

**DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS, AND EASEMENTS**

THIS DECLARATION, made this 28th day April, 1998, by Asad M. Ghattas (the "Owner").

WITNESSETH:

RECITALS

A. The Owner owns a 49.3 acre tract of land, more or less, located in Washington County, Maryland. The tract (hereinafter referred to as the "Property") consists of all of the land described and shown as Lot Nos. C-1 thru C-13, inclusive, Lots B-1 thru B-10, inclusive, and remaining lands (Parcel B), containing 21.91 acres, more or less, on a Plat of Subdivision entitled "Final Plat of Subdivision Sections 'B' & 'C' of Pemberton", recorded at Plat folio 5179, one of the Plat Records in the office of the Clerk of the Circuit Court for Washington County, Maryland.

B. The Owner desires to subject the Property, and the lots located therein (the "Lots"), to the covenants, conditions, restrictions, and easements set forth below, which are for the purpose of protecting the value and desirability of the Property and the Lots.

C. The Trustees are the trustees of the Indemnity Deed of Trust (the "Deed of Trust") on the Property from the Owner dated June 16, 1997, which is recorded among the Land Records of Washington County, Maryland, at Liber 1342, folio 555. The Bank is the holder of the promissory note secured by the Deed of Trust. The Trustees and the Bank are joining in this Declaration for the purpose of subordinating the Deed of Trust to the legal operation and effect of this Declaration.

D. The Owner, the Trustees, and the Bank hereby declare that the Property shall be held, sold, and conveyed subject to the Covenants, Conditions, Restrictions, and Easements set forth below.

ARTICLE I. COVENANTS, CONDITIONS, RESTRICTIONS, AND EASEMENTS

1. Lots shall be for residential purposes only after sale and transfer by the Owner. No lot may be further subdivided. Hobby-type home workshop activities shall be permitted so long as they do not become a nuisance to the neighborhood. No building may be erected, altered, placed or permitted to remain on any lot other than one single-family dwelling not to exceed two and one-half (2 1/2) stories in height, a private garage, 2-car 24'x24', and a storage building not to exceed 15 feet in height, decorated to match the existing home exterior, for use solely by the lot owner.

2. Any dwelling or residence to be erected on the land in this subdivision shall be of 3,000 square feet of heated living area or more, which is not to include basement or attic space but may include up to 400 sq. ft. above a garage.

3. No building may be constructed of unfaced concrete block. No dwelling shall be permitted on any lot at a cost of less than \$275,000.00, exclusive of lot costs, and based upon cost levels prevailing on the date these covenants are recorded. It being the intention and purpose of these covenants to assure that all dwellings shall be of a quality of workmanship of substantially the minimum cost stated herein for the minimum permitted dwelling size. In the event of a building which is erected largely by an owner's own labor, the dwelling must equal one that could have been built by a building contractor at a cost of

\$275,000.00 on the date these covenants are recorded. All dwellings must be either of stone, brick or of English Tudor style.

4. No structure or object of a temporary nature such as, but not limited to a trailer, tent, shack, basement, garage, barn or other outbuilding shall be used on any lot at any time as a residence or for storage, or as an auxiliary building, either temporarily or permanently, nor may it remain on any lot without written consent of the Owner. No mobile homes shall be permitted to be used as a residence, or stored on any lot at any time, except that this clause shall not be construed to deny storage or maintenance of travel trailers or motor homes, or campers used by the owner for recreational travel provided that such recreational vehicle shall be stored in a closed garage rather than in front of the residence. No above-ground swimming pools for adults or children are permitted.

5. No commercial vehicles such as, but not limited to, moving vans, trucks, tractors, wreckers, hearses, compressors, concrete mixers, or buses shall be regularly or habitually parked in front of residential property or upon residential property unless it is garaged and not visible from adjacent properties. Vehicles which are primarily designed as passenger vehicles, such as station wagons, but which display a business sign of reasonable size and appearance shall be excluded from the restriction. No junked or wrecked automobiles or other equipment shall be visible from adjacent properties. No vehicle or equipment such as, but not limited to boats and travel trailers shall be permitted to remain on any lot unless they display a valid current license or are garaged and not visible from the adjacent properties. No parking of any vehicles is allowed within the county's right of way.

