

DECLARATION OF RESTRICTIONS

OCEAN PINES

SECTION 19

HARBOR VILLAGE

THIS DECLARATION, made this 30 day of August, in the year nineteen hundred and ninety-six (1996), by POTOMAC PINES, L.L.C., a Delaware limited liability company, herein referred to as "Declarant", OCEAN PINES ASSOCIATION, INC., herein referred to as "OPA", SEVERN SAVINGS BANK, FSB, herein referred to as "the Lender", and ALAN J. HYATT and STEVEN G. TYLER, herein collectively referred to as "the Trustees", WITNESSETH:

WHEREAS, Declarant is the owner of all the real property (herein called "the Property") set forth and shown on those certain plats (herein called "the Plats"), entitled "HARBOR VILLAGE, Third Election District - Worcester County, Maryland, Tax Map 16, Parcel 15", made by Madison J. Bunting, Jr. Surveyor, Inc., dated January 22, 1996, which plats are recorded among the Land Records of Worcester County, Maryland, in Plat Book R.H.O. No. 148, folio 5, et seq., and is made a part hereof and incorporated herein by reference; and

WHEREAS, the Property is subject to a Deed of Trust from the Declarant to the Trustees in favor of the Lender dated January 31, 1996 and recorded among the Land Records of Worcester County, Maryland in Liber R.H.O. 2240, folio 132, herein referred to as the "Deed of Trust"; and

WHEREAS, all of the real property set forth and shown on the Plats comprises, in the aggregate a part of the Ocean Pines general subdivision (herein called "the Subdivision"); Declarations of Restrictions imposing restrictions upon other Sections of the Subdivision having previously been recorded among the Land Records of Worcester County, Maryland; and

WHEREAS, there are subdivided numbered residential lots (herein called "the Lots") set forth and shown on the Plats which Declarant intends to sell to the general public, with the

*Potomac Pines, L.L.C.
6716 Queen Ferry Rd
Baltimore, Md 21239*

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RECORDING FEE 2.00
TOTAL 75.00
77.00
Rcpt # 21759
SEP 03 1996 01:53 PM

remaining property on the Plats consisting of roadways, outlots and open space not intended to be sold to the general public, which numbered residential lots comprise in the aggregate a single subdivision section (herein called "the Section"), which is one of the several sections existing and contemplated in the Ocean Pines general subdivision; and

WHEREAS, Declarant is about to sell and convey said Lots and before doing so desires to subject them to and impose upon them mutual and beneficial restrictions, covenants, conditions and charges, hereinafter collectively referred to as "Restrictions", under a general plan or scheme of improvement for the benefit and complement of all of the Lots in the Section and Subdivision and the future owners of said lots.

NOW, THEREFORE, Declarant hereby declares that all of said subdivided numbered Lots are held and shall be held, conveyed, hypothecated or encumbered, leased, rented, used, occupied and improved subject to the following Restrictions, all of which are declared and agreed to be in furtherance of a plan for the Subdivision, improvement and sale of said Lots and are established and agreed upon for the purpose of enhancing and protecting the value, desirability and attractiveness of the Property and of the Subdivision as a whole. All of the Restrictions shall run with the Property and be binding upon Declarant and upon all parties having or acquiring any right, title or interest in and to the Property or any part or parts thereof subject to such Restrictions.

1. Applicability and Definitions.

A. Those provisions of these Restrictions applicable to Lots shall apply to subdivided numbered residential Lots only (whether now or hereafter subdivided) and are specifically excluded from application to other property in the Section and depicted on the Plats as roadways, outlots and open space, which are intended to be conveyed to Ocean Pines Association, Inc. (herein called "the OPA") in accordance with the provisions of Paragraphs 10.C. and 10.D. hereof.

B. "Declarant" means Potomac Pines, L.L.C., a Delaware limited liability company, and any successor or assign thereof to whom Declarant shall convey or otherwise transfer all of the rights, title and interest in the Property then owned by it, and to whom Declarant shall expressly transfer, and assign all of its rights, title and interest under this

Declaration, or any amendment or modification thereof; provided, however that a trustees deed in connection with a foreclosure sale conducted in accordance with the terms of any deed of trust concerning the Property in favor of the Lender or a deed in lieu of foreclosure in connection with any such deed of trust is specifically intended to transfer the Declarant's rights unless the grantor in such deed declines to accept the rights of Declarant.

