

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
FREEDOM HILLS/PHASES II and III/Lots 26-163
WASHINGTON COUNTY, MARYLAND**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (hereinafter sometimes referred to as "**Declaration**" or "**Covenants**"), made this ____ day of May, 2006, by **FREEDOM HILL HOMES, LLC**, a Maryland limited liability company existing under the laws of the State of Maryland (hereinafter referred to as "**Declarant**").

WHEREAS, Declarant is the record title owner of all those lots or parcels of land situate, lying and being in Washington County, State of Maryland, conveyed unto Declarant by deed from Freedom Hills, L.L.C., a Maryland limited liability company, dated March 25, 2005, and recorded in Liber 2607 at folio 319, among the Land Records of Washington County, Maryland; being described as: Lots 26 through 99 on that certain "Final Plat Subdivision of Lots 26-99, SECTION B of Freedom Hills", recorded among the Plat Records of Washington County, Maryland in Plat Folios 8480, 8481 and 8482 (collectively, "Plat 1"); and Lots 100 through 163 on that certain "Preliminary Plat of Subdivision for Freedom Hills Phase 3", intended to be recorded among the aforesaid Plat Records ("Plat 2") (the entirety of the property described in the aforesaid deed and platted on Plat 1 and Plat 2 being hereinafter referred to as the "Property"); and

WHEREAS, the lots subject to these covenants comprise 138 lots (hereinafter referred to as "Lots" or individually as a "Lot"); and

WHEREAS, in order to assure uniformity in development of the Property above described and to facilitate marketability of the aforementioned Lots to the mutual advantage of the Declarant, and all others who may in the future acquire title to said Lots, the Declarant has established a general plan for the improvement and development of the Property, and does hereby establish the Covenants, Conditions and Restrictions upon which, and subject to which, all the Lots and portions of such Lots shall be improved or sold and conveyed; and

WHEREAS, those Covenants, Conditions and Restrictions shall not be applicable to the activities of the Declarant or its officers, employees, agents or assigns in its development, marketing and sale of Lots within the subdivision, or builders constructing houses on the Lots purchased from the Declarant; and

WHEREAS, those Covenants, Conditions and Restrictions are and each thereof is imposed upon the Lots contained on the above-cited Plat and any additional plats added to said subdivision, all of which are to be construed as restrictive covenants running with the title to such Lots and with each and every parcel thereof.

NOW, THEREFORE, Declarant hereby declares that all of the lots shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions which are established for the purpose of protecting the value and desirability of the Property and which

shall run with the land and be binding on all parties having any right, title or interest in the Lots as follows:

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 Declarant, the owner of 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.

2. The Lots of said Property, as now laid out or as hereinafter altered or modified, shall be used for residential purposes only and no buildings shall be erected, placed or altered or permitted to remain on any lot other than one detached single-family dwelling not to exceed two and one-half stories in height and normal residential incidental structures (such as, but not limited to, storage sheds, pool/bath houses, fences, and private garages for not more than three automobiles). No dwelling shall be permitted on any lot on the ground floor area of the main structure, exclusive of one-story open porches and garages, of which shall be less than 1,500 square feet for a one-story dwelling for single-family detached lots and no less than 1,200 square feet for single-family attached lots. A two-story dwelling, exclusive of open porches and garages, shall contain in the aggregate a minimum of 2,000 square feet for the combined first and second floors for single-family detached lots and no less than 1,600 square feet for single-family attached lots. One and a half story dwellings, exclusive of open porches and garages, shall contain a minimum of 1,800 square feet with not less than 1,400 square feet on the first floor for single-family detached lots and a minimum of 1,600 combined square feet for single-family attached lots, with not less than 1,200 square feet on the first floor. Additionally, private recreational facilities such as tennis courts and swimming pools are allowed as approved by the Architectural Control Committee as provided in paragraph 3, below. Lastly, real estate sales, construction offices and signs may be erected, maintained and operated on any part of said land and in any building or structure now or hereafter erected thereon during the original construction and sales as approved by the Architectural Control Committee.

