

DISCLOSURE STATEMENT

FOR

FOREST GLEN STATION HOMEOWNERS ASSOCIATION, INC.

Every purchaser of a residence in the Forest Glen Station community automatically becomes a member of the Forest Glen Station Homeowners Association, Inc. (hereinafter the "Association"). All members of the Association are subject to the restrictions, rights and obligations contained within the Declaration of Covenants, Conditions and Restrictions for the Association recorded, or to be recorded, among the Land Records of Montgomery County, Maryland (hereinafter referred to as the "Declaration") including, but not limited to, the obligation to pay assessments to the Association. The disclosure information set forth below is being provided in accordance with the Maryland Homeowners Association Act (the "Act"). The property which is, or may hereafter be annexed within the jurisdiction of the Association shall hereinafter be referred to as the "Properties" or as the "Development". Certain other capitalized terms used herein, unless otherwise defined herein, have the meanings specified in the Declaration, a copy of which is attached as Exhibit "B" hereto.

Section 1

Declarant: Centex Homes
a Nevada general partnership

Principal Address: 14121 Parke Long Court
Suite 201
Chantilly, Virginia 20151

Telephone Number: (703) 934-2600

The names, addresses and principal officers of the general partners of the Declarant, Centex Homes, are as follows:

1. AAA Holdings, Inc.

Principal Corporate Officers

David W. Quinn, Chairman of the Board
Richard C. Decker, President and CEO

Corporate Office

P.O. Box 199000
Dallas, Texas 75219-9000

2. Braewood Development Corp.

Principal Corporate Officers

David W. Quinn, Chairman of the Board
Timothy R. Eller, President and CEO

Corporate Office

P.O. Box 199000
Dallas, Texas 75219-9000

3. Panoramic Land, Inc.

Principal Corporate Officers

David W. Quinn, Chairman of the Board
Timothy R. Eller, President and CEO

Corporate Office

P.O. Box 199000
Dallas, Texas 75219-9000

4. Centex Real Estate Corporation

Principal Corporate Officers

Timothy R. Eller, Chairman of the Board and CEO
Andrew J. Hannigan, President & Chief Operating Officer

Corporate Office

P.O. Box 199000
Dallas, Texas 75219-9000

Vendor: Forest Glen LLC

Principal Address: 6820 Elm Street
Suite 201
McLean, Virginia 22101

Telephone Number: (703) 827-5045

The names, addresses and principal officers of the members of the Vendor, Forest Glen LLC, are as follows:

1. Craftstar Homes, Inc., Managing Member

Principal Corporate Officers
Kenneth G. Malm, President

Corporate Office
6820 Elm Street, Suite 201
McLean, Virginia 22101

2. Kenneth G. Malm

Address
c/o Craftstar Homes, Inc.
6820 Elm Street, Suite 201
McLean, Virginia 22101

3. David Flanagan

Address
c/o Craftstar Homes, Inc.
6820 Elm Street, Suite 201
McLean, Virginia 22101

As of the date of this document the names and addresses of the Vendor and the Declarant and the names and addresses of the Vendor's and the Declarant's respective members and general partners are as set forth above; however, the Vendor and the Declarant each reserve the right to change such names and addresses at their sole discretion from time to time.

Section 2

- I. The name of the Association is, or will be, the Forest Glen Station Homeowners Association, Inc.
- II. The Association is, or will be, incorporated in the State of Maryland.
- III. The resident agent of the Association is, or will be:

Robert C. Larkin
9007 Shady Grove Court
Gaithersburg, Maryland 20877

Section 3

I. The Development is located in the Thirteenth (13th) Election District of Montgomery County, Maryland. The Declarant presently contemplates that the Development may contain a maximum of one hundred seven (107) Lots and dwellings and may contain up to approximately 11.4448 acres, however, the Declarant reserves the right to annex such property within the Development in stages or phases and to annex more or less than the anticipated maximum number of Lots and/or acreage within the Development. It is anticipated that the Development may contain a total of ninety-one (91) townhouse dwellings, seven (7) townhouse-style condominium units, and nine (9) single-family detached dwellings; provided, however, that the Declarant reserves the right to amend its development plan for the Properties, to modify or alter the size, number, type and location of the dwelling units to be constructed thereon, and to take any other action as it deems necessary or desirable in conjunction with the development of the Properties. Without limiting the generality of the foregoing, the Declarant reserves the right to resubdivide all or a portion of the Properties, to convey all or a portion of the Properties, to convey all or a portion of the Common Area, to modify the size and location of the Common Area, and to construct improvements on the Common Area. The Vendor and the Declarant, respectively, also reserve the right to modify the price of dwelling units in response to market conditions. Purchasers may pay different prices for similar dwelling units. Any property not annexed within the jurisdiction of the Association may be sold, transferred, conveyed or otherwise developed by the Vendor and/or the Declarant, or their successors and assigns.