6. All grounds shall be neatly maintained and all open areas shall be kept mowed and shall not be permitted to grow to a height greater than one (1) foot. Noxious weeds, especially thistle, shall be kept under control. When an owner becomes in violation of this restriction upon oral notice followed by written notice, or by written notice alone, he shall have no more than seven (7) days from date of notice to correct the violation, or if the lot owner cannot be located, the developer shall have the right to enter upon the property and cause the weeds to be removed. The cost thereof shall become a lien upon the land and shall become a personal obligation of the lot owner. Clothes line fixtures of any kind are not permitted.

7. No sign of any kind shall be displayed to the public view on any lot except one sign not to exceed one (1) square foot in area designating that resident's name and/or number. This shall not be construed as to deny use of a real estate for sale sign of reasonable size and appearance when the lot becomes for sale.

8. All dwellings shall be completed within 18 months after ground has been broken by either the lot owner, his agents, servants or employees and a landscaping package having a cost of not less than \$10,000.00 must be implemented within 2 years.

9. No chickens, poultry, cattle, horses, swine, or livestock of any kind shall be kept, housed, or maintained on any lot. Nor shall any animal of any sort be permitted to become a neighborhood nuisance. All pet or other animals kept on any lot shall be controlled and maintained so that they may not constitute a hazard or nuisance to persons or property elsewhere in The Property.

10. No noxious or offensive activity shall be carried on upon any lot nor shall anything be done or placed thereon which shall become a nuisance to the neighborhood.

11. No chain link fences are allowed. Decorative fences must be approved by the Owner. No fence or wall shall exceed 48 inches in height and shall not interfere with under ground or surface drainage

structures, ditches or pipes. The height restriction shall not apply to enclosures of patios or open garden courts and shall not apply to retaining walls required by topography.

12. Each lot is subject to the easements and rights of way and setbacks of record.

13. Enforcement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant either to restrain violation or to recover damages.

14. Invalidation of any one of these covenants, or any part thereof, by court order shall in no wise affect any of the other provisions which will remain in full force and effect.

15. These covenants, restrictions and provisions shall run with and bind all of the lands included in the Property and shall inure to the benefit of and be enforceable by and binding upon the parties and each and every transaction involving any portion of the Property. Failure by any party of interest to enforce any covenants, restrictions and conditions or provisions herein contained shall in no event be deemed a waiver of the right to do so thereafter as to the same breach or as to one occurring prior or subsequent thereto.

16. Architectural Control: No building, wall or structures of any kind shall be erected, placed or altered on any lot until the construction plans and specifications and a plan showing location of the structure or wall as conforming with the approved plat have been approved by the Owner as to quality of workmanship and materials, harmony of external design with existing structures and as to location with respect to topography and finish grade elevation and other requirements contained herein. Vinyl or aluminum siding shall only be used as a minor finish material comprising of less than 15% of the overall building's exterior. In the event the subdivision developer or his designated representative(s) fails to approve or disapprove within 30 days after plans and specifications have been commenced prior to the completion thereof, approval will not be required and the related covenants shall be deemed to have been fully complied with.

17. Term: These covenants are to run with the land and shall be binding on all parties and all persons claiming under them for a period of thirty (30) days from the date these covenants are recorded, after which time, said covenants shall be automatically extended for successive periods of ten (10) years unless an instrument signed by a majority of the owners of the lots has been recorded agreeing to change said covenants in whole or in part.

ARTICLE II. GENERAL PROVISIONS

1. The area of the Property subject to this Declaration may be increased by filing among the Land Records of the jurisdiction referred to above, supplements to this Declaration, which need only be signed by the owner of the additional land described in the supplement and the holder of any mortgage or similar lien thereon, stating that the additional land shall be subject to this Declaration. No other land in the vicinity of the Property shall be subject to this Declaration unless the provisions of this paragraph are complied with, it being intended that this Declaration not be construed or considered as a scheme for the development of any land other than that shown on the Plat or hereafter subjected to this Declaration in the manner described in this paragraph 1.

