rental Lots, Ownership Lots, General Common Areas, Business Center Lot and any Community Center Lot, together with all Improvements thereon from time-to-time described in this Declaration and the exhibits hereto, which are subject

to this Declaration. The defined terms "Development" and "Henson Ridge" have the same meaning in this Declaration.

1.30 **"Homeowner(s)"** shall mean one or more owners in fee simple of a Homeownership Townhouse whose ownership interest is recorded among the Land Records of the District of Columbia, excluding the Declarants and the Authority.

1.31 **"Homeowner Declarant"** shall mean FDS Homeownership, LLC, a District of Columbia limited liability company, and its designated successors and assigns; provided, however, that any rights specifically reserved herein to Homeowner Declarant shall not inure to the benefit of such successors and assigns unless with respect to the Homeowner Declarant (i) such Homeowner Declarant conveys or otherwise transfers to such successor or assign all of its right, title and interest in the Ownership Lots, as an entirety, without reservation of any kind, or (ii) specifically assigns, transfers and/or sets-over in a recorded instrument or conveys by operation of law all of its right, title and interest under this Declaration to such successor or assign. Where this Declaration provides for any act to be undertaken by Homeowner Declarant, such act shall be deemed to include any action taken directly by or at the direction of the Homeowner Declarant, and its successors and assigns who hold such rights as aforesaid. The rights of the Homeowner Declarant herein contained shall be exercised solely by the Homeowner Declarant and those designated successors and assigns to whom such Homeowner Declarant specifically assigns such right as aforesaid.

1.32 **"Homeownership Townhouse"** shall mean any one Unit on an Ownership Lot designated for sale from time-to-time by the Homeowner Declarant and the applicable Ownership Lot on which such Unit is located. There are three hundred twenty (320) planned Homeownership Townhouses in the Development.

1.33 "**HUD**" shall mean and refer to the United States Department of Housing and Urban Development.

1.34 **"Improvements"** shall mean all improvements on any Rental Lot, Ownership Lot, General Common Areas, Business Center Lot or any Community Center Lot from time-to-time described in this Declaration and the exhibits hereto and all other tenements, hereditaments, benefits, privileges, and appurtenances in any way belonging to such Rental Lot, Ownership Lot, General Common Areas, Business Center Lot or any Community Center Lot.

1.35 **"Insurer or Guarantor"** shall mean the insurer or guarantor of a Mortgage on a Lot.

1.36 **"Land"** shall mean certain real property, all located in the District of Columbia and initially owned by the Authority, which real property is legally described in Exhibit A, attached hereto and by this reference made a part hereof. Various street closings, alley closings, street dedications, and alley dedications will change the Land from time-to-time. The defined term "Land" shall mean all land in the "Henson Ridge" community from time-to-time, excluding land dedicated to public streets, public alleys, public schools and other public uses, whether or not the current Exhibit A attached to this Declaration includes such land and whether or not such

land is leased to one of the Declarants, owned by or leased to or subject to one or more declarations of use in favor of the Association or owned by Homeowners.

1.37 **"Leasing Center"** shall mean a new, one-story Structure of approximately 2,300 gross square feet constructed on the Rental Lot at the northeast corner of Alabama Avenue, S.E. and Stanton Terrace, S.E. to be owned by Rental I Declarant and initially used for marketing of Units for lease or purchase in the Development.

1.38 **"Lot"** shall mean the fee simple or leasehold interest in or beneficial use of any present or future lot or parcel of land comprising one of the Ownership Lots, Rental Lots, the Business Center Lot or any Community Center Lot which (i) is designated as such on the Site Plan, (ii) is shown on or created by one of the Plats now or in the future, or (iii) is given a separate assessment and taxation lot number by the District of Columbia Department of Finance and Revenue. The term "Lot" shall include the Unit, Leasing Center, business development center or any community center and other Improvements associated with such Lot but shall not include any of the General Common Areas or any public streets, public alleys or public parking areas within the Development that are dedicated to public use by any of the Declarants or the Authority.

1.39 **"Member"** shall mean and refer to any person or entity who holds membership in the Association, as more specifically described in Section 3.1 of this Declaration.

1.40 "**Mixed-Finance Amendment**" shall mean (i) that certain Mixed-Finance Amendment to Consolidated Annual Contributions Contract by and between the Authority and HUD with respect to the Phase I Rental Development, and/or (ii) that certain Mixed-Finance Amendment to Consolidated Annual Contributions Contract by and between the Authority and HUD with respect to the Phase II Rental Development.

1.41 **"Mortgage"** shall mean any mortgage, deed of trust or other lien instrument to secure a debt or other obligation which encumbers any Lot or any or all of the General Common Areas and has been recorded among the Land Records of the District of Columbia.

1.42 **"Mortgagee"** shall mean the holder of the debt or other obligation secured by a Mortgage or the beneficiary named in the Mortgage.

1.43 **"Municipal Laws"** shall mean the duly enacted laws, ordinances, codes, and regulations of the District of Columbia, including the PUD Ordinance, as the same affect the use and development of Henson Ridge.

1.44 **"Owner"** shall mean with respect to each Lot, any Homeowner, any of the Developer Declarants, the Association, or any other owner whose ownership interest is recorded among the Land Records of the District of Columbia, whether one or more persons or entities, of the fee simple or long-term leasehold interest in a Lot, excluding the Authority, the District Corporation and all Mortgagees and other persons and entities holding such interest merely as security for the performance of an obligation or payment of a debt.

1.45 **"Ownership Lot"** shall mean the fee simple or leasehold interest in any one (1) of three hundred twenty (320) subdivided lots designated as such on the Site Plan and ground leased or to be ground leased to Homeowner Declarant on which buildings will be initially developed to create three hundred twenty (320) planned Homeownership Townhouses with fee simple title to the Ownership Lots and Improvements thereon ultimately being sold to Homeowners, the Ownership Lots being legally described on future Exhibit C, which will be attached hereto and revised by future amendments to this Declaration and by this reference made a part hereof at that time. The term " Ownership Lot" shall include the Unit and other Improvements associated with such Ownership Lot from time-to-time but shall not include the Authority's fee simple interest in any Ownership Lot prior to its conveyance to a Homeowner, any of the Common Areas or any public streets, public alleys or public parking areas within the Development that are dedicated to public use by any of the Declarants or the Authority.

1.46 "**Phase I Rental Development**" shall mean and refer to ten (10) Elderly Public Housing Units, fifty-eight (58) Family Public Housing Units, fifty-six (56) Family Rental Units, and the Leasing Center, i.e., a total of one hundred twenty-four (124) rental Units plus the Leasing Center, to be developed on the one hundred twelve (112) Rental Lots leased to the Rental I Declarant by the Authority from time-to-time.

1.47 "**Phase II Rental Development**" shall mean and refer to all the Elderly Public Housing Units, Family Public Housing Units, Family Rental Units to be developed on all the Rental Lots leased to the Rental II Declarant by the Authority from time-to-time.

1.48 **"Plat"** shall mean any one of the various future subdivision plats, street and/or alley closing plats, street and/or alley dedication plats, or other future dedication plats which subdivide portions of the Land, close certain public streets and/or alleys contiguous to the Land, dedicate certain public streets and/or alleys from the Land, or dedicate certain portions of the Land to public use by recordation among the records in the Office of the Surveyor for the District of Columbia.

1.49 "**Public Housing Requirements**" shall mean the Act; HUD regulations thereunder; any other federal laws, regulations, and Executive Orders pertaining to public housing; the ACC (as amended by the Mixed-Finance Amendment); the HOPE VI Grant Agreement between the Authority and HUD relating to the Development; and the applicable Declaration of Trust (including any documents incorporated into any of them by amendment, exhibit or reference) as those requirements may be waived or amended from time-to-time.

1.50 **"PUD Ordinance"** shall mean Chapter 24 of the Zoning Regulations of the District of Columbia, including the applicable law, as the same may hereafter be amended from time to time.

1.51 "**Regulatory and Operating Agreement**" shall mean (i) that certain Regulatory and Operating Agreement for the PHA-Assisted Units of Henson Ridge Phase I between the Authority and Rental I Declarant, recorded among the Land Records, which governs the operation of the Elderly Public Housing Units and Family Public Housing Units in the Phase I Rental Development in compliance with Public Housing Requirements, as the same may be

amended or supplemented from time-to-time, and/or (ii) that certain Regulatory and Operating Agreement for the PHA-Assisted Units of Henson Ridge Phase II between the Authority and Rental II Declarant, recorded among the Land Records, which governs the operation of the Elderly Public Housing Units and Family Public Housing Units in the Phase II Rental Development in compliance with Public Housing Requirements, as the same may be amended or supplemented from time-to-time.

1.52 **"Rental I Declarant"** shall mean FDS Residential I Limited Partnership, a District of Columbia limited partnership, and its designated successors and assigns; provided, however, that any rights specifically reserved herein to Rental I Declarant shall not inure to the benefit of such successors and assigns unless with respect to the Rental I Declarant (i) such Rental I Declarant conveys or otherwise transfers to such successor or assign all of its right, title and interest in the Rental Lots, as an entirety, without reservation of any kind, or (ii) specifically assigns, transfers and/or sets-over in a recorded instrument or conveys by operation of law all of its right, title and interest under this Declaration to such successor or assign. Where this Declaration provides for any act to be undertaken by Rental I Declarant, such act shall be deemed to include any action taken directly by or at the direction of the Rental I Declarant, and its successors and assigns who hold such rights as aforesaid. The rights of the Rental I Declarant herein contained shall be exercised solely by the Rental I Declarant and those designated successors and assigns to whom such Rental I Declarant specifically assigns such right as aforesaid.

1.53 **"Rental II Declarant"** shall mean FDS Residential II Limited Partnership, a District of Columbia limited partnership, and its designated successors and assigns; provided, however, that any rights specifically reserved herein to Rental II Declarant shall not inure to the benefit of such successors and assigns unless with respect to the Rental II Declarant (i) such Rental II Declarant conveys or otherwise transfers to such successor or assign all of its right, title and interest in the Rental Lots, as an entirety, without reservation of any kind, or (ii) specifically assigns, transfers and/or sets-over in a recorded instrument or conveys by operation of law all of its right, title and interest under this Declaration to such successor or assign. Where this Declaration provides for any act to be undertaken by Rental II Declarant, such act shall be deemed to include any action taken directly by or at the direction of the Rental II Declarant, and its successors and assigns who hold such rights as aforesaid. The rights of the Rental II Declarant herein contained shall be exercised solely by the Rental II Declarant and those designated successors and assigns to whom such Rental II Declarant specifically assigns such right as aforesaid.

1.54 **"Rental Lot"** shall mean the leasehold interest in any one (1) of approximately two hundred thirty-two (232) subdivided lots designated as such on the Site Plan and ground leased or to be ground leased to Rental I Declarant or Rental II Declarant on which buildings will be initially developed to create forty (40) planned Elderly Public Housing Units, one hundred twenty (120) Family Public Housing Units, one hundred twenty (120) planned Family Rental Units, and a Leasing Center, the Rental Lots being legally described on future Exhibit B, which will be attached hereto and revised by future amendments to this Declaration and by this reference made a part hereof at that time. The term "Rental Lot" shall include the Unit(s) or Leasing Center associated with such Rental Lot from time-to-time but shall not include the

Authority's fee simple interest in the land comprising the Rental Lot, any of the Common Areas or any public streets, public alleys or public parking areas within the Development that are dedicated to public use by any of the Declarants or the Authority.

1.55 "**Revitalization Plan**" shall mean the HUD-approved revitalization plan for the demolition of all structures comprising the prior housing development on the Land and the redevelopment of the Land as a mixed-income housing community as shown on the Site Plan, part of which will be paid for under that certain HOPE VI Grant Agreement between the Authority and HUD.

1.56 **"Site Plan"** shall mean that certain schematic site plan attached hereto and by this reference made a part hereof as Exhibit G showing all or portions of (i) the approximately 232 planned Rental Lots with the 40 planned Elderly Public Housing Units, the 120 planned Family Public Housing Units, the 120 planned Family Rental Units, and the Leasing Center, (ii) the 320 planned Ownership Lots with the Homeownership Townhouses, (iii) the General Common Areas, (iv) the Business Center Lot, and (v) possibly the future Community Center Lot.

1.57 **"Structure"** shall mean any thing or device the placement of which upon the Development, or any part thereof, may affect the appearance of the Development, or any part thereof, whether or not visible from the General Common Areas, streets or alleys, including, by way of illustration and not of limitation: (i) any building, trailer, garage, porch, shed, greenhouse, bathhouse, coop or cage, covered or uncovered patio, clothesline, radio, television or other antenna or "dish," fence, sign, curbing, paving, wall, roadway, walkway, exterior light, landscape, hedge, trees, shrubbery, planting, signboard or any temporary or permanent living quarters or dwelling, including any house trailer, or any other temporary or permanent improvement made to the Development or any part thereof; (ii) any excavation, fill, ditch, diversion, dam or other thing or device which affects or alters the natural flow of surface waters from, upon or across the Development, or which affects or alters the flow of any waters in any natural or artificial stream, wash or drainage channel from, upon or across the Development; or (iii) any change in the grade of the Land or Improvements, or any part thereof, of more than six (6) inches from that existing at the time when the certificate of occupancy for the Unit on the Lot was received, or when any Unit was completed in accordance with the plans approved by the Developer Declarant of the Lot, whichever is latest.

1.58 **"Tenant"** shall mean any person or persons other than a Homeowner who are leasing an Elderly Public Housing Unit or Family Public Housing Unit or Family Rental Unit pursuant to a written lease between either the Rental I Declarant or the Rental II Declarant and such person or persons, who must be specifically named in and a party to such written lease. The term "Tenant" shall not include subtenants or other occupants who do not have a direct written lease with either the Rental I Declarant or the Rental II Declarant.

1.59 **"Unit"** shall mean one (1) residential housing unit consisting of a group of rooms which are designed or intended for the exclusive use as living quarters for one family and which includes a single complete kitchen and complete bath and toilet facilities permanently installed, even if such group of rooms shares a common exterior wall, roof or other structural or common component, including access, with one or more other groups of rooms being used as separate

living quarters. Each Ownership Lot and each Rental Lot, except for the approximately fourteen (14) Rental Lots that contain the approximately twenty-eight (28) "stacked flats," the approximately seven (7) Rental Lots that contain the approximately forty-two (42) semi-detached bungalows, and the Rental Lot that contains the Leasing Center, is intended to include one (1) Unit. A majority of the Units will be two-story semi-detached and row houses, with 42 one-story semi-detached bungalows and 28 Units of stacked flats.

1.60 **"Zoning Commission Declaration"** shall mean that certain Declaration of Covenants (Planned Unit Development) dated March 22, 2002, between the Authority and the District Corporation, recorded prior to this Declaration among the Land Records of the District of Columbia on April 16, 2002, as Instrument No. 2002043758.

1.61 **"Zoning Commission Order"** shall mean that certain Zoning Commission Order No. 942-A dated September 17, 2001, in Zoning Case No. 01-18MM/00-38C wherein the Land is authorized to developed as a planned unit development under the PUD Ordinance.

ARTICLE 2.
GENERAL PURPOSES

2.1 **Purposes of this Declaration**. The Development is made subject to this Declaration in order to insure proper use, appropriate development and improvement of the Development and every part thereof; to protect each Owner from the improper use of surrounding Units; to encourage attractive improvements on each Lot with appropriate locations thereof; to prevent haphazard and inharmonious improvements; to insure desired high standards of maintenance for the benefit and convenience of all Owners; to protect and preserve the open space features of the Development; and in general to provide adequately for a high-quality residential subdivision.