3. No building, fence, wall or structure of any kind (including satellite dish or antenna) shall be erected, placed or altered on any lot until the construction plans, specifications and a plan showing the location of the building, fence, wall or structure have been approved by the Architectural Control Committee as to the quality of workmanship, materials, colors, overall size and proportions and harmony of external design with existing structures and as to location with respect to topography and finish grade elevation.

Subject to removal by Declarant upon completion of development and construction as set forth below, the Architectural Control Committee is composed of one person, namely, Farhad Memarsadeghi, 5705 Industrial Lane, Frederick, Maryland 21701. Farhad Memarsadeghi may designate a representative to act for him. In the event of death or resignation of Farhad Memarsadeghi, Declarant shall have full authority to designate a successor. Neither Farhad Memarsadeghi nor his designated representative shall be entitled to any compensation for services performed, pursuant to this covenant. Upon the completion of the development and construction of Freedom Hills, all rights, responsibilities and obligations of the Architectural Control Committee may be assigned by the Declarant to a Board elected by Lot owners with each Lot representing one vote, or any other persons or entity as may be expressly designated in

writing by Declarant in its sole discretion, which shall thereafter cause to be created an Architectural Control Committee composed of Freedom Hills residents (3 minimum) to act thereas and assume all rights, responsibilities and obligations of the Architectural Control Committee as set forth herein.

The Committee's approval or disapproval as required in these covenants shall be in writing. In the event the Committee, or its designated representative, fails to approve or disapprove plans and specifications within thirty (30) days after plans and specification have been submitted to it, approval shall not be required and the related covenants shall be deemed to have been fully complied with. Any alterations, construction or fence begun before or during the submission to the Architectural Control Committee shall be deemed to be disapproved without further action by the Committee and shall be removed immediately upon demand by the Committee or its authorized representative whether said demand is made before or after the completion of said alteration, construction or fence.

4. No dwelling shall be permitted on any lot until the construction plans and specifications and a plan showing the location have been approved by the Architectural Control Committee as provided in Paragraph 3 above.

The Architectural Control Committee shall particularly review and approve the material which is proposed for installation on all exposed exterior surfaces on dwellings, storage sheds, pool/bath houses, garages, fences and other structures to be constructed on lot. Said materials shall be of brick, stone, natural wood, stucco, weatherboard, aluminum or vinyl siding or combination thereof.

5. (a) No building (except removable storage sheds) shall be erected or located on any lot nearer to the front, side or rear lot lines than the minimum building setback lines as in effect and required by the Washington County Zoning Ordinance at the time of construction.

(b) For the purposes of this covenant, eaves, steps, unenclosed porches and garden courts shall not be considered as a part of the building. This exception does not apply to paragraph 7, below.

(c) An encroachment into the aforesaid setback areas of not more than 12 inches, or as approved by the Washington County Board of Appeals, shall not constitute a violation of these restrictions.

6. (a) Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat and over the front, side and rear six feet of each lot. Within these easements, no structure, planting or other material shall be place or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements. The easement area of each lot and all improvements in it shall be maintained continuously by the owner of the lot, except for those improvements for which a public authority or utility company is responsible.

(b) In addition to the aforesaid easements, the Declarant, their successors and assigns, reserve until such time as all roads shall be paved and accepted into the town road system, a revertible slope easement along those portions of the lot bordered by a public street or road extending back not further than the building setback line. Declarant may grade or slope this area in order to meet the requirement of the Washington County Government and other appropriate agencies with respect to slope and grade easements in connection with town roads. No trees, plants, shrubs or improvements other than those installed by the Declarant and other than grading shall be placed in the area until such time as the adjoining roads or streets are accepted into the county system. This revertible slope easement shall expire and become null and void and revert back to the individual lot owners at such time as the roads are constructed and accepted by Washington County for maintenance.

