

Declaration of Covenants and Conditions

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DECLARATION

FOR

EXCHANGE AT VAN DORN CONDOMINIUM

ARTICLE 1

CREATION; DEFINED TERMS

Section 1.1. Creation of the Condominium. Pursuant to the provisions of Chapter 4.2 of Title 55 of the Code of Virginia ("Condominium Act"), Exchange at Van Dorn, LLC, a Delaware limited liability company ("Declarant"), hereby creates a condominium comprised of the land described as submitted land in Exhibit A, located within the City of Alexandria, Virginia ("Land"), together with all improvements thereto and all easements, rights and appurtenances thereunto appertaining ("Property").

Section 1.2. Defined Terms. Except as otherwise defined herein or in Section 1.3 of the Bylaws comprising Exhibit B, all terms used in the condominium instruments shall have the meanings specified in section 55-79.41 of the Condominium Act. All exhibits referred to in the condominium instruments are exhibits to this Declaration.

Section 1.3. Name of Condominium. The name of the condominium is "Exchange at Van Dorn" ("Condominium").

ARTICLE 2

BUILDINGS ON THE LAND; UNIT BOUNDARIES

Section 2.1. Location and Dimensions of Buildings. The location and dimensions of each building on the Land are depicted on the "Plats" labeled as Exhibit D.

Section 2.2. Units. The location of units within each building and their dimensions are shown on the "Plans" labeled as Exhibit E. The Common Element Interest Table attached as Exhibit C is a list of all units, their identifying numbers, location (all as shown more fully on the Plats and Plans), type and the Common Element Interest appurtenant to each unit determined on the basis of par value. The "par value" of each unit is the number of points assigned by the Declarant based upon the number of bedrooms in the unit and other factors. The basis for allocation of par value is set forth in the Notes to Common Element Interest Table attached as Exhibit C.

Section 2.3. Unit Boundaries. The boundaries of each unit are as follows:

(a) Horizontal (Upper and Lower) Boundaries. The upper and lower boundaries of the unit are the following boundaries extended to an intersection with the vertical (perimetric) boundaries:

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3110 Fairview Park Drive, Suite 1400
Falls Church, Virginia 22042

(1) Upper Boundary: The horizontal plane of the bottom surface of the wood joists of the ceiling except where there is a dropped ceiling in which locations the upper boundary is the horizontal plane which includes the top side of the wallboard of the dropped ceiling.

(2) Lower Boundary: The horizontal plane of the top surface of the undecorated concrete floor slab or wood subflooring (as the case may be). In units where two levels or more are directly connected by an interior stairway, the upper and lower boundaries refer to the uppermost and lowermost such boundaries respectively; the wood joists and concrete slabs dividing the levels (and any space above the wallboard of a dropped ceiling below such joists or slab, as the case may be) are part of the unit.

(b) Vertical (Perimetric) Boundaries. The vertical boundaries of the unit are the vertical planes which include the back surface of the wallboard of all walls bounding the unit extended to intersections with each other and with the upper and lower boundaries.

(c) Unit. The unit includes the heating and air-conditioning apparatus serving only that unit (whether or not located within the unit boundaries). Any portion of a utility system or other apparatus serving more than one unit (e.g., pipes, conduits, ducts) which is located partially within and partially outside the unit (including without limitation the fire protection sprinkler system) is part of the common elements. Any portion of a utility system serving only one unit which is located outside the unit is a limited common element appurtenant to that unit. The owner of any unit served by a utility system located outside the unit shall have an easement across the common elements for the benefit of any unit containing such system to the extent necessary to ensure the continued operation, maintenance, repair and replacement of such utility system.

Section 2.4. Maintenance Responsibilities. Notwithstanding the ownership of the various portions of the common elements and the units by virtue of the foregoing boundary description, the provisions of the Bylaws shall govern the division of maintenance and repair responsibilities between the unit owner and the Association.

Section 2.5. Relocation of Unit Boundaries and Subdivision of Units. Relocation of boundaries between units and subdivision of units is permitted subject to compliance with the provisions therefor in Sections 5.7 and 8.5 of the Bylaws and in sections 55-79.69 and 55-79.70 of the Condominium Act.

ARTICLE 3

COMMON ELEMENTS

Section 3.1. Limited Common Elements

(a) Adjacent to Units. The locations of the common elements to which each unit has direct access are shown on the Plats and Plans; pursuant to section 55-79.50E of the

Condominium Act, a balcony or patio, if any, shown adjacent to a unit is a limited common element appurtenant to that unit.