2.2 **Purposes of the Association**. In order to implement the general purposes of this Declaration, the Association has been created with responsibility for, among other things, maintenance, repair and preservation of all of the General Common Areas and Business Center Lot; enforcement of the restrictions contained in this Declaration and the Zoning Commission Declaration; and the levying and collection of Association Assessments to fund all of its responsibilities, all in accordance with the terms of this Declaration, and the Association's articles of incorporation and Bylaws.

ARTICLE 3.
THE ASSOCIATION

3.1 **Membership in the Association**. The Association shall be a nonstock, membership association. Every Owner of a Lot, including Developer Declarants for each Lot that they ground lease and every Tenant of a Elderly Public Housing Unit, Family Public Housing Unit or Family Rental Unit, shall be a Member of the Association for purposes of electing Directors to serve on the Board. Membership shall be appurtenant to and may not be separated from fee or leasehold ownership of each Lot or a subleasehold interest in a Unit. If the record owner of fee simple title to a Homeownership Townhouse shall be more than one person,

all such persons shall be Members, but the voting rights in the Association for the election of Directors and other matters attributable to that Homeownership Townhouse shall be exercised in the manner provided in Section 3.2 of this Article 3. If there are more than one Tenant for any Elderly Public Housing Unit, Family Public Housing Unit or Family Rental Unit, all such Tenants shall be Members, but the voting rights in the Association for the election of Directors attributable to that Elderly Public Housing Unit, Family Public Housing Unit or Family Rental Unit shall be exercised in the manner provided in Section 3.2 of this Article 3. If the record owner of fee simple or leasehold title to a Lot shall be a land trust, corporation, partnership, limited liability company, or other legal entity, then the one individual who shall be entitled to exercise the rights and privileges of voting for the election of Directors and other matters attributable to that Lot, and who shall be responsible to bear the obligations associated with membership in the Association with respect to that Lot shall, be designated by the Owner thereof in writing to the Association. Such designation may be changed from time-to-time thereafter by notice in writing from the Owner to the Association delivered no later than three (3) business days prior to the effective date of such change. No Owner or Tenant shall have any right or power to disclaim, terminate or withdraw from such Owner's or Tenant's membership in the Association or any of the obligations as such Member, and no purported disclaimer, termination or withdrawal thereof or therefrom on the part of any such Owner or Tenant shall be of any force or effect for any purpose.

3.2 **Voting Rights in the Association**. Members, for purposes of electing their respective Directors to serve on the Board, shall be all of the Owners (including the Developer Declarants or each Developer Declarant's successors or assigns for each Lot that it ground leases) and all Tenants of an Elderly Public Housing Unit, Family Public Housing Unit or Family Rental Unit. Members, for purposes of all other decisions requiring the vote of the Members of the Association, except for the election of Directors, shall be only the Owners of Lots. Owners shall be entitled to one (1) vote in the election of their respective Directors and other matters for each Unit in which they hold the fee simple or leasehold interest required for membership. Tenants shall be entitled to one (1) vote in the election of their respective Directors for the applicable Elderly Public Housing Unit, Family Public Housing Unit or Family Rental Unit in which they hold a subleasehold interest required for membership. When more than one person or entity, as Owners, hold such ownership or leasehold interest in any Unit, all such persons or entities shall be Members, but the right to vote for such Unit shall be exercised as they among themselves determine, provided, however, that in no event shall more than one (1) vote be cast by all Owners with respect to each Unit. When more than one person, as Tenants, hold such subleasehold interest in any Elderly Public Housing Unit, Family Public Housing Unit or Family Rental Unit, all such persons shall be Members, but the right to vote for such Elderly Public Housing Unit, Family Public Housing Unit or Family Rental Unit shall be exercised as they among themselves determine, provided, however, that in no event shall more than one (1) vote be cast by all Tenants with respect to each Elderly Public Housing Unit, Family Public Housing Unit or Family Rental Unit for the election of their respective Directors. Since Owners and Tenants are both Members, each occupied Elderly Public Housing Unit, Family Public Housing Unit or Family Rental Unit will have an Owner-Member and a Tenant-Member, each with one (1) vote in the Association for purposes of electing their respective Directors. The Authority, for the purpose of electing its respective Director to serve on the Board, shall be entitled to vote

for or appoint such Director. The Authority shall also have those specific consent and approval rights provided in this Declaration and the Bylaws, but shall not otherwise have a vote for any matter to be decided by the Association, except for the election or appointment of the Association's respective Director.

3.3 **The Board**. All rights, obligations and actions of the Association shall be vested in the Board, subject to specific voting rights provided to Owners and Declarants herein. The Board shall direct the Association for the mutual benefit of the Owners and Tenants as specified herein. Subject to specific voting rights provided Owners and Declarants herein, the control of the Association is held by the Board, the affairs of the Association shall be managed by the Board, and the Association may act only through the Board and its duly elected officers. The Association shall have a Board of Directors determined as follows:

A. Until the end of the Development Period, the Board shall consist of four (4) Directors, (i) one (1) of whom shall be elected or appointed by the Authority or its designee, with such substitute or replacement Director as the Authority shall determine from time-to-time, and (ii) three (3) of whom shall be elected or appointed by the Developer Declarants or their designees, with such substitute or replacement Directors as the Developer Declarants shall determine from time-to-time. Such initial four (4) Directors and their successors shall serve until the end of the Development Period.

B. After the end of the Development Period, the Board shall automatically increase to and consist of eleven (11) Directors appointed or elected as follows: (i) three (3) Directors shall be elected or appointed by the Homeowners to represent the Homeowners of the Homeownership Townhouses; (ii) five (5) Directors shall be appointed by the Rental I Declarant and Rental II Declarant in such manner as they shall agree upon or, if they cannot agree, by Rental I Declarant and Rental II Declarant each appointing two (2) Directors and the four (4) Directors so appointed by majority vote appointing a fifth (5^{th}) Director, to represent the Owners of the Elderly Public Housing Units, Family Public Housing Units, and Family Rental Units; (iii) one (1) Director shall be elected or appointed by the Tenants in the Phase I Rental Development to represent the Tenants of the Phase I Rental Development, (iv) one (1) Director shall be elected or appointed by the Tenants in the Phase II Rental Development to represent the Tenants of the Phase II Rental Development, and (v) one (1) Director shall be appointed by the Authority.

C. The procedure for electing or appointing Directors is specified in the Association's articles of incorporation and/or Bylaws. Directors appointed by any of the Authority, Developer Declarants, or Owners of the Elderly Public Housing Units, Family Public Housing Units, and Family Rental Units need not be independent, need not be Members, and need not be residents of the District of Columbia. Each Director elected or appointed by the Homeowners must be a Homeowner and must reside in a Homeownership Townhouse as his or her principal residence. Each Director elected or appointed by the Tenants must be a Tenant and must reside in a Elderly Public Housing Unit, Family Public Housing Unit, or Family Rental Unit within the applicable Phase I Rental Development or Phase II Rental Development as his or her principal residence. Any Director appointed or elected by any Owner, group of Owners, group of Tenants or Authority shall serve at the pleasure of the Owner, group of Owners, group of Tenants

or Authority who appointed or elected such Director and may be removed from office and a successor Director appointed or elected at any time by the respective Owner, group of Owners, group of Tenants or Authority. Vacancies in the Board occurring prior to the end of the Development Period shall be filled by the Authority or Developer Declarant, as applicable, appointing a person to fill such vacancy. Vacancies in the Board occurring after the end of the Development Period shall be filled by the Owner, group of Owners, group of Tenants or Authority who have the right to elect a Director to fill such vacancy.

D. Notwithstanding anything to the contrary, Developer Declarants may voluntarily terminate their right to appoint all the Directors and to fill vacancies pursuant to this Section 3.3 prior to the end of the Development Period, in which event the Board shall be increased to eleven (11) Directors and the appointment and election of Directors shall be carried out as if the Development Period had ended.

3.4 **Officers of the Association**. The Association shall have such officers as shall be appropriate from time to time, who shall be elected by the Board and who shall manage and conduct the affairs of the Association under the direction of the Board. After the end of the Development Period, all officers of the Association shall be Directors on the Board, shall serve at the pleasure of the Board, and shall serve for term of not more than one (1) year with an unlimited right to be re-elected. Except as expressly otherwise provided by the articles of incorporation of the Association or the Bylaws or this Declaration, all power and authority to act on behalf of the Association both pursuant to this Declaration and otherwise shall be vested in the Board from time to time and its officers under the direction of the Board, and shall not be subject to any requirement of approval on the part of the Members.

3.5 **Prohibition on Distributions to Members**. The Association, being a nonstock, nonprofit corporation, shall not distribute to the Members any sums in the nature of dividends.

3.6 **Compensation of Directors and Officers**. No Director or officer of the Association shall receive any monetary or other compensation for serving as a Director or officer, provided, however, that such Directors or officers may be reimbursed for expenses incurred on behalf of the Association as approved by the Association.

3.7 **Agreements between the Association and Others**. Whenever possible, the Association shall perform its functions and carry out its duties by entering into agreements for the performance thereof with persons and business entities regularly engaged in the performance of generally similar functions and duties, which agreements shall be with such parties, for such length of time, at such rates of compensation and upon such other terms and provisions, all as the Board shall determine from time to time. Such persons or business entities may, but need not, be persons or business entities owning or otherwise directly or indirectly interested in the Development or any part thereof. The Association itself shall also have power to perform its functions and carry out its duties if it is adequately staffed with competent and experienced employees to do so.

3.8 **Association Monitoring of Compliance with Zoning Commission Order**. The Association, either through its professional management company or the Architectural Review

Committee that has the capability, experience and authority to review the architectural design and materials of building additions, substantial exterior renovations and all new construction (including garages, storage sheds and other similar Structures) proposed by any Homeowner or any other Owner not specifically authorized by the Zoning Commission Order. The Association shall cause its professional management company or Architectural Review Committee to keep complete and accurate records of the "Floor Area Ratio," Lot occupancy and side and rear yards of all Lots prior to, and subsequent to, the construction of any such additions or any new construction and shall make such records available to the D.C. Zoning Administrator upon request. The Association shall transmit the records of the cumulative "Floor Area Ratio" and Lot coverage totals to the D.C. Zoning Administrator quarterly during the construction phasing period under the Zoning Commission Order and annually thereafter. The Association shall ensure that the limitations on "Floor Area Ratio," Lot occupancy, building height and side and rear yards and the other requirements that pertain to use, design and materials of the buildings authorized by the Zoning Commission Order are enforced. Such responsibility of the Association shall not limit the power and authority of the D.C. Zoning Administrator to enforce the Zoning Commission Order.

3.9 **Rules and Regulations of the Association**. The Association, through the resolutions of the Board, shall have the right to adopt rules and regulations governing the Development; provided, however, that no rule or regulation shall conflict with (i) any provision of this Declaration or the articles of incorporation or Bylaws of the Association, as they may be amended from time-to-time, (ii) any declaration, covenant or agreement recorded among the Land Records of the District of Columbia and affecting the fee simple ownership or leasehold interest in a majority of the Lots, (iii) the Zoning Commission Order or Zoning Commission Declaration, (iv) Municipal Laws, or (v) applicable Public Housing Requirements.

3.10 **Books and Records of the Association**. The books and records to be kept by the Association under the management of the Board shall be available for inspection by any Member in good standing or by any representative of a Member duly authorized in writing or by the Authority, at such reasonable time or times during the normal business hours as may be requested by the Member. Requests to inspect the books and records of the Association must be made in writing and the Association shall have a reasonable period of time to prepare for such inspection. All costs of such an inspection shall be paid for by the Member conducting the inspection. To the extent practical under the circumstances, the Member and its representative shall not disclose confidential information obtained in such inspection unless the Member first makes a good faith effort to resolve the issue concerning the confidential information with the Board before disclosing it publicly.

3.11 **Liability of the Directors and Officers of the Association**. Neither the Directors nor the officers of the Association shall be liable to the Owners or Tenants for any mistake of judgment or for any other acts or omissions of any nature whatsoever made by such individuals as such Directors and officers, except for any acts or omissions finally adjudged by a court of competent jurisdiction to constitute gross negligence, intentional misconduct or fraud. The Owners and Tenants (including the Directors and the officers of the Association in their capacity as Owners or Tenants) shall indemnify and hold harmless each of the Directors and each of the officers of the Association against all contractual and other liabilities to others arising out

of contracts made by or other acts of the Board and officers of the Association on behalf of the Owners and Tenants or arising out of their status as Directors or officers of the Association, unless any such contract or act shall have been finally adjudged by a court of competent jurisdiction to have been made fraudulently or with gross negligence. It is intended that the foregoing indemnification shall include indemnification against all costs and expenses (including, but not limited to, attorneys' fees, amounts of judgments paid and amounts paid or received in settlement) reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative, or other, in which any Director or officer of the Association may be involved by virtue of such persons being or having been such Director or officer; provided, however, that such indemnity shall not be operative with respect to (i) any matter as to which such person shall have been finally adjudged in such action, suit or proceeding to be liable for gross negligence, intentional misconduct or fraud in the performance of such person's duties as such Director or officer, or (ii) any matter settled or compromised, unless, in the opinion of independent counsel selected by or in a manner determined by the Board, there is not reasonable ground for such person being adjudged liable for gross negligence, intentional misconduct or fraud in the performance of such person's duties as such Director or officer. It is also intended that the liability of each Owner and Tenant arising out of any contract made by, or other acts of, the Board or officers of the Association, or out of the aforesaid indemnity in favor of the Directors or officers of the Association, shall be limited to an amount equal to the total liability thereunder divided by the percentage interests of the applicable Lot for Association Assessments, as hereinafter provided, and further limited for Owner Member(s) and Tenant Member(s) representing the same Lot to one-half of such Lot's liability. Every agreement made by the Board on behalf of the Owners and Tenants shall be deemed to provide (whether or not so provided) that the Directors are acting only as agents for the Owners and Tenants, and shall have no personal liability thereunder (except as Owners or Tenants) and that each Owner's and Tenant's liability thereunder shall be limited to an amount equal to the total liability thereunder divided by the percentage interest of the applicable Lot for Association Assessments and further limited for Owner Member(s) and Tenant Member(s) representing the same Lot to one-half of such Lot's liability.

ARTICLE 4.
ARCHITECTURAL REVIEW COMMITTEE

4.1 **Membership, Administration and Authority of Architectural Review Committee**. The Architectural Review Committee, consisting of three or more persons, shall have all the rights, powers and duties granted to it by the Declarants pursuant to this Declaration and in accordance with all applicable Municipal Laws and Zoning Commission Declaration.

A. The Architectural Review Committee. The initial Architectural Review Committee shall be appointed by and serve at the pleasure of the Board. The Board can remove, replace and/or substitute any member of the Architectural Review Committee at any time. Members of the Architectural Review Committee may be non-members of the Board and non-residents of the Development, especially where such person has expertise in design, construction or other relevant areas. At all times, at least one member of the Architectural Review Committee shall be a registered architect or other credentialed design professional.

B. Administration of Architectural Review Committee. All questions shall be decided by a majority of the members of the Architectural Review Committee, and such majority shall be necessary and sufficient to act in each instance and on all matters. Each member of the Architectural Review Committee, now or hereafter appointed, shall act without compensation for services performed pursuant to this Declaration, except that the Board may approve the Association paying one or more members of the Architectural Review Committee on an hourly basis, plus out-of-pocket disbursements if such member or members are (i) registered architects or other credentialed design professionals, (ii) not presently employed by any of the Developer Declarants (or affiliates), and (iii) not an Owner or Tenant.

C. Grant of Authority. The Declarants hereby grant to the Architectural Review Committee, its successors and assigns, the right to establish the Design Guidelines, which shall be made available to the Association and to waive such portion or portions of the Covenants specified in Section 4.2 of this Article 4, as the Architectural Review Committee, in its sole discretion, may deem advisable and in the best interest of the Development. The Design Guidelines and authority of the Architectural Review Committee shall not apply to the development and construction work of the Declarants for the initial development of the Land, as described in Recital B of this Declaration.