II. The Vendor/Declarant does not own any property contiguous to the Development which is, or may be, dedicated to public use, other than the public streets indicated on the subdivision plats for the Properties recorded, or to be recorded, among the Land Records of Montgomery County, Maryland. It is anticipated that a portion of the property shown on the subdivision plats for the Properties will be conveyed to the adjoining Americana Finnmark Condominium (i.e. Parcels I, J, K and L, Block C).

Section 4

The Association is not within or part of and it is anticipated that the Association will not be within or part of another development or homeowners association.

Section 5

The Declarant has reserved the right to annex any real property shown on the Development Plan, any real property contiguous to or in the vicinity of the real property shown on the Development Plan, and any real property contiguous to or in the vicinity of the real property described in the Declaration. The Declarant presently anticipates including approximately one hundred seven (107) Lots and dwellings in the Development. The Declarant's right to annex, including any time limits on such annexation, is fully set forth in Article 2 of the Declaration. The Declarant reserves the right to annex all or any portion of the foregoing property within the

Development in stages or phases, to annex more or less than the anticipated number of Lots and dwellings within the Development and to include more or less than the foregoing number of Lots in any section of the Development. Any part of such property not annexed may be sold, transferred, conveyed or otherwise developed by the Declarant, or its successors and assigns. In the event that such sale, transfer, conveyance and/or development occurs, one or more separate homeowners associations may be developed within the property not annexed within the Association.

Section 6

I. A copy of the Articles of Incorporation, as filed, or to be filed, with the Maryland State Department of Assessments and Taxation, is attached hereto as Exhibit "A". A copy of the Declaration as recorded, or to be recorded, among the Land Records of Montgomery County, Maryland is attached hereto as Exhibit "B". All Owners are, or will be, subject to the restrictions and obligations contained within the Declaration.

II. Any or all of the Lots and/or dwelling units may be subject to other covenants, restrictions, easements and other matters of record, which may be enforced against any Owner and such Owner's tenant. Among such other recorded covenants, restrictions, easements and other matters of record are certain conservation, public utility, public improvement and/or other easements and rights of way as are shown on the plats of subdivision for the Properties recorded, or to be recorded, among the Land Records of Montgomery County, Maryland, and/or as may otherwise be recorded among such Land Records. Purchasers are encouraged to review the foregoing covenants, restrictions, subdivision plats, easements and other matters of record as they may include provisions restricting the use of Lots and/or dwelling units. For example, the public utility easements described above could restrict certain Owners from constructing a fence or other structure within the easement area. Other recorded covenants, restrictions, easements and other matters of record, if any, should be available for review in the Land Records of Montgomery County, Maryland.

III. The Declarant presently anticipates that approximately fourteen (14) of the Lots within the Development will be Moderately Priced Dwelling Units ("MPDUs") which will be reserved for sale to purchasers who qualify to purchase the same under Chapter 25A of the Montgomery County Code, as amended ("Chapter 25A"). Chapter 25A establishes maximum income requirements for purchasers of MPDUs and sets forth certain restrictions on the leasing and resale of such dwelling units.

Section 7

A copy of the Bylaws of the Association are attached hereto as Exhibit "C". The Bylaws are, or will be, enforceable against any Owner and such Owner's tenants.

Section 8

I. Pursuant to Article 1, Section 1.3 of the Declaration, "Common Area" is generally defined as "all real property owned, leased or maintained by the Association (including the improvements thereto) for the common use and enjoyment of the Owners." The location of the Common Area is, or will be, graphically shown on the plats of subdivision for the Properties recorded, or to be recorded, among the Land Records of Montgomery County, Maryland.

II. It is anticipated that the Common Area may include, without limitation, open space driveways, alleys, parking areas, nature paths, entry features, ornamental fences and brick piers, stormwater management areas, tot lots, playground areas, retaining walls and forest conservation areas. The Association will generally be responsible for the maintenance and repair of the Common Area and any improvements situated thereon as well as any property which it is obligated or elects to maintain pursuant to any cross-easement agreement or the requirements of any governmental agency. Section 9.3 of the Declaration provides that the Association may elect to maintain and keep in good order the Lawn and Garden Areas within the Lots. Section 9.4 also authorizes the Association to assume additional maintenance responsibilities upon all or any portion of the Property. For a more complete statement of the Association's maintenance rights and responsibilities, see the Declaration attached as Exhibit "B" hereto.