2. Term and Amendments.

A. These Restrictions shall affect and run with the Property and shall exist and be binding upon all parties and all persons claiming under them until January 1, 2005, after which time the same shall be automatically extended for successive periods of ten (10) years each, unless an instrument approved in writing by the Board of Directors of the OPA and signed by a majority of the voting members of the OPA has been recorded, agreeing to revoke, amend or change the covenants in whole or in part.

B. Declarant reserves to itself, its successors and assigns, the right to revoke at any time prior to the sale of any Lot within the Section all or any of these Restrictions and further to vacate any or all of the streets, parks, outlots, open space, recreational facilities and any other amenity shown on the Plats; provided, however, that Declarant will not prevent access to or installation of utilities to lots in any other Section of the Subdivision.

3. Mutuality of Benefit and Obligation.

A. The Restrictions and agreements set forth herein are made for the mutual and reciprocal benefit of each and every Lot in the Section and the Subdivision and are intended to create mutual, equitable servitudes upon each of said Lots in favor of each and all of the other Lots therein; to create reciprocal rights between the respective owners of all of said Lots; to create a privity of contract and estate between the grantees of said Lots, their heirs, successors and assigns, and shall, as to the owners of each such Lot, their heirs, successors or assigns, operate as covenants running with the land for the benefit of each and all other Lots in the Section and Subdivision and their respective owners.

4. Limitation on Use.

A. Lots shall be used only for those single-family residential purposes set forth herein, on the Plats, or as provided by federal, state or local laws, rules or regulations, specifically including, without limitation, the Worcester County Zoning Ordinance and the Worcester County Subdivision Control Act. Subject to the applicable provisions of the Environmental Control Committee of the OPA (herein called "the ECC") and ECC guidelines promulgated from time to time by the Board of Directors in accordance with the Restrictions and the Bylaws of the OPA (the "ECC Guidelines"), nothing herein is intended to preclude the use of any dwelling on any Lot for a home office or to preclude any dwelling from having an apartment or suite, with or without kitchen facilities, for occupancy by any immediate or extended family members of the family owning the dwelling or for occupancy by domestic employees of the family owning the dwelling.

B. No Lot or Parcel in the Subdivision shall be used or developed as a time-share project as defined in Title 11A of the Real Property Article of the Annotated Code of Maryland as may, from time to time, be amended.

C. No mercantile business or commercial operation of any kind shall be maintained on any Lot, including but not limited to "family day care" operations, "bed and breakfast" operations, or professional offices.

5. Environmental Control Committee.

A. All plans and specifications for any structure or improvement whatsoever to be erected on or moved upon or to any Lot, and the size, lot siting, percentage of lot coverage, and the proposed location thereof on any Lot, the construction material, the roofs and exterior color schemes, any later changes or additions after initial approval thereof and the size, lot siting, percentage of lot coverage of any remodeling, reconstruction, alterations, or additions thereto on any Lot shall be subject to and shall require the approval in writing, before any such work is commenced, of the ECC, as the same is from time to time composed.

B. No clearing or pruning of any trees or shrubs or the alteration of any Lot shall be permitted at any time on any Lot without the prior written approval of the ECC, acting in accordance with the applicable ECC Guidelines.

C. The ECC shall be composed of three (3) members and two (2) alternates to be appointed by the Board of Directors of the OPA (hereinafter called the "Board of Directors"). ECC members shall be subject to removal by said Board of Directors, and any vacancies from time to time existing shall be filled by appointment of the Board of Directors.

D. There shall be submitted to the ECC a building application on forms approved by the ECC, together with two (2) complete sets of plans and specifications of architectural quality, for any and all proposed improvements, the erection or alteration of which is desired, and no structures or improvements of any kind shall be erected, altered, placed or maintained upon any Lot unless and until the final plans, elevations and specifications therefor have received such written approval as herein provided. Such plans shall include plot plans showing the location on the Lot of the building, wall, fence, driveway or other structure proposed to be constructed, altered, placed or maintained, together with the proposed construction material, color schemes for roofs and exteriors thereof and proposed landscape planting. The plans shall also contain such other details as required by the ECC as authorized by the ECC Guidelines. A filing fee in such amount as determined by resolution of the Board of Directors shall accompany the submission of such application and plans to defray ECC expenses. No additional fee shall be required for the resubmission of plans revised in accordance with ECC recommendations.