4.2 **Architectural Review**.

A. Alterations. No Structure (other than construction or development by, for or under contract with Developer Declarants)shall be constructed on any Lot nor shall any Alterations be made, nor shall any work be commenced or performed which may result in a change of the exterior appearance of any Structure until the plans and specifications, in duplicate, showing the nature, kind, shape, dimensions, material, floor plans, color scheme, location, proposed topographical changes, together with the estimated costs of said construction, Alterations or other changes, the proposed construction schedule, evidence of compliance with the Zoning Commission Declaration, and a designation of the party or parties to perform the work, have been submitted to and approved in writing by the Architectural Review Commission and until all necessary permits and any other governmental or quasi-governmental approvals have been obtained. The approval of the Architectural Review Committee of any Structure, Alterations or other changes shall in no way be deemed to relieve the Owner of any Lot from its obligation to comply with all Municipal Laws and the Zoning Commission Declaration and to obtain any and all permits and approvals necessary for such Structure, Alterations or other changes.

B. Committee Criteria. The Architectural Review Committee shall consider applications for approval of plans and specifications, upon the basis of conformity with this Declaration, applicable law and the Design Guidelines and shall be guided by the extent to which such proposal will ensure conformity, comparability and harmony in exterior design and appearance, based upon, among other things, the following factors: conformity with the Zoning Commission Declaration; the quality of workmanship; nature and durability of materials; harmony of external design and finishes with existing structures; choice of colors and preservation of the original color palette; conformity and comparability with the original design of the Structures; changes in topography, grade elevations and/or drainage; the ability of the party

or parties designated by the Owner to complete the Structure, Alterations and/or other changes proposed in accordance with this Declaration, including, without limiting the foregoing, such factors as background, experience, skill, quality of workmanship and financial ability; factors of public health and safety; the effect of the proposed Structure, Alterations and/or other changes on the use, enjoyment and value of other neighboring Lots, and/or on the outlook or view from adjacent or neighboring Lots; and the suitability of the proposed Structure, Alterations and/or changes with the general aesthetic value of the surrounding area in the Development. If the Owner's proposal would cause a violation of the Zoning Commission Declaration if a material number of other Owners were to carry out a similar proposal, the Architectural Review Committee may reduce the scope, condition and/or withhold its approval so there is no benefit to the Owner for making an early proposal.

C. Approval and Disapproval of Plans. The Architectural Review Committee shall have the right to refuse to approve or reduce the scope or condition its approval of any such plans or specifications, including grading and location plans, which are not suitable or desirable in its opinion, for aesthetic or other considerations. Written requests for approval, accompanied by the foregoing described plans and specifications or other specifications and information as may be required by the Architectural Review Committee from time to time shall be submitted to the Architectural Review Committee by registered or certified mail or in person in which case a written receipt shall be obtained. The address of the principal place of business of the Association, as established from time to time by the Association's articles of incorporation, or the on-site office of the management company employed by the Association shall be the address of the Architectural Review Committee. Any disapproval by the Architectural Review Committee shall be in writing, shall specify exactly what is objectionable and what changes would be necessary for approval. In the event the Architectural Review Committee fails to approve or disapprove any complete submission of plans and specifications within sixty (60) days of receipt thereof, such plans and specifications shall be deemed approved. Approval of any particular plans and specifications or design shall not be conclusively construed as a waiver of the right of the Architectural Review Committee to disapprove such plans and specifications, or any elements or features thereof, in the event such plans and specifications are subsequently submitted by our Owner in any other instance.

D. Processing Fee. The Architectural Review Committee shall have the right to charge a processing fee for such request for approval. The processing fee shall be limited to reasonable out-of-pocket costs incurred by the Architectural Review Committee for the first request in any three (3) year period by the Owner of each Lot, not to exceed $50.00 without approval from the party requesting the approval. Any request for approval with respect to the same Lot in less than three (3) years from the last request for approval may be charged a processing fee equal to the total costs of the Architectural Review Committee considering such request for approval. The processing fee shall be paid at the time such plans and specifications are submitted for approval.

E. Construction of Approved Plans. Construction of Structures and/or Alterations in accordance with plans and specifications approved by the Architectural Review Committee pursuant to the provisions of this Article shall be commenced within six (6) months following the date of approval and completed within twelve (12) months of commencement of

the Structures and/or Alterations, or within such other period as the Architectural Review Committee shall specify in their approval. In the event construction is not commenced within the period aforesaid, then approval of the plans and specifications by the Architectural Review Committee shall be conclusively deemed to have lapsed and compliance with the provisions of this Article shall again be required. After construction, all Structures, Alterations and/or other changes shall be maintained continuously in strict conformity with the plans and specifications so approved, the Zoning Commission Declaration and all Municipal Laws.

F. Non-Approved Structures. If any Structure and/or Alterations are altered, erected, placed or maintained on any Lot other than in accordance with approved plans and specifications therefor, the Zoning Commission Declaration and Municipal Laws, such action shall be deemed to be a violation of the provisions of this Declaration and, promptly after the Association gives written notice thereof to the Owner of such Structure and/or Alterations, the violating Structure and/or Alterations shall be removed or restored to its condition prior to such action, and such use shall cease, so as to terminate such violation. If within thirty (30) days after having been given such notice, such Owner has not taken reasonable steps to terminate such violation, a designated agent of the Association may enter upon such Lot and take such steps as are reasonably necessary to terminate such violation and/or the Association may seek judicial enforcement through an injunction or other order of a court of competent jurisdiction. Such Owner shall be personally liable to the Association for the cost thereof, to the same extent as he is liable for an Association Assessment levied against such Lot, and, upon the failure of the Owner to pay such costs within ten (10) days after such Owner's receipt of written demand therefore from the Association, the Association may establish and enforce a lien therefore upon such Lot in accordance with and subject to the provisions of this Declaration applicable to an assessment lien.

G. Inspection of Structures or Alterations. Any member of the Architectural Review Committee, upon the commencement of construction of approved plans and specifications or the occurrence of a violation of the provisions of this Declaration, and after the Association or the Architectural Review Committee gives written notice thereof to the Owner of the applicable Lot, at any reasonable time, upon written notice, may enter upon and inspect any Lot and the exterior of any Structure thereon to ascertain whether the maintenance, use, construction or alteration of such Lot or Structure or Alterations are in accordance with the provisions hereof.

H. Completion of Construction. Upon completion of construction of any Structure and/or Alterations in accordance with the provisions hereof, the Architectural Review Committee, upon request of the applicant, shall issue a Certificate of Compliance in form suitable for recordation among the Land Records identifying such Structure and/or Alterations and the Lot on which such Structure and/or Alterations is placed, and stating that the Structure and/or Alterations has been completed pursuant to the terms hereof. Preparation and recording of such Certificate of Compliance shall be at the expense of the applicant. Any Certificate of Completion issued pursuant hereto shall be *prima facia* evidence of the facts therein stated, and as to any purchaser or mortgagee in good faith, and for value, or as to any title insurer, such Certificate of Compliance shall be conclusive evidence that all Structures and/or Alterations on the Lot noted in such Certificate of Compliance comply with the provisions hereof.

I. Conditional Approvals. In granting any permit, authorization, or approval, as herein provided, the Architectural Review Committee may impose any appropriate conditions or limitations thereon as they shall deem advisable under the circumstances of each case.

4.3 **Architectural Rules**. The Architectural Review Committee, to the extent of its functions hereunder and rights specifically provided herein, may adopt and promulgate reasonable rules and regulations regarding the administration, interpretation and enforcement of the provisions of this Declaration and the Design Guidelines.

ARTICLE 5.
LOT COVENANTS, CONDITIONS AND RESTRICTIONS

The following covenants, conditions and restrictions shall apply to all Lots and be enforced by any manner provided in Section 11.1 of Article 11:

5.1 **Land Use**. The Lots, except as hereinafter provided, shall be used for residential purposes only and no Structure of any kind whatsoever shall be erected, altered or maintained thereon except a private dwelling house or private apartment building for the sole and exclusive use of an Owner or Tenant, or approved occupant of the Lot. Residential purposes shall include the home occupations allowed as of right pursuant to the District of Columbia Municipal Regulations, except that where the Association requirements, rules and regulations, now or hereafter enacted, are more strict than the District of Columbia Municipal Regulations, the Association's requirement shall prevail. Notwithstanding the foregoing, the Business Center Lot shall be used for community and/or business development activities, and one of the Rental Lots shall be used for the Leasing Center. If this Declaration is amended to add additional land to the Development, the permitted uses of such additional land may be specified in such amendment.

5.2 **Swimming Pools**. No above-ground or in-ground swimming pools shall be permitted on any Lot except wading pools less than eighteen (18) inches in depth.

5.3 **Driveways**. All driveways and parking areas, if any, shall be paved and approved by the Architectural Review Committee unless developed by a Developer Declarant or Builder.

5.4 **Exterior Materials**. All primary exterior materials of any Structure constructed on a Lot shall be in materials approved by the Architectural Review Committee. The primary exterior materials of initial Improvements and Structures in the Development provided by any Developer Declarant or Builder shall be deemed approved by the Architectural Review Committee.

5.5 **Temporary Structures**. No Structure of a temporary character, trailer, basement, tent, shack, garage, or other outbuildings shall be located or used on any Lot at any time as a residence, either temporarily or permanently. Nothing in this Declaration shall be deemed to prohibit absolutely an Owner from placing upon its Lot a Structure consisting of a reasonably sized garden shed, greenhouse or other similar accessory structure which has been approved in advance by the Architectural Review Committee.

5.6 **Real Estate Sales Or Construction Office**. Notwithstanding anything contained herein to the contrary, a real estate sales or construction office or a trailer and related signs, including signs identifying Lots by number, may be erected, maintained and operated on any Lot, or in any Structure now or hereafter located thereon by any Developer Declarant or Builder, provided such office or trailer, and signs, are used and operated only in connection with the development and/or initial sale of any Lot or Lots, and/or the initial construction of Improvements on any Lot now or hereafter laid out or created in the Development. Such real estate sales or construction office or trailer may be located in a model home on a Lot and may be maintained until the sale of the final Ownership Lot by Homeowner Declarant. Nothing herein, however, shall be construed to permit any real estate sales or construction office, trailer, or sign to be erected, maintained or operated on any Lot after such initial development, sales, and/or construction is completed, except as expressly provided at Section 5.15 of this Article. No part of any Lot, nor any Improvement now or hereafter erected on any Lot, shall be used for any real estate sales or construction office or trailer, except in conjunction with a permitted home occupation; nor shall any sign used in conjunction with such uses be erected without written approval of the Architectural Review Committee. Nothing contained in this Section shall be deemed to limit home occupation uses allowed under the District of Columbia Municipal Regulations.

5.7 **Traffic View**. No Structure, landscaping, shrubbery or any other obstruction shall be placed on any Lot so as to block the clear view of traffic on any streets.

5.8 **Front Yard**. The area within the front of a dwelling Structure shall be kept only as a yard for ornamental or decorative planting of grass, perennials, trees and shrubbery.

5.9 **Neat Appearance**. Owners shall, at all times, maintain their Lots and all appurtenances thereto in good repair and in a state of neat appearance, including but not limited to the seeding, watering and mowing of all lawns and yards, keeping all sidewalks, neat, clean and in good repair, and free of ice and snow, the pruning and cutting of all trees and shrubbery and the painting (or other appropriate external care) of all Structures on the Lot, all in a manner and with such frequency as is consistent with good property management and maintenance. If, in the opinion of the Architectural Review Committee, any Owner fails to perform the duties imposed hereunder, the Association, on affirmative action of a majority of the Board, after fifteen (15) days' written notice to such Owner to remedy the condition in question, and upon failure of the Owner to remedy the condition, shall have the right (but not the obligation), through its agents and employees, to enter upon the Lot in question and to repair, maintain, repaint and restore the Lot and the Improvements or Structures thereon. Such Owner shall be personally liable to the Association for the cost thereof, to the same extent as he is liable for an Association Assessment levied against such Lot, and, upon the failure of the Owner to pay such cost within ten (10) days after such Owner's receipt of written demand therefore from the Association, the Association may establish and enforce a lien therefore upon such Lot in accordance with and subject to the provisions of this Declaration applicable to an assessment lien.

5.10 **Nuisances**. No noxious, illegal or offensive trade or activity shall be carried on upon any Lot, nor shall anything be done or placed thereon which may become an annoyance or

nuisance to the neighborhood or any adjoining property Owners or Tenants. Without limiting the generality of the foregoing, no speaker, horn, whistle, siren, bell, amplifier or other sound device, except such properly maintained and operated devices as may be used exclusively for security purposes, where said security devices shall be set to cease sounding off after thirty (30) minutes, shall be located, installed or maintained upon the exterior of any dwelling Structure or upon the exterior of any other Structure constructed upon any Lot. No snowmobiles, go-carts, motorbikes, trail bike, or other mechanical recreational vehicles shall be run or operated upon any Lot or upon the Common Areas, nor shall any skateboard ramps be located upon any Common Areas, parking areas, alleys or streets serving the Development.

5.11 **Animals**. No animals, livestock, or poultry of any kind, including pigeons, shall be raised, bred or kept on any Lot, except that dogs, cats or any household pets, not exceeding two (2) in the aggregate for any Unit, may be kept, provided that they are not kept, bred or maintained for any commercial purpose, and provided that they are kept so as to avoid becoming a nuisance to the neighborhood or to any adjoining property Owners or Tenants, and do not roam unattended or unleashed in the Development. Pets shall be registered, licensed and inoculated as required by Municipal Law, and shall be kept on a leash when located outside of the dwelling Structure. Household pets shall not include miniature pigs, horses or other hybrid livestock or farm animals. Owners shall be responsible for the immediate clean-up and removal of their pets' waste from any other Lot, parking areas, streets, alleys and the Common Areas. No animals or fowl may be kept in the Development that result in any annoyance or are obnoxious to Owners or Tenants in the vicinity, including, but not limited to, dogs with continual or excessive barking. Dogs weighing in excess of one hundred (100) pounds, Rottweilers and Pitbull Terriers (regardless of weight) shall not be deemed to be household pets and may not be raised, kept or temporarily located in any Structure or on any part of the Development. The Board shall have the power and authority to ban and prohibit all animals from being kept in the Development, except seeing-eye dogs owned by a blind person or any pet policy mandated by the Authority and/or the Federal government with respect to the Rental Lots, by a vote of the lesser of all Directors or seven (7) Directors.

5.12 **Vehicles**. Other than private passenger vehicles, vans, trucks, or Commercial Vehicles in regular operation permitted by the Board, no other motor vehicles or inoperable, unlicensed, junk or junked cars or other similar machinery or equipment of any kind or nature (except for such equipment and machinery as may be reasonable, customary and usual in connection with the use and maintenance of any Lot) shall be kept in the Development. Any motorcycles must be properly licensed and may be kept only in parking spaces specifically designated for motor vehicles. Except for maintenance Commercial Vehicles operated by the Association and/or its management agent, no Commercial Vehicles shall be left parked on any part of the Development, including, without limitation, any street or Lot, longer than is necessary to perform the business function of such Commercial Vehicle in the area; it being the express intention of this restriction to prevent the parking of Commercial Vehicles within the Development, including, without limitation, the streets or Lots in the Development, for a time greater than that which is necessary to accomplish the aforesaid business purpose. For the purposes hereof, a vehicle shall be deemed inoperable unless it is licensed, contains all parts and equipment, including properly inflated tires, and is in such good condition and repair as may be necessary for any person to drive the same on a public highway. No Commercial Vehicles,

trailers, boats, buses, campers or tractors shall be parked, stored, maintained or repaired on any Lot. However, during construction of dwellings and Structures, the Developer Declarants and the Builders may maintain Commercial Vehicles and trailers on the Lots or within the Development for purposes of construction, and for use as a field or sales office. Commercial Vehicles, trailers, boats, buses, campers or tractors shall not be parked upon any street or Common Areas, except in areas, if any, specifically designated by the Architectural Review Committee for such parking. No vehicles shall be repaired or serviced on any portion of the Development, except in emergencies.