III. Availability of the Common Area improvements planned to be included within the Association, as well as the timing of their construction, is dependent upon a number of factors, including, without limitation, the development and construction schedule of all dwelling units planned to be included within the jurisdiction of the Association. If construction of such dwelling units is delayed, then it is possible that the construction of any Common Area improvements not then completed may also be delayed or canceled. Similarly, if fewer dwelling units than originally planned are actually constructed, then some of the Common Area improvements may not be constructed as presently planned. The Declarant makes no representation or warranty whatsoever, whether express or implied, regarding the construction or availability of any of the Common Area improvements planned to be included within the jurisdiction of or maintained by the Association, nor has the Declarant authorized any other party to make any such representation or warranty.

Section 9

I. A copy of the estimated proposed annual operating budget for the current fiscal year of the Association and a copy of the current projected budget for the Association, as fully expanded, are attached hereto as Exhibit "D". The budgets are, of course, estimates and neither the Vendor nor the Declarant warrant or in any manner represent that sufficient funds have been budgeted to cover all common expenses that may be incurred. Because actual expenditures may differ from estimated expenditures, due to future expenses of the Association being other than anticipated and other variable factors, such estimates are not intended nor shall they be considered as guarantees of any kind whatsoever.

II. Proposed reserves are shown on the attached budget. Please note that pursuant to Article 5, Section 5.11, of the Declaration, the amount of reserves to be kept shall be determined by the Board of Directors of the Association.

Section 10

I. Based upon the attached estimated proposed annual operating budget for the 2001 fiscal year, the current anticipated mandatory assessments to be paid by Owners of Lots within the Development for the maintenance of the Common Area, the operation of the Association and for other purposes related to the Association is Fifty Dollars and 10/100 Cents (\$50.10) per month ("Tier I Assessments") For the 2002 fiscal year, the attached budget estimates the Tier I Assessments to be Fifty Dollars and 50/100 Cents (\$50.50) per month. In addition to Tier I Assessments, each Owner of an Attached Dwelling Lot within the Development shall pay a second tier of assessments for the maintenance of the private streets serving the Attached Dwelling Lots and lawn maintenance services for the Attached Dwelling Lots, which based upon the attached estimated proposed annual operating budget for the 2001 fiscal year is Sixteen Dollars and 67/100 Cents (\$16.67) per month and for the 2002 fiscal year such assessment is estimated to be Eighteen Dollars and 17/100 Cents (\$18.17) per month. However, based on actual expenses, including reserves, incurred by the Association, future assessments may be greater or lesser than these amounts. Pursuant to Article 5, Section 5.3, of the Declaration annual assessment may be increased by the Board of Directors of the Association. Pursuant to Article 5, Section 5.8 of the Declaration, the due dates for assessments shall be established by the Board of Directors. It is presently anticipated that assessments will be payable in monthly installments, but the Board of Directors has the right to collect assessments in quarterly, semi-annual, or annual installments. Assessments shall be used for those purposes determined by the Board of Directors, including those contained within Article 5, Section 5.2 of the Declaration including, but not limited to, maintenance of the Common Area, and the operation of the Association.

II. Pursuant to Section 5.6 of the Declaration, non-uniform rates of Assessments may be established against any Lots within the Property by the creation of more than one tier of assessments.

III. The Declarant's exemption from assessments is set forth in Section 5.7 of the Declaration. The Declarant shall not at any time be subject to annual or special assessments. However, Participating Builders are subject to a one-time assessment of One Hundred Fifty Dollars (\$150.00).

Section 11

Information regarding the zoning and other land use requirements affecting the Development may be obtained by reviewing the Zoning Ordinance for Montgomery County, Maryland and other materials regarding land use requirements affecting the Development at the offices of the Maryland-National Capital Park and Planning Commission. The Declarant reserves the right to seek zoning changes, amendments and modifications to the Development Plan for the Properties.

Section 12

All mandatory homeowners association fees or assessments and other permitted charges imposed upon Lot owners by the Association will be subject to collection in accordance with Article 5 of the Declaration and the provisions of the Maryland Contract Lien Act, Section 14-201, et seq., Real Property Article, Annotated Code of Maryland (1996), as amended. Pursuant to Article 5 of the Declaration, please note the following:

Pursuant to Section 5.8, the annual assessments will generally commence as to all Lots subject to the Declaration simultaneously with the conveyance of the first Lot to a Class A Member. The first annual assessment will be adjusted according to the number of months remaining in the calendar year. The purchaser or grantee of any Lot will be responsible for assessments on his or her Lot beginning on the date of settlement or conveyance to such party.