E. The ECC shall approve or disapprove plans, specifications and details within thirty (30) days from the receipt thereof. One (1) set of said plans and specifications and details, with the approval or disapproval endorsed thereon, shall be returned to the person submitting them, and the other copy thereof shall be retained by the ECC for its permanent files. The procedure for notifying the person submitting plans and specifications shall be as set forth in the ECC Guidelines referred to herein.

F. Subject to the provisions of Paragraph 5.H., the ECC shall have the right to disapprove any plans, specifications or details submitted to it in the event the same are not in accordance with all of the provisions of these Restrictions, or the provisions of the ECC Guidelines, if the plans and specifications and details submitted are incomplete, or in the event the ECC deems the plans, specifications or details, or any part thereof, to be contrary to the interests, welfare or rights of all or any part of the real property subject hereto, or the owners thereof. The decisions of the ECC shall be final, subject to the appeal process set forth in subparagraph 5.G. hereof.

G. Appeal Process. There shall be an appeal process from decisions of the ECC, said process to include appeals by the applicant for plan approval or his representative and by owners within the Ocean Pines Subdivision other than the applicant for plan approval. Such process of appeal and the procedures therefor shall be established in an appeal section of the ECC Guidelines, which said process shall go into effect after its approval by the Board of Directors of the OPA.

H. Subject to the provisions of subparagraph 5.I. hereof, approval shall be based upon the ECC Guidelines adopted April, 1992, as amended by amending Section 100.4.7 and by adding a new Section 100.4.7.1, a copy of which is attached hereto as "Exhibit B" and made a part hereof.

I. Anything herein to the contrary notwithstanding, to the extent that any provision of the ECC Guidelines or interpretation thereof by the ECC is in conflict with these Restrictions, these Restrictions will control.

6. Size and Placement of Residences and Structures.

A. Every residence dwelling constructed on a Lot shall contain a minimum gross heated area for one-story or two-story homes of 1,800 square feet of fully enclosed area devoted to living purposes (exclusive of roofed or unroofed porches, terraces, garages, carports and other outbuildings); provided, however, that the ECC may reduce said minimum requirement if, in the judgment of the ECC, the proposed residence dwelling would be in harmony with the general surroundings of the Lot and with adjacent buildings and structures and would enhance the appearance of the area. The decision of the ECC in granting or denying any such waiver shall be final. In addition, the ECC shall also retain the power to grant variances as is set forth in Paragraph 8. hereof.

B. Subject to possible stricter setback requirements which may be imposed from time to time by the Worcester County Zoning Ordinance, and subject to different setback requirements as shown on the Plats, each of which shall prevail and govern, the following minimum dimensions shall govern for front, side and rear setbacks on all Lots (except fences or walls where approved or required by the ECC) with respect to any building or above grade structure that may be constructed or placed on any Lot in the Section:

- (a) Front yard: Fifteen feet (15') from the front line of each Lot abutting a street;
- (b) Side yards: Five feet (5') from each Lot side line; and

(c) Rear yard: Fifty feet (50') from bulkhead and shoreline.

C. In order to insure uniformity of type and location of street lighting in this Section, prior to occupancy of any residence dwelling on any Lot, a six-foot (6') gas light must be installed, operational and maintained on said Lot, at the Lot owner's expense, on the left side (facing the Lot from the street side thereof) of the driveway at a minimum distance of five feet (5') from said left lot line and fifteen feet (15') from the front lot line of each lot. All such gas lights shall be located on private property and shall be maintained by the Lot owner.

D. No change in ground level may be made of any lot in excess of one foot (1') in height over existing grades without the written approval of the ECC obtained prior to the commencement of work.

7. General Prohibitions and Requirements.

A. The following general prohibitions and requirements shall prevail as to the construction or activities conducted on any Lot in the Section or Subdivision:

(a) No outside toilet or individual water well shall be constructed on any Lot, unless a well for irrigation or for a ground water heat pump is approved by the ECC. All plumbing fixtures, dishwashers or toilets shall be connected to the sewage system. Storm water shall not be allowed to flow into the sewage system.

(b) No temporary house, trailer, recreation vehicle, tent, garage or other outbuilding shall be placed, erected or parked on any Lot, provided, however, that the ECC may grant permission to any such temporary structure or recreational vehicle if effectively screened and in accordance with ECC Guidelines requirements for storage of materials during construction. No such temporary structures or recreational vehicle as may be approved shall be used at any time as a dwelling place, nor shall any overnight camping be permitted on any Lot. No unimproved Lot shall be used as a parking area or storage area for automobiles or motor vehicles of any kind, provided, however, that with the approval of Declarant, parking areas may be created on Lots adjacent to model homes approved by Declarant.