5.13 **Lighting, Wiring and Satellite Dishes**. The exterior lighting on Lots shall be directed downward and shall not be directed outward from, or extend beyond, the boundaries of any Lot. All wiring on any Lot shall be underground. No Structure containing an exterior radio, television and/or citizens band radio antennae, satellite dish, or other broadcasting or receiving apparatus shall be permitted upon any Lot; excepting however, that television microwave or satellite dishes having a diameter of not more than 18 inches may be installed upon the written approval of the Architectural Review Committee and in the sole discretion of the Architectural Review Committee as to size, type and location of such dishes. Any television microwave or satellite dishes approved by the Architectural Review Committee shall be the sole responsibility and liability of the Owner of the applicable Lot.

5.14 **Subdivision**. No Lot shall be divided or subdivided and no portion of any Lot (other than the entire Lot) shall be transferred or conveyed for any purpose; provided, however, this shall not prohibit transfers of parts of Lots between adjoining Lot Owners where the transfer is not for the purpose of creating a new building. The provisions of this subsection shall not apply to the Declarants and, further, the provisions hereof shall not be construed to prohibit the granting of any easement or right-of-way to any municipality, political subdivision, public utility or other public body or authority, or to the Association, any of the Declarants, or any other person for any purpose.

5.15 **Signage**. Except for entrance signs, directional signs, signs for traffic control or safety, community "theme areas" signs identifying Lots by numbers posted by a Developer Declarant or Builder, "for sale" signs (not larger than two feet by three feet), signs required by Municipal Laws, signs for the Leasing Center and business development center, and except as provided in Section 5.6 and this Section, no signs or advertising devices of any character shall be erected, posted or displayed upon, in or about any Lot or Structure or Common Areas, including signs related to a home occupation use. One non-illuminated sign of a limited size for a home office of an Owner, such as an accountant, notary public, doctor, dentist or other healthcare professional, etc., where such home office is specifically permitted by Municipal Law, may be granted specific permission by the Architectural Review Committee and thereafter erected in a approved location for a period of time not to exceed such Owner's maintenance of such home office.

5.16 **Lease Agreements**. All occupancy lease agreements with respect to any Homeownership Townhouse or any Structure located thereon, shall be in writing and submitted to the Board for approval in its sole discretion. All such occupancy lease agreements shall state that the lease agreement shall be subject to this Declaration. Current copies of each such

occupancy lease agreement must be supplied to the Association. No Tenant of the Elderly Public Housing Unit, Family Public Housing Unit or Family Rental Unit may sublet his or her Unit to a subtenant. Any such purported sublease shall be void, and the subtenant shall have no right to the use and enjoyment of the Common Areas and applicable Elderly Public Housing Unit, Family Public Housing Unit or Family Rental Unit. The Association has the right to initiate legal proceedings to seek specific performance, injunctive relief or other appropriate remedy in the enforcement of this provision.

5.17 **Trash And Other Materials**. No lumber, metals, bulk materials, refuse or trash shall be kept, stored or allowed to accumulate on any Lot, except: (i) building material during the course of construction of any approved dwelling or other permitted Structure; and (ii) firewood, which shall be cut and neatly stored at least eighteen (18) inches off the ground and twelve (12) inches away from any wooden structure. No burning of trash shall be permitted on any Lot. If trash, recyclable materials or other refuse is to be disposed of by being picked up and carried away on a regular and recurring basis, containers may be placed in the open on any day that a pick-up is to be made at such place on the Lot as to provide access to persons making such pick-up. At all other times, such containers shall be stored in such a manner so as not to be visible from the streets, alleys or the other Lots or Common Areas. Trash, recyclable materials and refuse shall be disposed of in metal or plastic containers covered with a lid. No waste or any substance or materials of any kind shall be discharged into any public sewer serving the Development, or any part thereof, in violation of any Municipal Laws or any governmental authority or public utility having jurisdiction.

5.18 **Non-Interference With Utilities**. No Structure, planting or other material shall be placed or permitted to remain upon any Lot which may damage or interfere with any easement for the installation or maintenance of utilities, or which may unreasonably change, obstruct or retard direction of flow of any drainage channels. No poles and wires for the transmission of electricity, telephone and the like shall be placed or maintained above the surface of the ground on any Lot.

5.19 **No Hunting**. No hunting or discharge of firearms or weapons of any nature whatsoever shall be permitted in the Development or on any Lot.

5.20 **No Excavation**. No excavation shall be made on any Lot except for the purpose of building or landscaping thereon at the time when such building operations are commenced, and no earth or sand shall be removed from any Lot except as part of such operations. Upon completion of any such construction, any exposed opening shall be backfilled and disturbed grounds shall be graded, stabilized and restored as required hereunder, or in absence of any specific requirement hereunder, as closely as practical to original condition.

5.21 **Tree Removal**. No Owner shall have the right to remove any of the healthy growing trees located on any Lot within the Development except with Architectural Review Committee written approval except for tree removal in connection with construction on any Lot by any Developer Declarant or Builder.

5.22 **Fences, Walls, Awnings, Porches, etc**. No fence, hedge, privacy enclosure wall, retaining walls, awning, porch or the like shall be erected or maintained on any portion of the Development until the plans and specifications therefore have been approved in accordance with the provisions of Article 4, except that the initial Improvements and Structures constructed or maintained by the Developer Declarant or their repair or replacement to original condition shall be exempt from this requirement. All fences, hedges, privacy enclosure walls, awnings, porches, and the like shall be maintained in good order and repair by the Owner of the Lot on which the same is located.

5.23 **Mailboxes**. No exterior mailboxes or other delivery boxes shall be permitted on any Lot unless approved by the Architectural Review Committee.

5.24 **Party Walls**. All dividing walls which straddle the Lot line between two (2) contiguous Units and which stand partly upon and within one Unit and partly upon and within another Unit, and all walls which serve two (2) contiguous Units, shall be considered party walls, and each of the Owners of said Units shall have the right to use said party wall below and above the surface of the ground and along the whole length or any part of the length thereof for the support of said Units and for the support of any building constructed to replace the same, and shall have the right to maintain in or on said party wall any pipes, ducts, conduits originally located therein or thereon, subject to the terms of this Section 5.24. No Owner of any such Unit shall have the right to extend said party wall in any manner, either in length, height or thickness unless undertaken in connection with the expansion of a Unit in accordance with the terms hereof. In the event of damage to or destruction by fire or other casualty of any party wall, including the foundation thereof, the Owner of the Unit upon which such party wall may rest shall have the obligation to repair or rebuild such wall and the Owners of each contiguous Unit upon which such walls shall rest, be served or benefited by shall pay such Owner's aliquot portion of the cost of such repair or building. All such repair or rebuilding shall be done within a reasonable time, in a good and workmanlike manner with materials comparable to those used in the original party wall and shall conform in all respects to the Municipal Laws regulating the construction of buildings in force at the time of such repair or reconstruction. Whenever any such party wall or any portion thereof shall be rebuilt, it shall be erected in the same location and on the same line and be of the same size as the original party wall. Notwithstanding the foregoing to the contrary, the Owner of any Unit, or any other interested party, shall retain the right to receive a larger contribution from another or others under any rule or law regarding liability for negligent or willful acts or omissions. The right of any Owner of a contiguous Unit, or any other interested party, to contribution from any other person, shall be appurtenant to the Lot and shall pass to such Owner's or other applicable person's successors in title. The title of each Owner to the portion of each party wall within the Lot for such Unit is subject to a cross-easement in favor of the adjoining Owner of a contiguous Unit for joint use of said party wall.

5.25 **Storm Water Management Water Quality Facility Maintenance**. Upon completion and acceptance of storm water management and water quality facilities on the Development, if any, the Association shall be responsible for the maintenance of such facilities in accordance with Municipal Laws.

5.26 **District of Columbia Access Easement**. The duly authorized employees and representatives of the District of Columbia shall have the right to enter upon the Development for the purpose of performing necessary inspection, maintenance and repair to any completed storm water management facility, when such maintenance or repair is not satisfactorily completed by the Association within a reasonable time, and to assess the Association for the costs thereof.

5.27 **Compliance With Municipal Laws and PUD Ordinance**. The Development is subject to and shall be governed by all Municipal Laws, including, but not limited to, the terms and provisions of the PUD Ordinance. Each Owner, by acceptance of a deed for a Lot and Unit, hereby covenants and agrees to comply with all Municipal Laws, including, but not limited to, the terms and provisions of the PUD Ordinance. These covenants, conditions and restrictions shall not be taken as permitting any action or thing prohibited by applicable zoning laws, or the Municipal Laws having jurisdiction over the Development, including, but not limited to, the Zoning Commission Order, Zoning Commission Declaration, PUD Ordinance, restrictions enacted by the District of Columbia Zoning Commission, or any other restriction applicable to the Development and heretofore recorded among the Land Records of the District of Columbia. In the event of any such conflict the most restrictive provision of such Municipal Laws, recorded restriction or these restrictions shall be taken to govern and control.

5.28 **Compliance with Zoning Commission Order and Zoning Commission Declaration**. The Association shall maintain the Development's compliance and monitoring with those requirements of the Zoning Commission Declaration described in Section 3.8 of Article 3.

5.29 **Interpretation and Exculpation of Liability**. The Architectural Review Committee will be the interpreter of the provisions of this Article of the Declaration, and its decisions shall be final. In no event shall the Architectural Review Committee, the Declarants or the Board be liable for any decisions, actions, or inaction taken by the Architectural Review Committee pursuant to this Article 5, including the interpretation, application and enforcement of the provisions of this Article 5.

ARTICLE 6.
GENERAL COMMON AREAS, BUSINESS CENTER LOT AND POSSIBLE COMMUNITY CENTER LOT

6.1 **Grant of the General Common Areas**. The Authority shall do one of the following: (i) convey the General Common Areas to the Association free and clear of all encumbrances, except those of record at the time this Declaration is recorded, and subject to a reversionary interest in favor of the Association, other non-monetary title exceptions and this Declaration, and the Association will accept the General Common Areas when they are conveyed to it; or (ii) lease the General Common Areas to the Association for a nominal rent free and clear of all encumbrances, except those of record at the time this Declaration is recorded, and subject to non-monetary title exceptions and this Declaration, and the Association will accept the lease of the General Common Areas when they are offered to it; or (iii) retain ownership of the General Common Areas and record a declaration of use thereon for the benefit of the Association and all Owners, Tenants and Developer Declarants in the Development, subject to the non-monetary title

exceptions and this Declaration and the Association shall thereafter maintain the General Common Areas. The Covenants and this Declaration are hereby imposed upon the General Common Areas for the benefit of the Association, the Owners, the Developer Declarants, to the end and intent that the Association shall have and hold or lease or use the General Common Areas subject to the reservations set forth in the recorded title encumbrances senior to this Declaration and this Declaration. The General Common Areas are intended to be for the non-exclusive mutual use and enjoyment of the Declarants and all Owners and Tenants, subject to such reasonable rules and regulations as the Association may prescribe.

6.2 **Grant of the Business Center Lot**. The Authority shall do one of the following: (i) convey the Business Center Lot to the Association free and clear of all encumbrances, except those of record at the time this Declaration is recorded, and subject to a reversionary interest in favor of the Association, other non-monetary title exceptions and this Declaration, and the Association will accept the Business Center Lot when it is conveyed to it; or (ii) lease the Business Center Lot to the Association for a nominal rent free and clear of all encumbrances, except those of record at the time this Declaration is recorded, and subject to non-monetary title exceptions and this Declaration, and the Association will accept the lease of the Business Center Lot when it is offered to it; or (iii) retain ownership of the Business Center Lot and record a declaration of use thereon for the benefit of the Association and all Owners, Tenants and Developer Declarants in the Development, subject to the non-monetary title exceptions and this Declaration and the Association shall thereafter maintain the Business Center Lot. The Covenants and this Declaration are hereby imposed upon the Business Center Lot for the benefit of the Association, the Owners, the Developer Declarants, to the end and intent that the Association shall have and hold or lease or use the Business Center Lot subject to the reservations set forth in the recorded title encumbrances senior to this Declaration and this Declaration. The Business Center Lot is intended to be for the non-exclusive mutual use and enjoyment of the Declarants and all Owners and Tenants and others authorized by the rules and regulations of the Association, subject to such reasonable rules and regulations as the Association may prescribe.

6.3 **Possible Grant of the Community Center Lot**. The Authority may, but shall not be required to, do one of the following: (i) convey the Community Center Lot to the Association free and clear of all encumbrances, except those of record at the time this Declaration is recorded, and subject to a reversionary interest in favor of the Association, other non-monetary title exceptions and this Declaration, and the Association will accept the Community Center Lot when it is conveyed to it; or (ii) lease the Community Center Lot to the Association for a nominal rent free and clear of all encumbrances, except those of record at the time this Declaration is recorded, and subject to non-monetary title exceptions and this Declaration, and the Association will accept the lease of the Community Center Lot when it is offered to it; or (iii) retain ownership of the Community Center Lot and record a declaration of use thereon for the benefit of the Association and all Owners, Tenants and Developer Declarants in the Development, subject to the non-monetary title exceptions and this Declaration and the Association shall thereafter maintain the Community Center Lot. Upon such transaction, the Covenants and this Declaration are hereby imposed upon the Community Center Lot for the benefit of the Association, the Owners, the Developer Declarants, to the end and intent that the Association shall have and hold or lease or use the Community Center Lot subject to the

reservations set forth in the recorded title encumbrances senior to this Declaration and this Declaration. The Community Center Lot is intended to be for the non-exclusive mutual use and enjoyment of the Declarants and all Owners and Tenants and others authorized by the rules and regulations of the Association, subject to such reasonable rules and regulations as the Association may prescribe.

6.4 **Easement and Other Rights of Owners, Tenants, the Association, Developer Declarants and Others**. Unless otherwise set forth herein to the contrary, every Owner and Tenant shall have a non-exclusive right and easement of ingress and egress in, over, upon and to, and use and enjoyment of, all portions of the General Common Areas, the Business Center Lot and any Community Center Lot, and all portions of the General Common Areas, the Business Center Lot and any Community Center Lot shall be held for the use and benefit of each Unit, subject to the Authority's reversionary interest. Any Owner may delegate it rights to the use and enjoyment of the General Common Areas, Business Center Lot and any Community Center Lot to Tenants and their family members who reside permanently in the Development and to their contract-purchasers, invitees and guests, all subject to the rules and regulations of the Association. In addition, every Owner shall have a non-exclusive right and easement of ingress and egress in, over, under, upon and to, and use and enjoyment of, all portions of any infrastructure facilities located on the Development, including but not limited to electrical facilities, light bases and poles, interior and perimeter sidewalks, all streets and alleys, decorative lights, manholes, fire protection facilities, storm inlets, PVC conduit, gas mains, telephone lines and cable television lines, subject to the Authority's reversionary interest. The foregoing described non-exclusive easements and rights granted to the Owners shall extend not only to each Owner, but also to all members of the immediate family, authorized guests, other authorized Tenants and visitors of such Owner.