Pursuant to Section 5.8 the due dates for assessments shall be established by the Board of Directors.

The procedure for increasing or decreasing such fees, assessments or charges is set forth in Section 5.3.

Delinquent fees, assessments and charges will be collected in accordance with Article 5.

Pursuant to Section 5.1, unpaid fees, assessments and charges, together with interest, costs, late fees and reasonable attorneys' fees, shall be the personal obligation of the Owner of a Lot.

Interest shall be charged on any unpaid assessment at a rate determined by the Board of Directors up to the maximum rate of interest permitted by law, as set forth in Section 5.9.

Pursuant to Sections 5.1 and 5.9 of the Declaration, unpaid assessments may be collected by the imposition of a lien on a Lot in accordance with the Maryland Contract Lien Act.

Lot owners may be assessed interest, attorneys' fees, late fees, court costs and administrative costs for the collection of unpaid assessments as set forth in Section 5.9. In addition, the entire balance of the unpaid annual assessments for the remainder of the year may be accelerated and declared due.

Section 13

In addition to the purchaser's obligation to pay a pro rata share of any fees, assessments or charges of the Association at settlement, pursuant to Article 5, Section 5.3 of the Declaration, the Declarant may elect to collect a sum equal to two (2) months of regular assessments from each purchaser of a Lot upon the earlier of settlement or occupancy of a completed dwelling. Such sum represents the contribution to the working capital fund for the initial operation of the Association and may be utilized as the Board of Directors of the Association shall determine at its sole discretion.

Section 14

Certain special rights and exemptions reserved by or for the benefit of the Declarant and/or the Vendor are contained within the Declaration, including, but not limited to:

1. Pursuant to Section 5.7, the Declarant's and the Vendor's right to be exempt from assessments for Lots owned by the Declarant and the Vendor, respectively.
2. Pursuant to Article 2, the right to annex additional property within the jurisdiction of the Association, and the right to deannex property from within the jurisdiction of the Association.
3. Pursuant to Section 8.1(a), the right to grant easements to all public authorities and utilities over any part of the Common Area.
4. Pursuant to Section 8.1(c), a blanket easement upon, across and under the Property for vehicular and pedestrian ingress and egress, curb cuts, slope, or grading easements, as well as for the installation, replacement, repair and maintenance of all utilities, and the right to connect to and use any such utilities which may exist or be located upon the Property from time to time, the right to grant easements, both temporary and permanent, to all public authorities and utility companies over any part of the Property, and the right to unilaterally execute and record such additional easements and agreements as may be necessary in order to give effect to the foregoing easements and other rights, which additional easements and other agreements need not be consented to or joined in by any party having an interest in the Property.
5. Pursuant to Section 8.1(e), the right during the period of construction and sale in the Development to maintain such facilities and perform such operations as the Declarant may determine to be reasonably required, convenient or incidental to the construction and sale of residences, including, without limitation, a business office, sales/leasing office, storage area, construction yards, signs, displays and model units.
6. Pursuant to Section 8.1(f), the right to enter the Lots and Common Area for the purpose of carrying out any obligations concerning the curing of defects in workmanship or materials in the Property or the improvements thereon. There is further reserved unto the Declarant and its agent(s) a non-exclusive easement over, across and through all of the Common Area for the purpose of access, the storage of building supplies and materials and equipment and, without any limitation, for any and all purposes reasonably related to the completion of the development, construction or rehabilitation and repair of the Property.
7. Pursuant to Section 8.1(g), for ten (10) years from the date of conveyance of the first Lot in the Development, the right of the Declarant to correct drainage of surface water in the Development. Such right includes the ability to cut any trees, bushes or shrubbery, make gradings of the soil, or take any other action reasonably necessary, following which the Declarant shall restore the affected property to its original condition as near as practicable.
8. The right to vote as specified in Section 4.2 of the Declaration with respect to each Class B membership held by the Declarant (one (1) vote for each such Class B membership).
9. Pursuant to Section 6.1, the right of the Declarant and, to the extent the Vendor has complied with the provisions of Section 6.6 of the Declaration, the Vendor to be exempt from the architectural control provisions of Article 6.
10. Pursuant to Section 6.6, the right of the Declarant to control construction of the initial

improvements on a Lot by or on behalf of a Participating Builder.

11. Pursuant to Section 7.2, the right of the Declarant to be exempt from the use restrictions contained in Section 7.2 during the construction and development of the Property.