(b) Subsequent Assignment. A portion of the common elements is marked on the Plans as "Common Elements which may be assigned as Limited Common Elements." This portion of the common elements includes the entire garage parking spaces located underground buildings from the top surface of the concrete floor slab to the underside of concrete slab above. The Declarant may assign such a common element as a limited common element parking space pursuant to the provisions of section 55-79.57 of the Condominium Act by causing an appropriate amendment to this Declaration or to the Plans or Plats to be signed and recorded. If, prior to settlement on a unit, a person acquires the right to the assignment of a limited common element, the Declarant shall evidence the right to such an assignment in the deed to the unit to which such limited common element shall appertain. If a unit owner acquires the right to the exclusive use of such a limited common element subsequent to settlement on the unit, the Declarant may but need not evidence the unit owner's right to such an assignment in a separate written agreement with the unit owner. Any limited common element which is designed for or to be accessible to handicapped people may be reassigned unilaterally by the Board of Directors from a unit not occupied by a handicapped person to a unit occupied by a handicapped person if a replacement limited common element is assigned.

Section 3.2. Reserved Common Elements. The Board of Directors shall have the power in its discretion from time to time to grant revocable licenses in designated common elements to the Association or to any unit owners and to establish a reasonable charge to such unit owners for the use and maintenance thereof. The common elements or portions thereof so designated shall be referred to as Reserved Common Elements. Such designation by the Board shall not be construed as a sale or disposition of the common elements.

Section 3.3. Alteration of Common Elements by the Declarant. The Declarant reserves the right to modify, alter, remove or improve defective, obsolete or non-functional portions of the common elements, including without limitation any equipment, fixtures and appurtenances, when in the Declarant's judgment it is necessary or desirable to do so, until the expiration of the applicable warranty period.

ARTICLE 4

EASEMENTS

In addition to the easements created by sections 55-79.60 and 55-79.65 of the Condominium Act, the following easements are hereby granted and the following rights are hereby reserved.

Section 4.1. Easement to Facilitate Sales. All units shall be subject to an easement in favor of the Declarant pursuant to section 55-79.66 of the Condominium Act. The Declarant reserves the right to use any units owned or leased by the Declarant or any portion of the common elements as models, management offices, sales offices (for this and other projects) or construction, warranty or customer service offices. The Declarant reserves the right to relocate

the same from time to time within the Property; upon relocation, the furnishings thereof may be removed. The Declarant further reserves the right to maintain on the Property such advertising signs as may comply with applicable governmental regulations, which may be placed in any location on the Property and may be relocated or removed, all at the sole discretion of the Declarant. Prior to assignment as limited common elements, the Declarant shall have the right to restrict the use of certain common element parking spaces for sales purposes and to use such spaces for sales purposes. Further, the Declarant shall have the right to erect temporary offices on certain common element parking spaces for models, sales, management, customer service and similar purposes. The reservation of this easement to facilitate sales also applies to the additional land. This easement shall continue until the Declarant has conveyed to unit owners other than the Declarant all the units in the Condominium which the Declarant has the right to create and the warranty period has expired.

Section 4.2. Easement for Access and Support.

(a) Access. The Declarant reserves in favor of the Declarant, the managing agent and any other person authorized by the Board of Directors the right of access to any common element or unit as provided in section 55-79.79 of the Condominium Act and Section 5.9 of the Bylaws. In case of emergency, such entry shall be immediate whether or not the unit owner is present at the time. Further, until the expiration of the warranty period, such entry shall be permitted to inspect or perform warranty-related work (for the benefit of the unit being entered, other units or the common elements) whether or not the unit owner or the Association consents or is present at the time.

(b) Support. Each unit and common element shall have an easement for lateral and subjacent support from every other unit and common element.

Section 4.3. Declarant's Right to Grant Easements.

(a) Construction Utilities. The Declarant shall have the right to grant and reserve easements and rights-of-way through, under, over and across the Property for construction purposes, and for the installation, maintenance and inspection of the lines and appurtenances for public or private water, sewer, drainage, gas, electricity, telephone, television reception and other utilities. This right shall continue until the Declarant has conveyed to unit owners other than the Declarant all the units which the Declarant has the right to create.