A. Vehicular, bicycle and other means of access (other than pedestrian access) shall be limited to those portions of the General Common Areas, the Business Center Lot and any Community Center Lot specifically improved for such purpose (e.g., those portions of the General Common Areas, the Business Center Lot and any Community Center Lot improved with streets, alleys, walkways, etc.) and shall not be permitted in any other location. Further, no active recreational use (e.g., picnics, play areas and similar activities of any type or description) shall be permitted on any General Common Areas, the Business Center Lot or any Community Center Lot unless such General Common Areas, the Business Center Lot or Community Center Lot are specifically improved for such purpose (e.g., play areas and tot lots).

B. The use and enjoyment of the General Common Areas, the Business Center Lot and any Community Center Lot shall be subject to such reasonable rules and regulations as are adopted from time to time by the Association; provided, however, that in no event shall any rule or regulation have the effect of reducing or adversely affecting the obligations of the Association to maintain all portions of the General Common Areas, the Business Center Lot and the Community Center Lot, subject to the Authority's reversionary interest. The Association shall have the right and power to enforce its rules and regulations against any Owner, Tenant and/or permitted user or other person violating or attempting to violate the same either by action at law for damages or suite in equity to enjoin a breach or violation, or enforce performance of any term, condition, provision, rule or regulation. Further,

the Association shall have the right to abate summarily and remove any such breach or violation by any Owner or Tenant at the cost and expense of such Owner or Tenant.

C. The aforesaid non-exclusive rights and easements are granted as consideration for the Association's maintenance obligations as established by Article 7 hereof, and shall be appurtenant to and shall pass with the title to every Lot and Unit, subject to the following reserved rights and easements in favor of others:

(i) From and after the end of the Development Period, any right of the Association to dedicate or transfer all or any portion of any General Common Areas, the Business Center Lot or any Community Center Lot to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Authority, a majority of the Directors of the Association, and Owners holding at least two-thirds (2/3^{rds}) of the votes of all Owners in the Association, based on their respective liability for Association Assessments. No such dedication or transfer shall be effective unless accomplished by means of an instrument signed by the Association, by the Authority and by Owners entitled to cast not less than two-thirds (2/3^{rds}) of the votes of all Owners in the Association, based on their respective liability for Association Assessments.

(ii) To the extent not granted by Declarants or the Authority, the Association hereby reserves the right, without the necessity of having to obtain any Member's consent, to grant, at any time and from time to time, subject to the reasonable approval of Developer Declarants and the Authority, (a) utility easement(s) for sanitary and storm sewers, water, gas, electricity, telephone, cable television and any other necessary public or municipal service over, through, upon and across all or any portion of any General Common Areas, Business Center Lot and/or any Community Center Lot, all upon such terms and conditions as the Board deems necessary or appropriate, and (b) the dedication or transfer of all or any part of the General Common Areas to any public or municipal agency or authority for use as open space and/or recreational space consistent with the purpose of this Declaration; provided, however, no dedication or transfer shall be effective unless (i) the lesser of all Directors or seven (7) Directors, and (ii) Owners holding at least two-thirds (2/3^{rds}) of the votes of all Owners in the Association, based on their respective liability for Association Assessments, consent to such dedication or transfer at a meeting of the Board and Owners duly called for such purpose. If access to any Lot is through part of the Common Areas, no dedication or transfer of such Common Areas shall be made without first granting an access easement in favor of such Lot.

6.5 **Permitted Encroachments of Units**. In the event that any part of any Unit encroaches or shall hereafter encroach by no more than six inches (6") upon any other Lot or Common Areas, valid easements for the maintenance of such encroachments are hereby established and shall exist so long as all or any part of the same shall remain standing; provided, however, that in no event shall a valid easement for any encroachment be created in favor of any Owner if such encroachment or use is detrimental to or interferes with the reasonable use or enjoyment by another Owner of such Owner's Unit or if such encroachment occurred due to the intentional or willful conduct or gross negligence of any Owner. Such easement shall remain in full force and effect so long as the encroachment shall continue. The conveyance or other disposition of a Lot and Unit shall be deemed to include and convey, or be subject to, any

easement(s) arising under the provisions of this Section 6.4 without specific or particular reference to such easement(s).

6.6 **Improvement of the General Common Areas, Business Center Lot and Community Center Lot**. Developer Declarants shall initially cause to be constructed, installed, renovated and/or located upon the General Common Areas and the Business Center Lot and may initially cause to be constructed, installed, renovated and/or located upon any Community Center Lot, such landscaping, private streets and lanes, fences, tot lots and play areas, benches, paths, walking trails, storm water management facilities, water facilities, ponds and other improvements, all as Developer Declarants shall from time to time, in their sole discretion, determine to be necessary, appropriate or desirable or to be required by Municipal Laws (including the PUD Ordinance) as shall be in effect during, and applicable to, the development of the Land. Subsequent to the end of the Development Period, the Association shall have the right, subject to obtaining the approval of Owners holding at least one-half (1/2) of the votes of all Owners in the Association, based on their respective liability for Association Assessments, to further improve the General Common Areas, the Business Center Lot and any Community Center Lot in a manner consistent with the intent and purpose of this Declaration.

A. If, in the course of undertaking the construction, installation and/or location of Improvements permitted hereunder on a Lot, the General Common Areas, the Business Center Lot or any Community Center Lot, an Owner (or anyone undertaking such construction, installation and/or location on behalf of an Owner) causes damage to the General Common Areas, the Business Center Lot or any Community Center Lot which, in the opinion of the Board, requires the repair or restoration thereof, such restoration or repairs shall be undertaken by the Association and such Owner shall reimburse the Association for the Association's costs of such repair or restoration within thirty (30) days of receipt of a written invoice from the Association therefor, and in the event such Owner fails to pay the amounts the Association incurs to undertake such repair or restoration within said thirty (30) days, such amounts, together with interest and all reasonable costs of collection, including attorneys' fees and litigation expenses, shall become a lien upon such Owner's Unit, enforceable by an action similar to the type of action instituted to foreclose the lien of a mortgage or deed of trust on real property.

6.7 **Restrictions on General Common Areas**. Except as otherwise permitted by this Declaration, the General Common Ares shall be retained in their natural state, and no Structure or Improvements of any kind shall be erected, placed or maintained thereon. Structures or Improvements designed exclusively for community use, shelters, benches, chairs or other seating facilities, fences and walls, walkways, playground equipment, game facilities, drainage and utility Structures, grading and planting, may be erected, placed and maintained thereon for the use, comfort and enjoyment of the Owners, Tenants and other permitted users or the establishment, retention or preservation of the natural growth or topography of the General Common Areas, or for aesthetic reasons. No portion of the General Common Areas may be used exclusively by any person for personal vegetable gardens, storage facilities or other private uses. No noxious or offensive activity shall be carried on upon the General Common Areas nor shall anything be done thereon which will become an annoyance or nuisance to the neighborhood.

6.8 **Association Right to Acquire Additional Interests in Real Property for Common Areas**. The Association shall have the right to acquire additional interests in real property, such as fee simple ownership, leasehold estates, easements and/or options, for the purpose of increasing the Common Areas and/or operating the Common Areas. Any such decision shall be approved by at the lesser of all Directors or seven (7) Directors.

ARTICLE 7.
MAINTENANCE OF GENERAL COMMON AREAS, BUSINESS CENTER LOT, ANY COMMUNITY CENTER LOT, LOTS AND UNITS

7.1 **Maintenance of the General Common Areas, Business Center Lot, any Community Center Lot and the Private Lot Maintenance Areas**. The Association shall carry out or cause to be performed all maintenance, improvement, repair and replacement of the General Common Areas, the Business Center Lot and any Community Center Lot, excluding those portions of the General Common Areas, the Business Center Lot and any Community Center Lot or facilities located thereon which have been or are hereafter dedicated, donated or otherwise conveyed to a public or quasi-public body, but including, without limitation, the streets and access drives, alleys, trees and slopes, snow removal from driveways and walkways, landscaping and other similar matters whether or not specifically described or existing on the date hereof. The Director elected or appointed by the Authority must specifically approve all maintenance, improvement, repair and replacement of the Business Center Lot. Roadways, sidewalks and street lighting in any public rights-of-way (and any encroachments thereof onto portions of the Land from said rights-of-way), if any, shall be maintained by the District Corporation. The Association shall have an easement and right of ingress and egress over and upon the General Common Areas, the Business Center Lot, any Community Center Lot and such portions of the Lots as are necessary for any and all purposes connected with the maintenance, repair, operation, improvement, replacement and reconstruction of the General Common Areas, the Business Center Lot and any Community Center Lot. No Owner shall undertake or construct any improvements on such Owner's Lot or Unit which unreasonably interfere with the rights of the Association herein contained.

7.2 **Maintenance of Unit on any Lot**. Each Owner shall have the obligation to maintain in good condition and repair such Owner's Unit and all other permitted Structures located on such Owner's Lot in accordance with the applicable provisions of this Declaration. In the event of any damage or destruction of the Improvements or Structures on a Lot, the insurance proceeds from any insurance policy on such Lot, unless retained by a Mortgagee of such Lot, shall be applied first to the repair, restoration or replacement of the damaged or destroyed Improvements or Structures. Any such repair, restoration or replacement shall be done in accordance with the plans and specifications for such Improvements and Structures originally approved by a Developer Declarant or the Architectural Review Committee; unless the Owner desires to construct Structures differing from those so approved, in which event the Owner shall submit plans and specifications for the Improvements and Structures to the Architectural Review Committee and obtain its approval prior to commencing the repair, restoration or replacement. If any Mortgagee does not permit insurance proceeds to be used to restore any damaged or destroyed Improvements and Structures, the Owner is still obligated to repair, restore or replace the damaged Improvements and Structures, at the Owner's own expense, promptly and

expeditiously. If the Owner does not begin to make said repairs, restorations or replacements within a reasonable period of time after the damage or destruction has occurred, the Association shall have the right, but not the obligation, to have said repairs, restorations or replacements completed on the Lot. If the Association chooses to proceed in this manner, the Owner of the Lot shall be liable to the Association for costs incurred in completing the repairs, replacements or restorations on the Lot, to the same extent and in the same manner as the Owner is liable for Association Assessments levied against such Lot. Upon the failure of the Owner to pay such costs as may be incurred by the Association within ten (10) days after such Owner's receipt of written demand therefor from the Association, the Association may establish and enforce a lien therefor upon the Owner's Lot in accordance with and subject to the provisions of this Declaration applicable to an Association Assessment lien. If any Mortgagee does not permit insurance proceeds to be used to restore any damaged or destroyed Improvements or Structures, and both the Owner and the Association choose not to make said restoration, then the Owner or Association shall raze the remaining Improvements and Structures on said Lot and return the Lot to its natural condition free of all debris. The Owner shall be liable for any costs incurred by the Association in razing said Improvements and Structures, and also for any subsequent Improvements that must be made to adjacent Structures, in order to maintain their integrity and the appearance of the Development. Upon the failure of the Owner to pay such costs as may be incurred by the Association within ten (10) days after such Owner's receipt of written demand therefor from the Association, the Association may establish and enforce a lien therefor upon the Owner's Lot in accordance with and subject to the provisions of this Declaration applicable to an Association Assessment lien.

ARTICLE 8.
ASSOCIATION ASSESSMENTS

8.1 **Covenant for Association Assessments**. Subject to the provisions of Sections 8.4 and 8.8 below, Declarants and the Authority, for each Rental Lot and each Ownership Lot hereby covenant and agree, and each Owner, by acceptance of a deed of ground lease therefor, whether or not it shall be so expressed in such deed, ground lease or other conveyance, is deemed to covenant and agree to pay to the Association those Association Assessments consisting of (i) regular assessments and charges, and (ii) special assessments for capital or other improvements or maintenance requirements, together with such late charges and costs of enforcement and collection, including reasonable attorneys' fees and litigation expenses. The amount of each of the Association Assessments shall be fixed, established and collected from time to time as provided in this Declaration. Subject to the provisions of Sections 8.4 and 8.8 below, Declarants and the Authority, for each Rental Lot and each Ownership Lot hereby covenant and agree, and each Owner, by acceptance of a deed of ground lease therefor, whether or not it shall be so expressed in such deed, ground lease or other conveyance, is deemed to covenant and agree the Association Assessments and obligation to pay them (a) shall be a charge on each Rental Lot and Ownership Lot, (b) shall be a continuing lien upon such Rental Lot and Ownership Lot against which such Association Assessments are levied, and (iii) shall be a covenant running with the fee simple or leasehold interest in real property enforceable in accordance with this Declaration and Municipal Laws. The following portions of the Development shall be exempt from the lien and obligation to pay Association Assessments: (a) the General Common Areas, (b) the Business Center Lot, (c) any Community Center Lot, and

(d) all Lots or land dedicated to and accepted by a governmental authority and not used for residential use. In addition, the Board shall have the right to levy additional specific assessments against the Rental Lot or Ownership Lot of any Owner for excessive or disproportionate use by such Owner or a Tenant of such Owner of any utility or other service that is paid through the Association Assessments.

8.2 **Priority of Mortgages over Unpaid Association Assessments**. The lien of Association Assessments already levied pursuant to this Declaration upon any Rental Lot or Ownership Lot shall be subordinate to any Mortgage encumbering such Rental Lot or Ownership Lot and shall not materially and adversely affect the rights of the Mortgagee in such Mortgage; provided, however, that such subordination shall apply only to Association Assessments which have become due and payable after the recording of such Mortgage among the Land Records of the District of Columbia and prior to a foreclosure sale or deed in lieu of foreclosure under such Mortgage of such Rental Lot or Ownership Lot. No foreclosure sale or deed in lieu of foreclosure under a Mortgage shall (i) extinguish the lien of future Association Assessments, or (ii) relieve the purchaser of the Rental Lot or Ownership Lot at such foreclosure sale or deed in lieu of foreclosure from liability for any Association Assessments thereafter becoming due, or (iii) relieve such purchaser from the lien of any subsequent Association Assessments, including without limitation increased Association Assessments caused by the non-payment of Association Assessments by foreclosure of Mortgages, which lien shall have the same priority and effect and be enforced in the same manner as provided herein.

8.3 **Owner's Personal Liability for Association Assessments**. Each of the Association Assessments, together with such late charges and costs of collection, including reasonable attorneys' fees and enforcement expenses, also shall be the personal obligation of the person or entity that was the Owner of such Rental Lot and Ownership Lot at the time when the Association Assessments or installment thereof became due. No Owner may exempt itself from liability for Association Assessments by abandonment of any Ownership Lot or Rental Lot owned or leased by such Owner or by the abandonment of such Owner's right to the use and enjoyment of the General Common Areas, the Business Center Lot and/or any Community Center Lot. Except for a foreclosure sale, such personal obligation shall pass to said Owner's successors in title if not fully discharged by the transferor Owner prior to any transfer of said Rental Lot or Ownership Lot.

8.4 **Authority Not Liable for Association Assessments**. In no event and under no circumstances shall the Authority be assessed or subject to any Association Assessments based on its fee simple ownership of that portion of the Land comprising the Rental Lots and Ownership Lots or its fee simple ownership of or reversionary interest in that portion of the Land comprising the General Common Areas, the Business Center Lot and any Community Center Lot.

