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March 19, 2001

Laurence E. Hirsch, Chairman and CEO, Centex Corp.
Timothy R. Eller, Chairman and CEO, Centex Homes
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Robert Davis, President, Centex Homes, NOVA
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Joanne Spence, Customer Service Manager, Centex Homes, NOVA

Ref.: Old Town Greens , Alexandria, Virginia
Lot numbers _____ -- _____

Dear Messrs. and Madams:

This letter is being written on behalf of the 18 new condominium owners at the Old Town Greens sub-division in Alexandria Virginia, as listed below. The 18 units referred to consist of the last two buildings of the referenced sub-division, the majority of which had sales settlement between December 22 and December 29, 2000.

The purpose of this letter is to bring to your attention our common concerns as new homeowners. In particular, the poor workmanship and lack of quality control that is abundantly evident in the construction of our homes.

Centex labels itself as the "premier homebuilder with nearly 400 neighborhoods across the nation" and indicates that it offers the "Complete Home Advantage", stating "we can build you a new home, finance it, insure it and provide important home services". It is apparent, however, that you have specifically avoided "quality" as one of your "Complete Home Advantage" imperatives.

Besides being customers, we would like to point out that a portion of these homeowners are also Centex shareholders. It concerns us whether or not Centex will be able to continue its financial success in light of poor quality homes and non-existent quality control. Having won the "1998 Builder of the Year" award, being rated Number 1 in Fortune's Engineering and Construction category and having never reported a quarterly or annual loss do not guarantee profitability if the finished product is substandard.

Without satisfied customers, you will fail as a company. Eighteen homeowners may not sound like a lot, especially when compared to the number of homes that Centex has built nationwide. But if this group represents a 100% dissatisfaction rate in quality for one entire section of one of Centex's 400 neighborhoods, it is likely that other neighborhoods are experiencing similar dissatisfaction in quality.

As new homeowners, we anticipated that some items would need to be addressed after settlement. However, we have had to invest an obscene amount of time and energy to have our issues addressed properly and to date, the majority have not been resolved. Furthermore, a number of our issues could have been prevented in the first place had Centex employed some sort of quality control measures. It is evident that Centex "did what it needed to" in order to have these units finished and closed prior to the end of 2000.

The Centex staff in NOVA has been repeatedly informed that a significant number of our concerns are common amongst our group of homeowners, but Centex has yet to take any pro-active measures to address them. Instead, we have each been told that our concerns are unique. And even more of an insult is Centex's total disregard to suggestions made by homeowners for solutions to the issues. In fact, the only time that Centex has acted quickly and with regard to quality was to address an issue that had the potential for risk of bodily injury had it not been corrected.

The following list includes, but is not limited to, the most significant topics of concern that our group shares and what we would like to have addressed in a timely manner by individuals who are capable of quality workmanship:

•Poor quality of workmanship

General contractor work including drywall finishing, painting, tile work, uneven walls and floors. Suggested use of more skilled carpenters and finishers to correct these problems

•HVAC

Lower floors of "A" units not heated properly. This is particularly disconcerting since it has been a very cold winter. Homeowners have had to purchase space heaters and have been forced to spend some nights in hotels. Suggested solutions have included adding a heat register in downstairs hallway, cold air intake in the bedroom and dampers for directing airflow between levels. It was also suggested that the insulation between the garage and interior as well as the insulation around the perimeter of the slab be double checked for adequacy. "B" units experience a substantial variance of temperature between floors. HVAC problems also include concerns with furnaces and water heaters and water pressure.

•Soundproofing

This includes the sound between units, the noise from underground Metro Rail and the noise from railroad track in front of properties. Suggested solutions have included filling a _____ space with vermiculite or other soundproofing substance, as well as wrapping pipes to reduce sound of water running between units. The use of triple pain windows in front of units and/or additional brick fronts was suggested in order to help reduce noise caused from railroad.

•Disregard for homeowners time

Customer service attempts to correct problems consistently results in need for "do overs" – work is not done properly the first time. Homeowners are left to deal with contractors directly – the responsibility of customer service. Scheduling is not done in a way to maximize the customers time. Contractors are left in homes, unsupervised.

•Structural integrity

Concerns regarding the intense vibration caused by underground Metro Rail and railroad track in front of property. Similar to suggested solutions to soundproofing, the use of triple pain windows in front of units and/or additional brick fronts.

•Appliances/other mechanisms

Include but not limited to: garage doors don't work, doors don't lock, appliances are damaged and awaiting parts, shelving not installed properly, pipes leak.

•Exterior finishes

False shudders (suggest using OSB panels in lieu of present construction); Landscaping (plants dying); Brick walkways uneven and not tapped down; Paint/trim (not completed, unmatched paint); Concrete (standing water, stairs uneven, chipped and poorly patched); Ironwork/railing (uneven, rusting, not painted); Loose shingles (several on ground after windy days); Construction debris; No locks on utility doors (this is a security risk)

As indicated previously, homeowners have suggested a variety of solutions to Centex regarding many of these concerns. We should also point out that these suggestions have been based on observations made by a variety of qualified engineers, home inspectors, contractors and HVAC designers.

In closing, we ask that these concerns be addressed in a timely manner and that an efficient and effective resolution be submitted to us. We trust that the appropriate officer will oversee the management of these tasks and that proper resources will be used in resolving these issues.

We would like to thank you for your time and await your response. Please contact us as a group or individually regarding any questions or concerns you may have.

Sincerely,

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cc: Mildrilyn David, Director, City of Alexandria Dept. of Housing
Author Dahlberg, Director, City of Alexandria Dept. of Code Enforcement
Kenneth R. Harney, Columnist, "The Nation's Housing", The Washington Post
Benny L. Kass, Columnist, "Housing Counsel", The Washington Post

Mayor Donley and members of council,
Martha Welch of 1604a Hunting Creek Drive.
I am submitting a copy of a letter that
was sent ^{to Centex, our builder} from ~~the concerned~~ ^{concerned} homeowners at
Old Town Greens ~~to Centex, our builder~~

← regarding
potential
code violations

It is my understanding that the city
will soon begin the process of releasing the
bond to Centex. We respectfully request
that you postpone releasing the bond to
Centex until our issues are resolved.
We have hired an engineer and we are in
the process of collating all of our homeowners's
complaints.

Thank you.