7. No fence or wall shall be erected, placed or altered on any lot nearer to any street than the minimum setback lines as shown on the recorded plat or any amendment to or resubdivision thereof, excepting that when the rear yard of a home has frontage on a street which has denied access as noted on the recorded plat, this requirement will not apply. Notwithstanding the foregoing, no fences or walls shall be permitted to extend towards the street beyond the front corner of any dwelling. No fence or wall shall exceed 48 inches in height and shall not interfere with underground or surface drainage, structures, pipes or ditches. This height restriction shall not apply to enclosures of patios or open garden courts or retaining walls required by topography, but which enclosures, patios and retaining wall will require a written approval of the Architectural Control Committee as provided in Paragraph 3. No chain link fence shall be allowed in the subdivision.

8. No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood or detrimental to health and/or safety.

9. No structure of a temporary nature, trailer, Quonset hut, cabin, tent, shack, or other similar building shall be used on any lot at any time as a residence, either temporarily or permanently. No partially completed dwelling, including basement, garage or other stage of construction shall likewise be used as a residence.

10. No sign of any kind shall be displayed to the public view on any lot except one professional sign of not more than one (1) square foot, one sign of not more than eight (8) square feet advertising for the property for sale or rent, or signs used by a builder to advertise the property during the construction and sales period.

11. Clotheslines or drying lines shall not be displayed.

12. No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot, except that no more than two dogs and no more than two cats or other similar domestic household pets, (i.e. two dogs and two cats and two birds per dwelling) may be kept provided that they are not kept, bred, or maintained for any commercial purposes and are not permitted to roam at large or are kept in such a manner as to become a nuisance to neighbors or adjoining property owners.

13. That portion of any lot covered by these covenants, which is not occupied by a building, shall be kept free and clear of all weeds and debris so that the same may be identified as a residential lot. Any lot which has been sold, but on which no building has been constructed, shall be kept free and clear of debris, pending the construction of a residence thereon. Each property owner shall promptly remove or otherwise dispose of any accumulation of trash, garbage or rubbish, and at all times maintain said property in a neat and sanitary condition.

14. No automobiles, trucks under two tons, vans, recreational trailers, boats or any other vehicles or equipment of a similar nature shall be allowed on any property unless they display a valid current license or registration, or are stored in a garage and out of public view excepting that recreation vehicles and boats may be parked on a lot only with the approval of the Architectural Control Committee as to location and screening. In addition, no such vehicle shall be parked on the streets of the subdivision for a continuous or intermittent period to exceed 24 hours. No trucks over two tons, buses, tractors, trailers or similar items are permitted to be parked on any lot or any streets of the subdivision with or without a current registration of license, except for such vehicles that builder may require to be located during the construction and sales period.

15. No tank for storage or holding of any hazardous materials, gasoline, diesel fuel or other petroleum based product shall be installed, kept or maintained permanently or temporarily on any Lot, nor shall any such material be otherwise stored on any Lot. The foregoing shall not be construed to prohibit underground storage of propane or natural gas for the purpose of heating a residence or in-ground swimming pool on a Lot, or a small propane tank for a barbecue grill.

16. All garbage, rubbish and trash is to be picked up by an approved commercial enterprise. No garbage, refuse, rubbish, or cuttings shall be deposited in any storm water retention area, lot, street or sidewalk, except as may be necessary for such pickup. Containers provided by lot owners shall not be placed on any street, sidewalk, parking area, or storm water retention area except when necessary for collection and shall regularly be kept in a location on the lot which is unobtrusive to view from any other portion of land in the subdivision.

17. All lots shall be maintained in a neat appearing manner including, but not limited to, periodic mowing. All lots shall be kept free and clear of weeds at all times. Every exterior wall of every building shall be maintained free of holes, breaks, loose or rotting boards or sills. All exterior surface material must be finished in accordance with acceptable standards, and all siding materials must be kept in good repair. All structures must be completely finished (aluminum or vinyl siding, brick or finished lumber with no exposed cinder blocks). All buildings shall be maintained in structurally sound and good repair.

18. Outdoor lighting and flood lighting shall be diffused or shielded in such a manner as not to create any hazardous condition for passing vehicular traffic, nor to constitute a nuisance to persons residing in the subdivision. Lighting shall not exceed the height of the dwelling to which it is appurtenant nor shall lighting be directed toward any neighboring property, nor shall any such lighting be of such intensity as to constitute an annoyance to other persons in the subdivision. Each lot shall, no later than completion of the construction of the dwelling unit, be equipped with one (1) post light located to the front of the dwelling unit.