8.5 **Purpose and Use of Association Assessments**. The Association Assessments shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the Owners, Tenants and other authorized residents of the Units and in particular for the improvement, maintenance, operation, care, services and facilities relating to the use and enjoyment of the General Common Areas, the Business Center Lot and any Community Center

Lot, including fees paid to any management agent. Such uses shall include, but are not limited to, the cost to the Association of any taxes (except to the extent that proportionate shares of such public charges and assessments on the Common Areas may be levied against all Ownership Lots and Rental Lots by the tax collecting authority so that the same are payable directly by the Owners owning or leasing such Lots, in the same manner as real property taxes are assessed or assessable against such Lots) and all insurance premiums with respect to, and the expenses of utilities, operation, management, repair, addition, replacement and maintenance of, the General Common Areas, the Business Center Lot and any Community Center Lot as may from time to time be authorized by the Board. The Director elected or appointed by the Authority must specifically approve all improvement, maintenance, operation, care, services and facilities relating to the use and enjoyment of the Business Center Lot. In addition, the Association shall establish and maintain and such uses shall include funding an operating reserve and a reserve for capital expenditures and major repairs and replacements that may be required from time to time, as determined by the Board (such as, without limitation, for rebuilding or replacement of the community business development center on the Business Center Lot and/or the community center on the Community Center Lot and for the replacement of landscaping, shrubbery, lighting, recreational equipment, and other amenities located in the General Common Areas, the Business Center Lot, any Community Center Lot, etc.). The Director elected or appointed by the Authority must specifically approve the funding of an operating reserve and a reserve for capital expenditures and major repairs and replacements that may be required from time to time relating to the Business Center Lot. In addition, water, waste removal and/or any other utilities which are not separately metered or otherwise directly charged to Owners or Tenants of Units shall be paid for by the Association and such costs shall be included in calculating the amount of the Association Assessments.

8.6 **Establishment and Regulation of Association Assessments.**

A. The Board shall establish the annual amount of the regular Association Assessments for each calendar year or portion thereof, subject to the limitation on the maximum amount thereof in Section 8.6(H). The Board shall prepare or cause the preparation of and approve an annual budget for the Association which shall provide, without limitation, for the management, operation, maintenance and periodic replacement of the General Common Areas, the Business Center Lot and any Community Center Lot, and set the Association Assessments for the calendar year or portion thereof. The Director elected or appointed by the Authority must specifically approve the annual budget for the management, operation, maintenance and periodic replacement of the Business Center Lot.

B. If the actual expenditures paid or provided for by the Board during such year are greater than the actually collected annual amount of the regular Association Assessments, whether caused by increased expenses and/or decreased collections, the Board may increase annual amount of the regular Association Assessments at any time for the remaining portion of such calendar year.

C. The Board shall make reasonable efforts to establish the annual amount of the regular Association Assessments at least thirty (30) days before the beginning the applicable year. Upon the establishment of the Association's budget and annual amount of the Association

Assessments, a change in such budget and/or annual amount, or a special Association Assessment pursuant to Section 8.7, the Board shall (i) prepare a roster of the Rental Lots and Ownership Lots and their respective annual amount of regular Association Assessments and special Association Assessments, (ii) maintain such roster and Association budget in the office of the Association and make them available for inspection by any Owner during the regular office hours of the Association or upon reasonable advance request to the Board, and (iii) send written notice to all Owners of any change in the amount of the Association budget, or new budget, or the amount of installments of regular Association Assessments, or any special Association Assessment together with an explanation of such change or new budget. Any change in the amount of installments of regular Association Assessments and any special Association Assessment shall become effective three (3) business days after the sending of such written notice.

D. The failure or delay of a Board to prepare an annual or an adjusted estimated budget for the Association or to establish or adjust the annual amount of the regular Association Assessments for any year or period shall not constitute a waiver or release in any manner of any Owner's obligation to pay all installments of Association Assessments, whenever the same shall be determined. In the absence of setting the annual amount of regular Association Assessments for any year, the previously approved annual amount shall continue and each Owner shall continue to pay installments at the then existing Association Assessments rate established for the previous period.

E. Except for those circumstances where the Director elected or appointed by the Authority must approve the annual budget for the Business Center Lot, all decisions by the Board on the annual budget for the Association and annual amount of regular Association Assessments shall be (i) by an affirmative vote of a majority of the Directors on the Board if the annual or increased Association Assessments are subject to the limitation on the maximum amount thereof in Section 8.6(H), or (ii) by an affirmative vote of the lesser of all Directors or seven (7) Directors, if the annual or increased Association Assessments exceed the limitation on the maximum amount thereof in Section 8.6(H). All decisions by the Board on the amount of a special Association Assessment shall be by an affirmative vote of the lesser of all Directors or seven (7) Directors. If the Board cannot agree upon the annual budget for the Association and/or annual amount of regular Association Assessments by the requisite vote, such unapproved annual budget and/or annual amount of regular Association Assessments shall be revised until the requisite vote of the Board is achieved or such the unapproved annual budget and/or annual amount of regular Association Assessments include an increase of three percent (3%) or less over the prior year's amount and a majority of the Board approves them.

F. Setting and/or changing the annual amount of the regular Association Assessments may be made only at a Board meeting where notice of the proposal to set or change such annual amount was sent to all Directors at least fifteen (15) days and not more than sixty (60) days prior to such Board meeting.

G. Association Assessments shall be allocated among the Rental Lots and Ownership Lots in accordance with the percentage interest for such Rental Lot or Ownership Lot based upon a consideration of the percentage that the floor area in square feet of the Unit(s) on

such Rental Lot or Ownership Lot upon its construction bears to the total floor area in square feet of all Units upon their construction, as set forth in future Exhibit J, which will be attached hereto and by this reference made a part hereof at that time. If any Lot is improved by more than one Unit, the Association Assessments shall be allocated on a per Unit basis and then aggregated for such Lot. The percentage interests for each Rental Lot and Ownership Lot set forth in Exhibit J shall be (i) used for determining a Member's liability under Section 3.11, (ii) used for determining the weighting of each Owners' vote when it is based on relative liability for Association Assessments, and (iii) adjusted from time to time by future amendments of this Declaration if required by applicable law or by an affirmative vote of the lesser of all Directors or seven (7) Directors.

H. The initial maximum annual amount of regular Association Assessments for all Units in the Development shall be the sum of (i) the average amount for the Homeownership Townhouses set forth in future Exhibit K, which will be attached hereto and by this reference made a part hereof in the future, per year times the total number of Homeownership Townhouses in the Development, plus (ii) the average amount for the Elderly Public Housing Units, Family Public Housing Units and Family Rental Units set forth in future Exhibit K per year times the total number of Elderly Public Housing Units, Family Public Housing Units and Family Rental Units in the Development. Beginning on January 1st of the second full calendar year of Association Assessments, and each January 1st thereafter, the total amount of the maximum annual amount of regular Association Assessments may be increased by the Board by not more than four percent (4%) of the total amount of the maximum annual amount of regular Association Assessments for the preceding calendar year. The maximum annual amount of the regular Association Assessments may not exceed the limitation in this Section 8.6(H) unless the decision to do so is made by the Directors in accordance with Section 8.6(E).

I. Except as modified in the next sentence, the annual amount of regular Association Assessments shall be due and payable in equal installments on a quarterly basis, in advance, on the first (1st) business day of each January, April, July, and October. Notwithstanding anything contained herein to the contrary, a majority of the Directors shall have the right to require that each Owner shall pay the annual amount of regular Association Assessments in one annual installment, two equal semi-annual installments, four equal quarterly installments, or twelve equal monthly installments; provided, however, that said payment schedule shall be uniformly and equally applicable to all Owners liable for Association Assessments and within the Board's jurisdiction. Any Owner may prepay one or more installments of regular or special Association Assessments at any time without premium or penalty. The initial capital contributions for the Association required in Section 8.10 shall not be deemed a prepayment of Association Assessments.

J. All payments of Association Assessments shall be applied: (i) first, to all unpaid accrued interest, late fees and enforcement costs of collection on unpaid installments of Association Assessments; and (ii) last to unpaid installments of Association Assessments, paying the earliest installments first. The unpaid installment(s) of regular and special Association Assessments shall become a lien on the respective Rental Lot or Ownership Lot fifteen (15)

calendar days after the due date of each installment of regular or special Association Assessments.

K. The Association shall, within five (5) business days of receipt of a written request and the applicable fee, furnish to any Owner, Mortgagee or contract purchaser a certificate in writing signed by an officer of the Association setting forth either (i) all installments of regular and special Association Assessments then due through the date of such certificate by the Owner for its Lot(s) and Unit(s) have been received by the Association, or (b) the amount of all unpaid regular and special Association Assessments, including late charges, costs of collection, reasonable attorneys' fees, and enforcement expenses, then due as of the date of such certificate by such Owner for its Lot(s) and Unit(s). Such certificate shall be conclusive evidence of payment of any Association Assessments due prior to the date of such certificate and not stated therein as being unpaid. A charge equal to the greater of twenty-five dollars ($25.00) per certificate or two dollars ($2.00 per Unit covered by the certificate may be collected in advance by the Association for each certificate delivered to an Owner, Mortgagee or contract purchaser.

8.7 **Special Assessments**. In addition to the annual Association Assessments authorized above, the Board may approve and levy in any year a special Association Assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unbudgeted repair or replacement of any capital improvement located in the General Common Areas, Business Center Lot or any Community Center Lot, including the necessary fixtures and personal property related thereto, if any, and/or to pay any other deficit, emergency or unforeseen expenses of the Association. The foregoing special Association Assessment may be levied notwithstanding the fact that the Association may have then accumulated a reserve. The due date for payment of one or more installments of such special Association Assessment shall be determined by the Board. The purpose, amount and terms of each special Association Assessment must be approved by the Board in accordance with Section 8.6(E).

8.8 **Commencement of Association Assessments**. The regular Association Assessments and installments thereof shall commence (i) for each Rental Lot on the date the first Unit on such Rental Lot is first able to be occupied, whether or not occupied, or (ii) for each Ownership Lot on the date such Ownership Lot is acquired by a Homeowner. The initial regular Association Assessments shall be determined as soon as practical after the first Rental Lot or Ownership Lot is obligated to pay installments of regular Association Assessments. Any special Association Assessment shall commence in accordance with Section 8.7.

8.9 **Temporary Partial Exemption of Developer Declarants**. Each Developer Declarant and any Lot which a Developer Declarant holds a leasehold estate in shall be exempt from Association Assessments until each such Lot is sold to a Homeowner or a Unit on each such Lot is occupied by a Tenant. Notwithstanding the preceding sentence, if the Association Assessments for any year, exclusive of amounts collected by the Association for a reserve fund, shall fail to equal or exceed the actual expenses incurred by the Association during such year because of the Developer Declarants' exemption granted in this Section 8.9, then the Developer Declarants which received such exemption shall pay to the Association, within thirty (30) days after receiving written notice, a sufficient amount to meet such actual deficit, up to the amount,

for that year, that would have been paid by the Developer Declarants if the exemption provided in this Section 8.9 was not in effect. In the case of an actual deficit, the Association shall use reasonable efforts to provide written notice of such deficit to the Developer Declarants who received an exemption not later than sixty (60) days after the end of the year in which the deficit occurred. Developer Declarants shall have no obligation for any deficit caused by expenditures for capital improvements or by any decrease in Association Assessments from previous years, unless the same are approved in writing by the Developer Declarants affected by such deficit.

8.10 **Initial Capital Contributions**. The initial capital contributions to be paid by the Owners to the Association are: (i) for the Rental Lots, an amount equal to one-fourth ($1/4^{th}$) the initial annual amount of the regular Association Assessment to be paid at the time a Unit on any Lot is first lease; and (ii) for the Ownership Lots with Homeownership Townhouses, an amount equal to one-fourth ($1/4^{th}$) the annual amount of the regular Association Assessment in effect on and to be paid at the time the first Homeowner acquires the Ownership Lot.

8.11 **Maintenance of Working Capital Account**. The Association shall maintain the initial capital contributions funds in a segregated account as a working capital account. Such funds may be used to meet unforeseen expenditures or to purchase additional equipment or services, and for such other purposes as the Board may determine. Except for expenses associated with the organization and operation of the Association, no Developer Declarant may utilize the working capital fund to defray any of its expenses, construction s costs, or to make up any actual deficit caused by the Developer Declarants' exemption from Association Assessments provided in Section 8.9. The initial capital contribution is not a prepayment of Association Assessments and shall not, in any event, be refunded to any Owner.

8.12 **Reserves for Replacement**. The Association shall establish and maintain a reserve fund for repairs and replacements or and improvements to the General Common Areas, the Business Center Lot and any Community Center Lot by the allocation and payment no less than quarterly to such reserve fund of an amount to be designated from time-to-time by the Board. Such reserve fund shall be conclusively deemed to be a common expense of the Association, shall be received and held by the Association in trust, and shall be held separate and apart from other Association funds. Such trust reserve funds may be deposited with any banking institution, the accounts of which are insured by an agency of the United States of America or may, in the discretion of the Board, be invested in obligations of, or fully guaranteed as to principal by, the United States of America. The disposition of such trust reserve funds shall be only for repairs and replacements or and improvements to the General Common Areas, the Business Center Lot and any Community Center Lot. The Director elected or appointed by the Authority must specifically approve the allocation to the reserve fund for the Business Center Lot. The Association may establish and fund from Association Assessments such other reserves for such other purposes as the Board may from time-to-time consider necessary or appropriate.

8.13 **Delinquent Association Assessments**. Installments of any Association Assessments shall be due on the first day of each applicable assessment period and, if not paid within fifteen (15) calendar days of the due date, shall be delinquent. If payment of any installments of Association Assessments is not made on or before the 15^{th} day following the date upon which they are due, then the delinquent Owner shall pay to the Association interest on the

delinquent amount at twelve percent (12%) per annum, and a late charge of the greater of $5.00 or five percent (5%) of the delinquent amount for each month or portion thereof that said installments remain delinquent, said late charge to cover the Association's administrative costs in monitoring and collecting said installments. In addition, the Association may bring an action at law against the Owner personally obligated to pay said delinquent installments, or may foreclose the lien for such unpaid Association Assessments hereby created against said Owner's Lot and Unit, and in either event there shall be added to the amount of such delinquent Association Assessments installments, and in the amount of said lien, accrued interest, late charges and the costs of collection, including reasonable attorneys' fees and all court costs. Each Owner, by the acceptance of a deed or ground lease to a Lot and Unit, hereby expressly vests in the Association or its agents, the right and power to bring all actions against such Owner personally for the collection of such Association Assessments as a debt, and, without waiving any other right, to enforce the aforesaid lien or liens by all methods available for the enforcement of such liens, including foreclosure by a non-judicial power of sale foreclosure performed in the name of the Association as mortgagee or beneficiary in a manner similar to the type of non-judicial power of sale foreclosure instituted to foreclose the lien of a mortgage or deed of trust on real property in the District of Columbia.. Any purchaser of a Lot and Unit at a foreclosure sale under a Mortgage, shall receive such Lot and Unit free and clear of the obligation to pay any unpaid installments or other amounts of Association Assessments accrued between the dates the Mortgage was recorded and foreclosed.

ARTICLE 9.
INSURANCE AND CASUALTY LOSSES

9.1 **Liability and "Special Form" Insurance**. The Association shall procure and maintain in full force and effect at all times commercial general liability insurance, including general liability for injuries to and death of persons and for property damage, in an amount not less than One Million Dollars ($1,000,000.00) per occurrence with a Three Million Dollars ($3,000,000.00) aggregate, non-owned and hired automobile liability in an amount not less than One Million Dollars ($1,000,000) per occurrence, umbrella liability coverage in an amount of not less than Ten Million Dollars ($10,000,000.00), and other liability insurance as it may deem desirable, insuring the Association from liability in connection with the use of the General Common Areas, the Business Center Lot and any Community Center Lot.

9.2 **Hazard Insurance**. In addition, the Association shall be further responsible for maintaining such policies of insurance for the insurable portions of the Improvements and Structures from time to time located on the General Common Areas, the Business Center Lot and any Community Center Lot against loss or damage by fire and such other hazards contained in a customary "special form" policy provided that such policies shall (i) state that such policies may not be canceled or substantially modified without at least thirty (30) days (or 10 days in the case of the non-payment of premiums) written notice to the Association; and (ii) provide for coverage in the amount of one hundred percent (100%) of current full replacement value of said Improvements and Structures to the extent they are customarily insurable.