12. Pursuant to Section 13.14, the right of the Declarant to execute on behalf of all contract purchasers, Owners, Eligible Mortgage Holders, mortgagees, and other lienholders or parties claiming a legal or equitable interest in any Lot or Common Area, any such agreements, documents, amendments or supplements to the Declaration, the Articles of Incorporation and Bylaws of the Association which may be required by FNMA, FHA, VA, FHLMC, GNMA or by any governmental or quasi-governmental agency having regulatory jurisdiction over the Association, or institutional lender or title insurance company designated by the Vendor/Declarant.

For a more complete statement of the rights and exemptions reserved by or for the benefit of the Declarant and the Vendor please see the Declaration attached as Exhibit "B" hereto.

Section 15

In addition to the Association assessments described herein, the Property is, or will be, subject to a Declaration of Water and Sewer Charges (the "Water and Sewer Declaration") which has been, or will be, recorded among the land records of Montgomery County Maryland. A copy of the Water and Sewer Declaration is attached hereto as Exhibit "E". The Water and Sewer Declaration establishes annual assessments (the "Water and Sewer Charges") which are intended to cover or defray all costs related to construction and installation of certain water and sewer systems constructed within the Property. The Water and Sewer Charges shall commence (the "Commencement Date") with respect to each Lot on the day of conveyance of such Lot from the Declarant or a Builder to an Owner, other than the Declarant or a Builder (the "Homeowner"). The Water and Sewer Charges shall terminate (except as to any unpaid Water and Sewer Charges, including, without limitation, interest, costs, late fees and attorneys' fees) with respect to each Lot twenty-seven (27) years following the Commencement Date, unless sooner paid in full as hereinafter provided. The Water and Sewer Charges shall be paid annually in advance by each Homeowner, to the Utility Company in equal installments of Five Hundred Twenty-Five and 00/100 Dollars (\$525.00) per year for each Lot which contains or shall contain a single-family detached dwelling, and Four Hundred and 00/100 Dollars (\$400.00) per year for each Lot which contains or shall contain a townhouse dwelling or townhouse-style condominium dwelling, all of which shall be due and payable on the first (1st) day of January of each year; provided, however, that the first year's payment (the "Initial Payment") shall be pro rated according to the number of days elapsed from the Commencement Date to December 31 of the same calendar year, and the 28th year's payment shall be the applicable annual payment less the pro-rated amount paid for the Initial Payment. The Initial Payment shall be payable at settlement by the Homeowner, who is purchasing the Lot from the Declarant or a Builder. The Water and Sewer Charges are payable to the Utility Company described in the Water and Sewer Declaration (or its designee) (the "Utility Company") at such address that the Utility Company may specify from time to time. Notwithstanding the foregoing, the Utility Company, in its sole and absolute discretion, may allow or can require (i) any Owner subject to Water and Sewer Charges to pay such charges in monthly, quarterly or bi-annual installments as determined by the Utility Company, and (ii) the mortgagee of any Owner subject to Water and Sewer

Charges to escrow and pay to the Utility Company such charges. Any Water and Sewer Charges not paid within fifteen (15) days after the due date shall bear interest from the due date until paid at the rate determined by the Utility Company not to exceed the maximum rate permitted by law (or such lesser sum as the Department of Veterans Affairs (the "VA") or the Federal Housing Administration (the "FHA") may specify if any Lot subject to this Declaration is then encumbered by a deed of trust or mortgage which is guaranteed by the VA or insured by the FHA). There is a right of prepayment for the Water and Sewer Charges, and the prepayment figure may be ascertained by contacting the Utility Company or by reviewing the Water and Sewer Declaration. The Water and Sewer Charges are a lien on Owner's property as well as a contractual obligation between Utility Company and each Owner of the subject property and are not a fee or assessment by Montgomery County, Maryland or the Washington Suburban Sanitary Commission.

The foregoing information is being provided in accordance with the Act. The information set forth herein is based upon current development plans and information currently available and is subject to change and modification from time to time. Purchasers are advised that modifications, changes and supplements to the foregoing information are probable and should be expected.

The foregoing narrative sections of this Disclosure Statement do not repeat or contain all of the information appearing in the documents and other materials reproduced as exhibits hereto. In many cases, these sections contain abstracts or summaries of information from the exhibits. Accordingly, in no case should any of the information set forth in the narrative sections of this Disclosure Statement be construed to substitute for, alter, modify or abrogate, in whole or in part, any of the terms, conditions or provisions of any of the documents and other materials reproduced as exhibits to this Disclosure Statement. In the event of any conflict between the narrative sections of this Disclosure Statement and any of the documents and other materials reproduced as exhibits to this Disclosure Statement, the documents and other materials reproduced as exhibits to this Disclosure Statement, as applicable, shall control.