19. All purchasers of lots within the property subject to this Declaration expressly acknowledge that the Declarant has precluded any argument that all sections or any portion of any section of the Freedom Hills subdivision are subject to a common scheme of development. Accordingly, it is agreed and understood that Declarant shall have the right, in its sole discretion, to extend the terms and provisions of this Declaration to any and/or all future sections of residential lots developed by Declarant within the Freedom Hills subdivision. Further, it is understood that Declarant shall have the right, in its sole discretion, to impose different covenants, condition and restrictions than those contained in this Declaration upon any one and/or all of the future sections of residential lots developed by Declarant within the Freedom Hills subdivision. The purpose of the provisions of this Paragraph 19 is to afford to the Declarant the widest latitude in the development of the Freedom Hills subdivision, and no lot owner subject to this Declaration and no other person shall, after the recordation hereof, rely upon any presumption involving a common scheme of development with respect to the Freedom Hills subdivision.

20. Subject to the provisions of Paragraphs 1 and 2, these covenants are to run with the property and shall be binding on all parties and all persons claiming under them for a period of thirty (30) years 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 or the lots subject to this Declaration that have been recorded, agreeing to change said covenants in whole or in part.

21. Enforcement shall be by proceedings at law and may be in nature as against any person or persons violating or attempting to violate any covenant either to restrain violation or to recover damages.

22. Invalidation of any one of these covenants by judgment or court order shall in no way effect any of the other provisions which shall remain in full force and effect.

It is further agreed by and between the Declarant and subsequent lot owners and by and between the lot owners who own lots in the future, in all cases for themselves and their respective personal representatives, heirs, successors and assigns, as follows:

(a) Any and all of the rights and powers (including discretionary powers and rights) herein reserved by or conferred upon Declarant may be assigned or transferred by Declarant, its successors and assigns, to anyone or more corporations, individual or associations, agreeing to accept the same. Any such assignment or transfer shall be evidenced by an appropriate instrument recorded among the Land Records of Washington County, Maryland, and upon recordation thereof, the Grantee or Grantees of such rights and powers shall thereupon and thereafter have the right to exercise and perform all of the rights and powers reserved by or conferred upon Declarant by this Declaration.

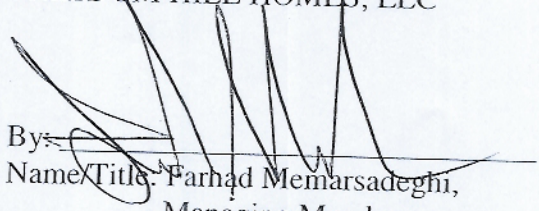
(b) These Covenants are to run with the land as designated on the aforesaid plat, and shall be binding on the owners of all lots on said plat, their personal representatives, heirs, successors and assigns and all parties claiming by, through or under them.

23. It shall not be necessary to incorporate the covenants herein set forth in every deed of conveyance for the Lots set forth on the aforescribed plat recorded or to be recorded for sections of residential lots among the Plat Records of Washington County, Maryland, but the reference to this Declaration and restrictive covenants herein shall be in sufficient notice of said covenants

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set his hand and seal on the day hereinabove first written.

WITNESS:

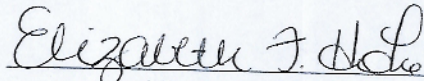
FREEDOM HILL HOMES, LLC

By: 
Name/Title: Farhad Memarsadeghi,
Managing Member

STATE OF MARYLAND, COUNTY OF Frederick, TO WIT:

I HEREBY CERTIFY, that on this 8th day of May, 2006, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared Farhad Memarsadeghi, as Managing Member of Freedom Hill Homes, LLC, known to me to be the person whose name is subscribed to the foregoing instrument and who did acknowledge that he executed the same in his capacity as Managing Member of Freedom Hill Homes, LLC, for the purposes therein contained.

Witness my hand and official Notarial Seal.


Notary Public

My Commission Expires: 4-1-08