9.3 **Fidelity Insurance**. The Association shall procure and maintain a fidelity bond insuring the Association and its Board and the Owners against loss of funds as a result of the

fraudulent or dishonest acts of any employee of the Association or any Director or trustee while performing acts coming within the scope of the usual duties of an employee, in such amounts as the Board shall deem necessary, but not less than 150% of the annual operating expenses of the Association, including amounts collected for reserve funds and working capital. Such bonds shall contain waivers of any defense based on the exclusion of persons who serve without compensation from any definition of "employee" or similar expression. Such bonds shall provide that they may not be canceled for non-payment of any premiums or otherwise substantially modified without thirty (30) days prior written notice to the Association.

9.4 **Workmen's Compensation and Employer Liability Insurance**. The Association shall procure and maintain workmen's compensation and employer liability insurance as may be necessary to comply with applicable laws.

9.5 **Other Insurance**. The Association may also obtain or require such other kinds of insurance as the Board shall from time to time deem prudent or necessary, in such amounts as shall be deemed to be desirable, including, but not limited to, Directors and Officers Liability in an amount not less than One Million Dollars ($1,000,000) and flood risk.

9.6 **Owner's Liability Insurance**. Each Owner of one or more Units, by the acceptance of a deed or ground lease of such Owner's Unit(s), hereby agrees and covenants to procure and maintain in full force and effect at all times, (i) comprehensive public liability insurance, including liability for injuries to and death of persons, and for property damage, and (ii) hazard insurance against loss or damage to such Owner's Unit(s) by fire or other insurable hazard and other appropriate damage and physical loss insurance, an amount equal to not less than one hundred percent (100%) of the full replacement insurable value of such Unit(s). If any Owner of a Unit fails to maintain the insurance required in this Section 9.6, the Association may, but shall not be obligated to, obtain such insurance and pay any premiums required in connection with obtaining such insurance. Such Owner shall be personally liable to the Association for all costs incurred by the Association in obtaining such insurance, to the same extent as such Owner is liable for Association Assessments levied against such Owner's Lot(s). Upon the failure of such Owner to reimburse such premiums and costs within ten (10) days after such Owner's receipt of a written demand therefor from the Association, the Association may establish and enforce a lien therefor upon the Owner's Lot(s) in accordance with and subject to the provisions of this Declaration applicable to a lien for Association Assessments.

9.7 **General Requirements**. All of the foregoing insurance shall be obtained from responsible companies duly authorized to issue insurance policies in the District of Columbia, with a rating in Best's Insurance Guide (or any comparable publication) of at least "A" (or any comparable rating) and a financial size category of "VII" (or equivalent) or better. All such policies relating to real property shall contain the standard mortgage clause, or equivalent endorsement, if encumbered by a Mortgage which is commonly accepted by private institutional mortgage investors in the District of Columbia. The aforesaid liability insurance policies of the Association shall also name as insureds the Directors, agents, officers, and employees of the Association, and all Owners. The amounts of insurance required under this Article 9 shall be reevaluated from time to time by the Board to assure that such amounts are sufficient with respect to the matters required to be covered.

9.8 **Premiums for Insurance Maintained by the Association**. Premiums for all insurance and bonds required or authorized to be carried by the Association in this Declaration, shall be an expense of the Association to be paid from the regular Association Assessments. Premiums on any fidelity bond maintained by a third-party manager hired by the Association shall not be a direct expense of the Association.

9.9 **Damage and Destruction of the General Common Areas or Business Center Lot or Community Center Lot**. If there is any damage or destruction of the Improvements and Structures on the General Common Areas, Business Center Lot or any Community Center Lot, the following provisions shall apply:

A. Cost Estimates. Immediately after any damage or destruction by fire or other casualty to all or any part of the insurable Improvements and Structures on the General Common Areas, Business Center Lot or any Community Center Lot, the Board, or its agent, shall proceed with the filing and adjustment of all claims arising under the hazard insurance policy maintained by the Association and obtain reliable estimates of the cost of repair or reconstruction of the damaged or destroyed Improvements and Structures. Repair or reconstruction means repairing or restoring the Improvements and Structures to substantially the same condition in which they existed prior to the fire or other casualty.

B. Obligation to Repair General Common Areas, Business Center Lot and Community Center Lot. Any damage or destruction to insurable Improvements and Structures on the General Common Areas, Business Center Lot or Community Center Lot shall be repaired or reconstructed so long as: (i) it is lawful; (ii) the Association has been provided the insurance proceeds necessary to repair; (iii) the Association has obtained the requisite approval of first Mortgagees, if any; and (iv) the Association has obtained the requisite approval of any other entities having the right to approve such reconstruction.

C. Alternative to Reconstruction of General Common Areas, Business Center Lot and Community Center Lot. If, in accordance with Section 9.9(B), the Improvements and Structures are not to be repaired or reconstructed and no alternative Improvements and Structures are authorized by the Board, then and in that event, the damaged General Common Areas, Business Center Lot and any Community Center Lot shall be restored to its natural state and maintained as an undeveloped portion of the General Common Areas by the Association in a neat and attractive condition. In such event, any excess insurance proceeds shall be paid over to the Association for the benefit of the Development, which proceeds may be used and/or distributed as determined by the Board, in its discretion, or as otherwise provided in the articles of incorporation or Bylaws of the Association.

D. Repair or Reconstruction of General Common Areas, Business Center Lot and Community Center Lot. If any Improvements and Structures on the General Common Areas, Business Center Lot or any Community Center Lot are damaged or destroyed, and the proceeds of insurance received by the Association are not sufficient to pay in full the cost of the repair and reconstruction of the Improvements and Structures, the Board shall levy a special Association Assessment against all Owners and Lots in order to cover the deficiency in the matter provided in

Article 8. If the proceeds of insurance exceed the cost of repair, such excess shall be retained by the Association and used for such purposes as the Board shall determine.

9.10 **Damage or Destruction of an Owner's Unit**. The obligation of an Owner to repair, restore or replace the Improvements and Structures on the Owner's Lot are provided in Section 7.2.

ARTICLE 10.
RIGHTS OF MORTGAGEES, INSURERS AND GUARANTORS

The following provisions are intended for the benefit of each Mortgagee, Insurer or Guarantor and to the extent, if at all, that any other provision of this Declaration conflicts with the following provisions, the following provisions of this Article 10 shall, in all instances, control:

10.1 **Association to Provide Written Notice of Default by Owner**. Upon request in writing to the Association identifying the Lot and the name and address of the Mortgagee or the Insurer or Guarantor, the Association shall furnish each Mortgagee, Insurer or Guarantor that holds an interest relating to said Lot a written notice of the default of the Owner in connection with such Lot under this Declaration which is not cured within thirty (30) days.

10.2 **Mortgagee, Insurer or Guarantor Takes Free of Certain Association Assessments**. Any Mortgagee, Insurer or Guarantor who comes into possession of the applicable Lot pursuant to foreclosure or deed in lieu of foreclosure of the Mortgage shall, to the extent permitted by law, take said Lot free of any claims for unpaid Association Assessments or charges in favor of the Association against said Lot which became due after the recordation of the Mortgage and prior to the first to occur of (i) the date on which the Mortgagee or its successor or assigns comes into possession of said Lot, or (ii) the date on which leasehold or fee title to said Lot was transferred to the Mortgagee or its successor or assigns.

10.3 **Rights of Mortgagee in Possession**. If a Mortgagee is a "mortgagee in possession" of any Lot: (i) such Mortgagee shall have all of the rights under this Declaration, the Plats, the articles of incorporation of the Association, the Bylaws and applicable law, which would otherwise be held by the Owner, subject to the operation and effect of anything to the contrary in the Mortgage; and (ii) the Association and each other Owner or person shall be entitled, in any matter arising under the provisions of this Declaration and involving the exercise of such rights, to deal with such Mortgagee as if it were the Owner of said Lot.

10.4 **Obligations of Mortgagee in Possession**. Any Mortgagee who is a "mortgagee in possession" of any Lot shall, subject to the operation and effect of the provisions of this Declaration, the articles of incorporation of the Association, the Bylaws and applicable law, bear all of the obligations under the provisions thereof which are borne by the Owner of the Lot; provided, that nothing in the foregoing provisions of this Section 10.4 shall be deemed in any way to relieve any Owner of any such obligation, or of any liability to such Mortgagee on account of any failure by such Owner to satisfy any of the same.

10.5 **Certain Rights of Mortgagee, Insurer or Guarantor**. Upon request in writing, each Mortgagee, Insurer or Guarantor shall have the right:

A. To examine current copies of this Declaration, and the Bylaws, rules and regulations and the books and records of the Association during normal business hours in the same manner and upon the same notice as Owners;

B. To receive, without charge and within a reasonable time after such request, a copy of the then most current set of such financial statements as are prepared by the Association at the end of each of their last two (2) years;

C. To receive written notices of all meetings of the Members of the Association and to designate a representative to attend all such meetings;

D. To receive written notice of any decision by the Association to make a material amendment to this Declaration or to the Bylaws or the articles of incorporation of the Association;

E. To receive written notice of any proposed action which would require the consent of a specified percentage of Mortgagees;

F. To receive written notice of any condemnation or casualty loss that affects either a material portion of the Development or the Lot on which the Mortgagee, Insurer or Guarantor holds, insures or guarantees the Mortgage; and

G. To receive written notice of a lapse, cancellation or material modification of any insurance policy maintained by the Association.

10.6 **No Priority Over Mortgagees for Certain Distributions**. No provisions of this Declaration, the Bylaws or the articles of incorporation of the Association or any similar instrument pertaining to the Development or the Lots therein shall be deemed to give an Owner or any other party priority over the rights of the Mortgagees pursuant to their Mortgages in the case of distribution to such Owners of insurance proceeds or condemnation awards for losses to or a taking of a Lot, or any portion thereof or interest therein. In such event, the Mortgagees, Insurers or Guarantors of the affected Lots shall be entitled, upon specific written request, to timely written notice of any such loss.

10.7 **Notice of Damage to Common Areas**. Upon specific written request to the Association, each Mortgagee, Insurer or Guarantor of a Lot shall be furnished notice in writing by the Association of any damage to or destruction or taking of any of the General Common Areas, the Business Center Lot or any Community Center Lot if such damage or destruction or taking exceeds Fifty Thousand Dollars ($50,000.00), or of any damages to such Lot in excess of Ten Thousand Dollars ($10,000.00).

10.8 **Notice of Condemnation**. If any Lot or portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then the Mortgagee, Insurer or Guarantor of said Lot will be entitled

to timely written notice, upon specific written request, of any such proceeding or proposed acquisition and no provisions of this Declaration, the articles of incorporation or Bylaws of the Association will entitle the Owner or other party to priority over such Mortgagee with respect to the distribution of the proceeds of any award or settlement with respect to such Lot.

10.9 **Restrictions on Certain Acts**. Until the Development Period ends, the written consent of the Federal Housing Administration, the Veterans administration and/or HUD shall be obtained with respect to any of the following actions taken while a Mortgage is in effect which is insured by such entity: (i) a dedication of any portion of the Common Areas to public use; (ii) an amendment of this Declaration; or (iii) annexation of additional land not then in the Development.

10.10 **Restriction on Amendment of Declaration**. No amendment to, change or modification of either Section 8.2 (dealing with the priority of Association Assessments liens) or Section 11.4 (dealing with the method of amending this Declaration by the Owners) shall be effective unless, in addition to the terms and conditions set forth in Section 8.2 and Section 11.4, such change or amendment shall be first consented to, in writing, by Owners holding at least three-fourths ($3/4^{ths}$) of the votes of all Owners in the Association, based on their respective liability for Association Assessments, and their respective Mortgagees.

ARTICLE 11.
MISCELLANEOUS

11.1 **Enforcement of this Declaration**. The Association, any Owner, and, at all times prior to the end of the Development Period, any of the Developer Declarants (in their capacity as such) shall have the right to enforce, by any proceeding at law or in equity, all restrictions, easements, conditions, covenants, reservations, rights, liens and charges now or hereafter imposed by the provisions of this Declaration. The Association has the right to initiate legal proceedings to seek specific performance, injunctive relief or other appropriate remedy in the enforcement of this Declaration. Any Owner found by a court of competent jurisdiction to be in violation of any of the foregoing shall also be liable for reasonable attorneys' fees and litigation and court costs incurred by the prevailing party in prosecuting such action. The amount of such attorney's fees together with litigation and court costs, if unpaid, shall constitute an Association Assessment lien against the defaulting Owner's Lot, enforceable as other Association Assessment liens herein established. Failure or forbearance by the Association, any Owner or any Developer Declarant to enforce any covenant, restriction, easement, condition, reservation, right, lien or charge herein contained shall in no event be deemed a waiver of the right to do so thereafter.

11.2 **Drug-Related Nuisance Abatement**. In amplification of and in addition to the provisions contained in the other provisions of this Declaration, in the event that any Owner shall be in violation of any provision of this Declaration and the Drug-Related Nuisance Abatement Act of 1998, D.C. Code Sections 45-3301 et seq. (1981 Edition), the Association may and shall have each and every right and remedy as shall otherwise be provided or permitted by law, including the right to take possession of such Owner's Lot and Unit for the benefit of all other Owners by an action for possession in the manner prescribed in Section 45-3302 of the D.C.

Code (1981 Edition). The Association shall be deemed a "community-based organization" as defined in Section 45-3301(2) of the D.C. Code (1981 Edition).

11.3 **Partial Invalidity**. Invalidation by judgment or court order of any one of the covenants, restrictions, terms, provisions, etc. in this Declaration or of the application thereof to any particular person or circumstance shall in no way affect any other covenant, restriction, term, provision, etc. or the application of said covenant, restriction, term, provision, etc. to other persons or circumstances and this Declaration in all such other respects shall remain in full force and effect.

11.4 **Term of this Declaration and Amendment of this Declaration by Owners**. The covenants, conditions, easements, rights, and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of, and be enforceable by, Declarants (prior to the Transfer Date), the Association, and each Owner subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of fifty (50) years from the date this Declaration is recorded, after which time said covenants, conditions, easements, rights, and restrictions shall be automatically extended for successive periods of ten (10) years, subject to amendment as hereinafter set forth. The covenants, conditions, easements, rights, and restrictions of this Declaration may be amended during the first fifty- (50-) year period or within any successive ten- (10-) year period by an instrument signed by Owners holding at least four-fifths ($4/5^{ths}$) of the votes of all Owners in the Association, based on their respective liability for Association Assessments, and the fee owner of the Development, which executed instrument is then properly recorded among the Land Records. The covenants, conditions, easements, rights, and restrictions of this Declaration also may be canceled or amended by an instrument signed by the fee owner of the Development and signed by Owners holding at least three-fourths ($3/4^{ths}$) of the votes of all Owners in the Association, based on their respective liability for Association Assessments, which executed instrument is then properly recorded among the Land Records within ninety (90) days of the expiration of any successive ten- (10-) year period and thereupon, such cancellation or amendment shall be effective on the date of the expiration of the ten- (10-) year period in question. Notwithstanding the foregoing to the contrary, (i) no right herein contained for the benefit of any of the Declarants may be amended without the express prior written consent of the applicable Declarant, and (ii) no right herein contained for the Tenants to elect two (2) Directors may be amended, canceled, terminated or supplemented except by an instrument signed by Tenants holding at least three-fourths ($3/4^{ths}$) of the votes of all Tenants in the Association for the election of their respective Directors. Any instrument executed pursuant to the provisions contained herein shall be filed for record among the Land Records of the District of Columbia and a true, complete copy of such instrument shall be transmitted to each Owner promptly. Notwithstanding the foregoing, Declarants shall have the right, without having to obtain the signature or consent of any other party, to amend this Declaration in the manner herein expressly provided.