(c) Once the construction of improvements is started on any Lot, the improvements must be substantially completed, in accordance with the plans and specifications as approved, within six (6) months from commencement.

(d) No residence shall be occupied until the same has been substantially completed in accordance with its plans and specifications and until a certificate of occupancy has been issued by Worcester County and until the aforementioned 6' gas light as more fully set forth and explained in Paragraph 6.C. hereof is installed and operational.

(e) All structures constructed or placed on any Lot shall be constructed with a substantial quantity of new material, and no used structures shall be relocated or placed on any such Lot.

(f) No animals or livestock of any description, except the usual household pets, shall be kept on any Lot, and those shall be kept in accordance with ECC Guidelines requirements.

(g) All signs, billboards or advertising structures must be approved in writing by the ECC.

(h) No stripped down, partially wrecked or junk motor vehicle, or sizeable part thereof, shall be permitted to be parked on any street in the Section or Subdivision or on any Lot.

(i) Every tank for the storage of fuel installed outside any building in the Section or Subdivision shall comply with all applicable state and county laws and regulations and shall be either buried below the surface of the ground or screened to the satisfaction of the ECC by fencing or shrubbery. Every outdoor receptacle for ashes, trash, rubbish or garbage shall be installed underground, screened or so placed and kept as not to be visible from any street, waterway or golf course with the Section or Subdivision at any time except during refuse collections.

(j) All outdoor clothes poles, clothes lines and similar equipment shall be so placed or screened by shrubbery as not to be visible from any street, waterway or golf course within the Section or Subdivision.

(k) No owner of any Lot shall build or permit the building thereon of any dwelling house that is to be used as a model house or exhibit unless prior written permission to do so shall have been obtained from the ECC.

(l) All Lots, whether occupied or unoccupied, and any improvements placed thereon shall at all times be maintained in such manner as to prevent their becoming unsightly by reason of unattractive growth on such Lot or the accumulation of rubbish or debris thereon. In no event will growth in lawn areas be permitted to exceed six inches (6") in height, except in those areas designated on the Plats as Forest Conservation Areas.

(m) No noxious, offensive or illegal activities shall be carried on on any Lot, nor shall anything be done on any Lot that shall be or become an unreasonable annoyance or nuisance to the neighborhood.

(n) No oil or natural gas drilling, refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot, and no derrick or other structure designed for use in boring for oil; or natural gas shall be erected, maintained or permitted on any Lot.

(o) No vehicle shall be parked on any street in the Subdivision. No vehicle with a load capacity of one (1) ton or greater, including, but not limited to, commercial trucks, trailer trucks and buses, shall be parked or stored overnight or longer on any Lot in the Section or Subdivision in such a manner as to be visible to the occupants of other Lots in the Section or Subdivision or the users of any street, waterway or golf course within the Section or Subdivision, unless the prior written approval of the ECC has been obtained.

(p) Any dwelling or outbuilding on any Lot in the Section or Subdivision which may be destroyed in whole or in part by fire, windstorm or any other cause or act of God must be rebuilt or all debris removed and the Lot restored to a sightly condition

with reasonable promptness; provided, however, that in no event shall such debris remain longer than sixty (60) days.

(q) No satellite dish with a diameter in excess of twenty-four inches (24") and no exterior television or radio antenna of any kind shall be constructed or erected on any Lot or residence after such time as a central television system has been made available to the Section or Subdivision at rates commensurate with those prevailing in the area.

(r) No trash, ashes, garbage or other refuse shall be dumped or stored or accumulated on any Lot or be thrown into or left on the shoreline of any waterway in the Section or Subdivision. No outside burning of wood, leaves, trash, garbage or household refuse shall be permitted. Declarant hereby assigns to the OPA the exclusive right to operate or, from time to time, to grant an exclusive license to a third party to operate a commercial scavenging service within the Section for the purpose of removing garbage, trash and other like household refuse. Such refuse collection and removal service shall be provided not less often than once each week on a day or days designated by the OPA. The charge to be made to the Lot owners for such refuse collection and removal services shall be at a reasonable rate commensurate with the rates charged by commercial scavengers serving other subdivisions of high standards in the area and shall be subject to change from time to time.

(s) All residential structures are to be constructed so that they shall have a floor elevation of six feet (6') above mean sea level or as the current FEMA flood maps may otherwise require; provided, however, that such requirements are further subject to stricter requirements which may be imposed from time to time by the Worcester County Zoning Ordinance, or by any federal, state or local agencies having jurisdiction in the premises. All residential structures are to be constructed so that they shall have a minimum finished floor elevation of six feet (6').