(b) Access. The Declarant reserves the right to grant or reserve easements and rights-of-way through, over and across the Property to afford vehicular and pedestrian access through, over and across the common elements from and to any public street or road adjoining the Property and any portion of the real estate described in Exhibit A which is not, at the time of such grant or reservation, part of the Property. This right shall continue until the seventh anniversary of the recordation of this Declaration.

Section 4.4. Easement for Use of Common Facilities.

(a) Grant of Easement and Reservation of Right. Each unit owner is hereby granted a non-exclusive easement for access to and use of the amenities and grounds, driveways and parking facilities constituting a portion of the common elements (other than any limited common elements) of the Condominium ("Common Facilities"). The Declarant hereby reserves the right to grant to each person lawfully residing in a dwelling unit located on any portion of the additional land a non-exclusive easement for access to and use of the Common Facilities. This right shall continue until the Declarant has conveyed to unit owners other than the Declarant all of the units which the Declarant has the right to create.

(b) Extent of Easement. Any easement created pursuant to this section shall be subject to the following:

(1) the right of the Unit Owners Association to charge guests reasonable admission and other fees for the use of the Common Facilities;

(2) the right of the Declarant prior to the termination of the Declarant Control Period to grant and reserve easements and rights-of-way through, under, over and across the Common Facilities, for the installation, maintenance and inspection of the lines and appurtenances for public or private water, sewer, drainage, gas, electricity, telephone, television reception and other utilities; and

(3) the right of the Association to adopt rules and regulations governing the use of the Common Facilities.

(c) Delegation of Use. Any person having the right to use the Common Facilities may delegate such right to the members of such person's household, tenants who reside on the Land and to such other persons as may be permitted by the Association.

(d) Rights to Use. Each person having the right to use the Common Facilities and each person to whom such right has been delegated shall comply with the rules and regulations regarding such use, as such rules and regulations may be established and amended from time to time by the Board of Directors. Such rights to use may be suspended upon failure of a unit owner to pay condominium assessments, whether such unit owner owns a unit in the same or in an adjacent condominium, upon failure to comply with such rules and regulations or upon failure of a tenant (other than in a condominium unit) to pay rent to the landlord of the dwelling unit in which such tenant resides.

(e) Assessments Against Fee Owners and Unit Owners of Other Condominiums. Each owner of a portion of the additional land to whom the Declarant has granted an easement to use the Common Facilities shall pay to the Association an annual assessment levied exclusively for a proportionate share of the costs for the management, operation, repair, replacement and maintenance of the Common Facilities. The assessment levied upon each such owner shall be determined by multiplying the actual expenses for the Common Facilities by a fraction, the numerator of which is the number of dwelling units on the additional land which such owner

owns and the denominator of which is the number of dwelling units and condominium units on both the Land and the additional land. The assessment shall be adjusted monthly by the Association to reflect any change in the number of such dwelling or condominium units. If the additional land is subject to a homeowners association or a unit owners association created after the Declaration is recorded, such association shall pay to the Association the assessment described in this subsection on behalf of the owners subject thereto.

Section 4.5. Easement to Facilitate Expansion. The Declarant reserves a transferable easement over and on the common elements for the purpose of making improvements on the Land and additional land pursuant to the provisions of the condominium instruments and the Condominium Act, and for the purpose of doing all things reasonably necessary and proper in connection therewith.

ARTICLE 5

AMENDMENT TO CONDOMINIUM INSTRUMENTS; REQUIRED CONSENT

This Declaration may be amended as provided in the Condominium Act, as amended from time to time. No amendment of the Declaration may be made without the prior written approval of the required percentage of Mortgagees where such approval is provided for in Section 8.5 of the Bylaws or where such approval is required elsewhere in the condominium instruments or by the Condominium Act.

ARTICLE 6

DEVELOPMENT OPTIONS

Section 6.1. Convertible Land. The Declarant may designate as convertible land all or any portion of the additional land at any time all or any portion of the additional land is submitted to the Condominium Act. All of the reservations and the assurances set forth in Sections 6.2 and 6.3 of this Article shall apply to the convertible land; provided, however, that at such time as the convertible land created from the additional land is completely converted, the maximum number of units on such convertible land as an aggregate will be no more than 392 or 50 units per acre, and the maximum number of limited common elements within such convertible land as an aggregate will be 20,000. The conversion of such convertible land shall be made pursuant to section 55-79.61 of the Condominium Act.