2. The Owner shall have the right, by instrument duly recorded among the Land Records of the jurisdiction referred to above, which need only be signed by the Owner and the holder of any mortgage or similar lien on the portion of the Property then owned by the Owner to modify the provisions of this

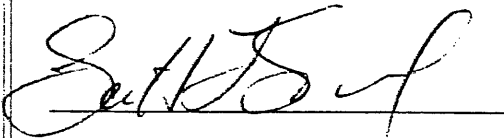
Declaration if the modification is required by the Veterans Administration, the Federal Housing Administration, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, or the Government National Mortgage Association or any successor agencies thereto as a condition of the approval by such agency of the Property or any part thereof or any Lot thereon for approved mortgage financing purposes under applicable Veterans Administration, Federal Housing Administration, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Government National Mortgage Association, or similar programs, and the consent to the modification by any Lot owner or of the holder of any mortgage or lien on such owner's Lot shall not be required even though the modification relates to portions of the Property no longer owned by the Owner.

3. The invalidity of any of the provisions of this Declaration shall not affect any of the other provisions, all of which shall remain in full force and effect.

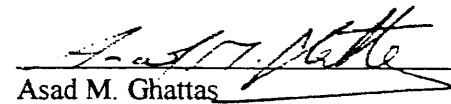
4. Each conveyance of a Lot, or of any interest in the Lot, by the Owner, shall be deemed to be subject to this Declaration, whether or not the deed conveying the Lot shall so state.

WITNESS the due execution of this Declaration of Covenants, Conditions, Restrictions, and Easements by the Owner, the Trustees, and the Bank.

WITNESS/ATTEST:

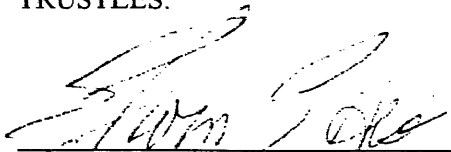


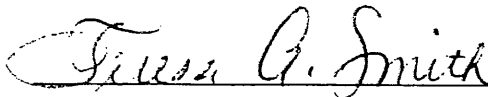
OWNER:


 (SEAL)
Asad M. Ghattas

TRUSTEES:



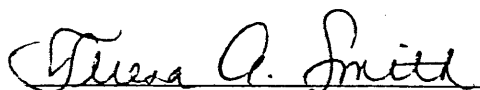
 (SEAL)
Edwin E. Hess, Jr., Trustee

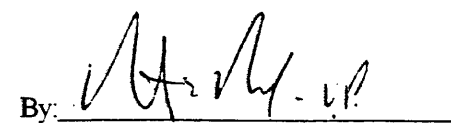


 (SEAL)
Ronald L. Frey, Trustee

BANK:

Farmers & Merchants Bank and Trust



By:  (SEAL)
Michael E. Hough, Vice President

STATE OF MARYLAND, COUNTY OF WASHINGTON, TO WIT:

I HEREBY CERTIFY, that on this 28th day of April, 1998, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared Asad M. Ghattas, who did acknowledge that he executed the foregoing Declaration of Covenants, Conditions, Restrictions, and Easements for the purposes therein contained.

WITNESS my hand and Official Notarial Seal.

Barbara J Miner
Notary Public

My Commission Expires:

May 14, 1998

STATE OF MARYLAND, COUNTY OF WASHINGTON, TO WIT:

I HEREBY CERTIFY, that on this 28th day of April, 1998, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared Edwin E. Hess, Jr., and Ronald L. Frey, Trustees for Farmers & Merchants Bank and Trust, who did acknowledge that they, as Trustees, being duly authorized, executed the foregoing Declaration of Covenants, Conditions, Restrictions, and Easements for the purposes therein contained.

WITNESS my hand and Official Notarial Seal.

Dennis D Powell
Notary Public

My Commission Expires: 4-1-2000

STATE OF MARYLAND, COUNTY OF WASHINGTON, TO WIT:

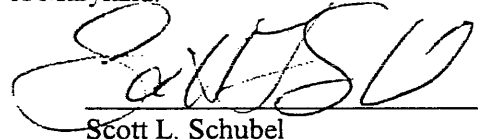
I HEREBY CERTIFY, that on this 28th day of April, 1998, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared Michael E. Hough, Vice President of Farmers & Merchants Bank and Trust, who did acknowledge that he, as Vice President, being duly authorized to do so, executed the foregoing Declaration of Covenants, Conditions, Restrictions, and Easements for the purposes therein contained.

WITNESS my hand and Official Notarial Seal.

Dennis D Powell
Notary Public

My Commission Expires: 4-1-2000

This instrument has been prepared by or under the supervision of the undersigned, an attorney duly admitted to practice before the Court of Appeals of Maryland.



Handwritten signature of Scott L. Schubel in cursive script, positioned above a horizontal line.

Scott L. Schubel