11.5 **Rule Against Perpetuities**. If and to the extent that any of the covenants, restrictions, rights, conditions, terms or provisions, contained in this Declaration would otherwise be unlawful or void for violation of (a) the rule against perpetuities, (b) the rule restricting restraints on alienation, or (c) any other applicable statute or common law rule analogous thereto or otherwise imposing limitations upon the time for which such covenants, restrictions, rights,

conditions, terms or provision may be valid, then the covenant, restriction, right, condition, term or provision, concerned shall continue and endure only until the expiration of a period of twenty-one (21) years after the death of the last to survive of the class of persons consisting of all of the lawful descendants who are living at the date of this Declaration of Anthony Williams, current Mayor of the District of Columbia.

11.6 **Notices**. Any notices required or desired to be sent to any Member of the Association or an Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage prepaid to the last known address of such Member or such Owner, as the case may be, as such address appears on the records of the Association at the time of such mailing. Notice to the Association shall be given to the Association's Registered Agent as set forth in applicable documents filed with the District of Columbia unless otherwise designated by the Association.

11.7 **Marketable Title to Lots**. If at any time or times the Board shall deem it necessary or advisable to re-record this Declaration or any part hereof among the Land Records of the District of Columbia, in order to avoid the expiration hereof or of any of the covenants, conditions, restrictions, rights, reservations, easements, agreements or other provisions herein contained under any statute or act relating to or governing marketable title, the Board shall submit the matter to a meeting of the Owners called upon not less than ten (10) days prior notice, and unless at such meeting Owners holding at least two-thirds ($2/3^{rds}$) of the votes of all Owners in the Association, based on their respective liability for Association Assessments, shall be cast against such re-recording, the Association shall have, and is hereby granted, the power to so re-record this Declaration or such part thereof, and such re-recording shall be binding upon all Owners and Tenants in every way and with the full force and effect as though such action were taken by each of said Owners and Tenants and the re-recorded document executed and acknowledged by each of them.

11.8 **Covenants and Restrictions to Run with Land**. All the easements, rights, covenants, agreements, reservations, restrictions and conditions herein contained shall run with the land and shall inure to the benefit of and be binding upon each of the Declarants and each subsequent holder of any interest in any portion of the Development and their respective grantees, heirs, successors, personal representatives and assigns with the same full force and effect for all purposes as though set forth at length in each and every conveyance of the Development or any part thereof. All instruments of conveyance of real property interests in the Development shall include references to the easements, rights, covenants, agreements, reservations, restrictions and conditions herein contained. Reference in the respective assignments, deeds of conveyance, or in any mortgage or trust deed or other evidence of obligation with respect to any part of the Development, to the easements, rights, covenants, agreements, reservations, restrictions and conditions herein described shall be sufficient to create and reserve such easements, rights, covenants, agreements, reservations, restrictions and conditions to the respective grantees, mortgagees or trustees of such parts of the Development as fully and completely as though said easements, rights, covenants, agreements, reservations, restrictions and conditions were fully recited and set forth in their entirety in such document.

11.9 **Interpretation of this Declaration**. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of a high-quality residential development.

11.10 **Condemnation**. If all or any part of any General Common Areas, the Business Center Lot or any Community Center Lot shall be taken through condemnation by any governmental authority having power so to do, the net proceeds of such taking available to the Association because of its interests in such taken property shall be paid to and retained by the Association, or to any insurance trustee, for the benefit of the Owners and their Mortgagees, and any distribution of such funds shall be made on a percentage basis equal to the percentage interest of each Unit for the payment of the Association Assessments as set forth in Article 8. If the effect of such condemnation shall be to isolate any part of the Development from the remainder of the Development, then all Lots, whether a Rental Lot, Ownership Lot, the Business Center Lot or any Community Center Lot, lying wholly or partly within the portion of the Development so isolated, shall be deemed to have been and shall be removed and released from all of the terms and provisions of this Declaration and this Declaration shall be of no further force or effect with respect thereto. For purposes of this Section 11.10, the word "condemnation" shall include also any sale under threat of condemnation to any governmental authority having condemnation power.

11.11 **Dissolution of the Association**. Upon dissolution of the Association, its assets shall be transferred to another association or associations having similar purposes.

11.12 **Developer Declarants' Rights with Respect to Amending the Plat of Subdivision and this Declaration**. Developer Declarants hereby reserve to themselves the right to re-record the Plats to correct any inaccuracies, errors or mistakes contained therein. Developer Declarants hereby reserve to themselves the right and power, to be exercised without the consent of any Owner or Mortgagee, to record a special amendment to this Declaration or to the Plats at any time and from time to time for any of the following purposes:

A. To cause this Declaration or the Plats to comply with the requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, HUD, the Federal Housing Administration, the Veteran's Administration, or any other governmental agency or any other public, quasi-public, or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities;

B. To induce any of the aforesaid agencies or entities to make, purchase, sell, insure, or guarantee Mortgages covering a Lot and Unit;

C. To correct clerical or typographical errors in this Declaration or any Exhibit hereto or any supplement or amendment thereto; or

D. To change, amend or modify any of the terms or conditions of this Declaration or of the Plats based upon Developer Declarants' determination, made in good faith,

that such change, amendment or modification is in the best interests of the Development and is consistent with the intent and purposes of this Declaration.

In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to Developer Declarants to vote in favor of, make, or consent to a special amendment to this Declaration on behalf of each Owner as proxy or attorney-in-fact, as the case may be. Each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Unit or Lot, and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power of Developer Declarants to vote in favor of, make, execute and record special amendments to this Declaration. The right of Developer Declarants to act pursuant to rights reserved or granted under this Section 11.12 shall terminate at such time as Developer Declarants no longer hold or controls title to or a leasehold interest in any Unit or Lot.

11.13 **Interpretation Provisions**. The Plats grant and reserve certain easements relative to use, access, maintenance, repair and operation of all or parts of General Common Areas, the Business Center Lot and any Community Center Lot for utility and other purposes. In the event of any conflict or ambiguity between the terms and conditions of the easements granted and reserved in the Plats with respect to the General Common Areas, the Business Center Lot and any Community Center Lot and the terms and conditions of the easements granted and reserved in this Declaration with respect to the General Common Areas, the Business Center Lot and any Community Center Lot, those terms and conditions which are more restrictive or more specific and consistent with the intent and purposes of this Declaration and the Plats (whether set forth herein or therein) shall, in all instances, control and prevail over the less restrictive or less specific terms and conditions.

[END OF THIS PAGE - SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, this Declaration of Covenants, Conditions and Restrictions for Henson Ridge to be executed by the District of Columbia Housing Authority as of the date first above written, with the specific intention that this Declaration constitute an instrument under seal.

AUTHORITY: DISTRICT OF COLUMBIA HOUSING AUTHORITY

By: _____ (Seal)

Name: _____

Title: _____

Date Executed: October ___, 2002

DISTRICT OF COLUMBIA) ss:

Before me, a Notary Public in and for the jurisdiction aforesaid, personally appeared this date _____, personally well known (or satisfactorily proven) to me to be the person whose name is subscribed to the foregoing and annexed Declaration of Covenants, Conditions and Restrictions for Henson Ridge dated as of October ____, 2002 ("**Declaration**"), who, being by me first duly sworn, did acknowledge that he is the _____ Executive Director of the DISTRICT OF COLUMBIA HOUSING AUTHORITY, a public body corporate and politic organized under the laws of the District of Columbia and an independent housing authority of the District of Columbia Government, which entity is a party to the foregoing and annexed Declaration, and that he, being duly authorized so to do, executed said Declaration on behalf of said entity as its free act and deed for the uses and purposes therein contained.

WITNESS my hand and official seal this _____ day of October, 2002.

_____
Notary Public

[Notarial Seal]

My Commission Expires: _____

[Signatures Continued on Next Page]

IN WITNESS WHEREOF, this Declaration of Covenants, Conditions and Restrictions for Henson Ridge to be executed by the Henson Ridge Resident Association, Inc. as of the date first above written, with the specific intention that this Declaration constitute an instrument under seal.

ASSOCIATION:

ATTEST: HENSON RIDGE RESIDENT ASSOCIATION, INC.
A District of Columbia Corporation

_____ By: _____
Lois S. Fried, Secretary William M. Harvey, President

[Corporate Seal] Date Executed: October ___, 2002

DISTRICT OF COLUMBIA) ss:

Before me, a Notary Public in and for the jurisdiction aforesaid, personally appeared this date WILLIAM M. HARVEY, personally well known (or satisfactorily proven) to me to be the person whose name is subscribed to the foregoing and annexed Declaration of Covenants, Conditions and Restrictions for Henson Ridge dated as of October ____, 2002 ("**Declaration**"), who, being by me first duly sworn, did acknowledge that he is the President of HENSON RIDGE RESIDENT ASSOCIATION, INC., A District of Columbia nonstock corporation, which entity is a party to the foregoing and annexed Declaration, and that he, being duly authorized so to do, executed said Declaration on behalf of said corporation as its free act and deed for the uses and purposes therein contained.

WITNESS my hand and official seal this _____ day of October, 2002.

_____
Notary Public

[Notarial Seal]

My Commission Expires: _____

[Signatures Continued on Next Page]

IN WITNESS WHEREOF, this Declaration of Covenants, Conditions and Restrictions for Henson Ridge to be executed FDS Residential I Limited Partnership as of the date first above written, with the specific intention that this Declaration constitute an instrument under seal.

RENTAL I DECLARANT:

FDS RESIDENTIAL I LIMITED PARTNERSHIP
A District of Columbia Limited Partnership

By: FDS Residential I GP Limited Partnership
A District of Columbia Limited Partnership
General Partner

By: FDS Residential Phase I, LLC
A District of Columbia Limited Liability Company
General Partner

By: Mid-City FDS Rental I, LLC
A District of Columbia Limited Liability Company
Managing Member

By: Mid-City Legacy, LLC
A Delaware Limited Liability Company
Manager

By: _____ (Seal)
William M. Harvey, President

Date Executed: October ___, 2002

DISTRICT OF COLUMBIA) ss:

Before me, a Notary Public in and for the jurisdiction aforesaid, personally appeared this date WILLIAM M. HARVEY, personally well known (or satisfactorily proven) to me to be the person whose name is subscribed to the foregoing and annexed Declaration of Covenants, Conditions and Restrictions for Henson Ridge dated as of October ____, 2002 ("**Declaration**"), who, being by me first duly sworn, did acknowledge that he is the President of Mid-City Legacy, LLC, a Delaware limited liability company, in its capacity as Manager of Mid-City FDS Rental I, LLC, a District of Columbia limited liability company, in its capacity as Managing Member of FDS Residential Phase I, LLC, a District of Columbia limited liability company, in its capacity as General Partner of FDS Residential I GP Limited Partnership, a District of Columbia limited partnership, in its capacity as General Partner of FDS RESIDENTIAL I LIMITED PARTNERSHIP, a District of Columbia limited partnership, which entity is a party to the foregoing and annexed Declaration, and that he, being duly authorized so to do, executed said Declaration on behalf of said entity as its free act and deed for the uses and purposes therein contained.

WITNESS my hand and official seal this _____ day of October, 2002.

_____
Notary Public

[Notarial Seal]

My Commission Expires: _____

[Signatures Continued on Next Page]

IN WITNESS WHEREOF, this Declaration of Covenants, Conditions and Restrictions for Henson Ridge to be executed FDS Residential II Limited Partnership as of the date first above written, with the specific intention that this Declaration constitute an instrument under seal.

RENTAL II DECLARANT:

FDS RESIDENTIAL II LIMITED PARTNERSHIP
A District of Columbia Limited Partnership

By: FDS Residential II GP Limited Partnership
A District of Columbia Limited Partnership
General Partner

By: FDS Residential Phase II, LLC
A District of Columbia Limited Liability Company
General Partner

By: Mid-City FDS Rental II, LLC
A District of Columbia Limited Liability Company
Managing Member

By: Mid-City Legacy, LLC
A Delaware Limited Liability Company
Manager

By: _____ (Seal)
William M. Harvey, President

Date Executed: October ___, 2002

DISTRICT OF COLUMBIA) ss:

Before me, a Notary Public in and for the jurisdiction aforesaid, personally appeared this date WILLIAM M. HARVEY, personally well known (or satisfactorily proven) to me to be the person whose name is subscribed to the foregoing and annexed Declaration of Covenants, Conditions and Restrictions for Henson Ridge dated as of October ____, 2002 ("**Declaration**"), who, being by me first duly sworn, did acknowledge that he is the President of Mid-City Legacy, LLC, a Delaware limited liability company, in its capacity as Manager of Mid-City FDS Rental II, LLC, a District of Columbia limited liability company, in its capacity as Managing Member of FDS Residential Phase II, LLC, a District of Columbia limited liability company, in its capacity as General Partner of FDS Residential II GP Limited Partnership, a District of Columbia limited partnership, in its capacity as General Partner of FDS RESIDENTIAL II LIMITED PARTNERSHIP, a District of Columbia limited partnership, which entity is a party to the foregoing and annexed Declaration, and that he, being duly authorized so to do, executed said Declaration on behalf of said entity as its free act and deed for the uses and purposes therein contained.

WITNESS my hand and official seal this _____ day of October, 2002.

_____
Notary Public

[Notarial Seal]

My Commission Expires: _____

[Signatures Continued on Next Page]

IN WITNESS WHEREOF, this Declaration of Covenants, Conditions and Restrictions for Henson Ridge to be executed FDS Homeownership, LLC as of the date first above written, with the specific intention that this Declaration constitute an instrument under seal.

HOMEOWNER DECLARANT:

FDS HOMEOWNERSHIP, LLC
A District of Columbia Limited Liability Company

By: Mid-City Urban, LLC
A Delaware Limited Liability Company
Member

By: _____ (Seal)
William M. Harvey, President

Date Executed: October ___, 2002

DISTRICT OF COLUMBIA) ss:

Before me, a Notary Public in and for the jurisdiction aforesaid, personally appeared this date WILLIAM M. HARVEY, personally well known (or satisfactorily proven) to me to be the person whose name is subscribed to the foregoing and annexed Declaration of Covenants, Conditions and Restrictions for Henson Ridge dated as of October ____, 2002 ("**Declaration**"), who, being by me first duly sworn, did acknowledge that he is the President of Mid-City Legacy, LLC, a Delaware limited liability company, in its capacity as Member of FDS HOMEOWNERSHIP, LLC, a District of Columbia limited liability company, which entity is a party to the foregoing and annexed Declaration, and that he, being duly authorized so to do, executed said Declaration on behalf of said entity as its free act and deed for the uses and purposes therein contained.

WITNESS my hand and official seal this _____ day of October, 2002.

_____
Notary Public

[Notarial Seal]

My Commission Expires: _____

Exhibits:

1. Exhibit A – Legal Description of Land
2. Exhibit B – Legal Description of Rental Lots [Future]
3. Exhibit C – Legal Description of Ownership Lots [Future]
4. Exhibit D – Legal Description of General Common Areas [Future]
5. Exhibit E – Legal Description of Business Center Lot [Future]
6. Exhibit F – Legal Description of Community Center Lot, if any [Future]
7. Exhibit G – Site Plan of Henson Ridge showing the Rental Lots, Ownership Lots, General Common Areas, Business Center Lot, and possibly the Community Center Lot [Future]
8. Exhibit H – Legal Description of 112 Rental Lots in the Phase I Rental Development
9. Exhibit I - Bylaws of the Association
10. Exhibit J – Percentage Interest of Units [Future]
11. Exhibit K - Initial Maximum Average Annual Regular Assessment Amount for Homeownership Townhouses and Initial Maximum Average Annual Regular Assessment Amount for Elderly Public Housing Units, Family Public Housing Units and Family Rental Units [Future]