Section 6.2. Contraction of the Condominium. The Declarant hereby reserves an option until the seventh anniversary of the recordation of this Declaration to contract the Condominium from time to time in compliance with sections 55-79.54D and 55-79.64 of the Condominium Act without the consent of any unit owner or Mortgagee. The option to contract may be terminated prior to such anniversary only upon the recordation by the Declarant of an instrument relinquishing such option. The Declarant reserves the right to withdraw any or all portions of the withdrawable land at any time, at different times, in any order, without limitation; provided,

however, that the withdrawable land shall not exceed the area described on Exhibit A. There are no other limitations on the option to contract.

Section 6.3. Expansion of the Condominium.

(a) Reservation. The Declarant hereby reserves an option until the seventh anniversary of the recordation of this Declaration to expand the Condominium from time to time in compliance with sections 55-79.54C and 55-79.63 of the Condominium Act without the consent of any unit owner or Mortgagee. The option to expand may be terminated prior to such anniversary only upon the recordation by the Declarant of an instrument relinquishing such option. The Declarant reserves the right to add any or all portions of the additional land at any time, at different times, in any order, without limitation; provided, however, that the additional land shall not exceed the area described on Exhibit A. There are no other limitations on the option to expand except as set forth in this Article.

(b) Assurances. The Declarant makes no assurances as to location of improvements on the additional land. At such time as the Condominium is expanded, the maximum number of units on the additional land will not exceed 392. The maximum number of units on any portion of the additional land added to the Condominium shall not exceed 50 units per acre. Moreover, the maximum number of units in the Condominium as a whole shall never exceed 50 units per acre. The maximum percentage of the aggregate land and floor area of all units that may be created on the additional land that may be occupied by units not restricted exclusively to residential use, if such additional land is added to the Condominium, is zero percent. The Declarant makes no assurances as to what improvements may be constructed on the additional land but such improvements will be reasonably compatible in quality, materials and style with the improvements on the Land. Any units created on the additional land shall be substantially identical to the units depicted on the Plats and Plans. The Declarant reserves the right to designate common elements therein which may be subsequently assigned as limited common elements. The Declarant makes no assurances as to type, size or maximum number of such common elements or limited common elements. The allocation of Common Element Interests in the additional land shall be computed as required by section 55-79.56B of the Condominium Act on the basis of par value. If the Declarant does not add, or adds and then subsequently withdraws, any portion of the additional land, the Declarant shall nevertheless have the right to construct all or any portion of any building on the additional land and operate the same without restriction.

Section 6.4. Convertible Space. The Declarant may designate as convertible space all or any portion of the buildings on the additional land when added to the Condominium. The conversion of such convertible space shall be made pursuant to section 55-79.62 of the Condominium Act.

ARTICLE 7

RIGHT TO LEASE OR SELL UNITS

The Declarant shall own in fee simple each condominium unit to which legal title is not conveyed or otherwise transferred to another person. The Declarant retains the right to enter into leases with any persons for the occupancy of any of the units owned by the Declarant.

ARTICLE 8

NO OBLIGATIONS

Nothing contained in the condominium instruments shall be deemed to impose upon the Declarant or its successors or assigns any obligation of any nature to build, renovate or provide any improvements except to the extent required by the Condominium Act.

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IN WITNESS WHEREOF, the Declarant has caused this Declaration to be signed by an authorized officer of its managing member on March 30, 2005, on behalf of the company.

EXCHANGE AT VAN DORN, LLC
a Delaware limited liability company

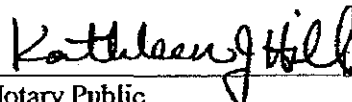
By: EXCHANGE AT VAN DORN
HOLDINGS, LLC
its sole managing member

By: 
Cindy Fancher, Asst Vice President

COMMONWEALTH OF VIRGINIA)
CITY OF ALEXANDRIA)

I, the undersigned, a Notary Public in and for the jurisdiction aforesaid, do hereby certify that Cindy Fancher, Assistant Vice President of Exchange at Van Dorn Holdings, LLC, the sole managing member of Exchange at Van Dorn, LLC, whose name is signed to the foregoing instrument, has acknowledged the same before me in the aforesaid jurisdiction on behalf of the company.

GIVEN under my hand and seal on March 30, 2005.

 (SEAL)
Notary Public

My commission expires: 12.31.06