(t) There shall be no access to any Lot on the perimeter of the Subdivision except from designated roads or waterways with the Section or Subdivision.

8. Variances and Fines.

A. The ECC may allow reasonable variances and adjustments of these Restrictions in order to overcome practical difficulties and prevent unnecessary hardships in the application of the provisions contained herein and/or to encourage excellence in design; provided, however, that such is done in conformity with the intent and purposes hereof and provided, also, that in every instance such variance or adjustment will not be materially detrimental or injurious to other Lots or improvements in the neighborhood, the Section or the Subdivision.

B. In the exercise of its power and in the performance of its obligations pursuant to the Declarations of Restrictions of Ocean Pines, the Board of Directors of the OPA may adopt, amend or repeal provisions for fines to be imposed for violations of these Restrictions or the ECC Guidelines. Such provisions for fines shall be passed by the Board of Directors at a public meeting, notice of which meeting shall have been published at least once in the official Ocean Pines publication. The complete provisions for fines and enforcement of the collection of said fines shall be established in a resolution of the Board of Directors of the OPA setting forth all applicable provisions for the imposition and enforcement of such fines.

9. Easements.

A. Declarant reserves for itself, its successors and assigns, for purposes incident to its development of the real property subject to these Restrictions, all of the easements and/or rights-of-way either shown on the Plats, created herein or set forth in the deeds to any Lot, including, without limitation, the following:

(a) For use and maintenance of drainage courses and unobstructed flow lines of all kinds, those areas designated on the Plats as "Drainage Easements", "Storm Water Easements" or "Storm Water Access Easements". The dimensions of these easements are as specified on the Plats. The Declarant, its successors and assigns and/or the owners of Lots within such easements shall not cut any trees within the easement area other than trees located within the flowways.

(b) For maintenance and permanent stabilization control of slopes in the slope control areas as set forth in any notes regarding slope easements on the Plats.

(c) For access to "Utility Lots" and/or "Utility Easements" as shown on the Plats and for the installation and maintenance of facilities thereon, and further such additional easements for the practical construction, operation and maintenance of any electrical, telephone and television facilities, such easements to be granted upon request of the applicable utility or utilities.

(d) For drainage, maintenance, dredging and the preservation of the navigation and the recreational use of all waterways. The owners of Lots contiguous to a waterway may not fill beyond the bulkhead or high water line and may only build such structures on or extending into any waterway as are approved by the ECC as provided in Paragraph 5.E. above. The owners of Lots contiguous to any bulkhead shall be responsible for the maintenance and preservation of any such bulkheads and other waterfront improvements on their Lots, in the same location as they now exist (so as not to narrow the existing canal width in any manner), in accordance with the standards established by the Worcester County Shoreline Commission and by all other applicable federal, state and local governmental agencies and requirements.

(e) For construction and maintenance of a Section entrance sign, directional signs, portals and landscape improvements and mail boxes, mail box clusters and mail box shelters.

(f) For a period of ten (10) years from the date of conveyance of the first Lot, Declarant reserves a blanket easement and right on, over and under the Property to maintain and to correct drainage of surface water in order to maintain reasonable standards of health, safety and appearance. Such right expressly includes the right (i) to make gradings of the soil which do not result in changes in elevation of the land in excess of one foot (1') unless the Declarant has obtained the prior permission of the ECC and (ii) to remove any vegetation, provided that any vegetation removed will be replaced with similar vegetation in the same or another location on the Property. Declarant's rights hereunder are solely for purposes of maintaining reasonable standards of health, safety and appearance and Declarant will endeavor to take such actions in harmony with the general appearance of the Ocean Pines subdivision. Declarant shall give reasonable notice of intent to take such action to all affected owners and

the ECC, unless in the opinion of Declarant an emergency exists which precludes such notice. Declarant further reserves the right to grant specific easements, both temporary and permanent, to any person or entity, including all public authorities and utility companies, over any part of the Property in furtherance of the blanket easement created by this paragraph (f).

B. Declarant has dedicated, or will dedicate, to Worcester County and/or the appropriate utility company or companies rights-of-way and easement areas for the installation and maintenance of public utilities over strips of land five feet (5') in width along side property lines and fifteen feet (15') in width along the front property lines of each Lot as noted on the Plats.

C. Declarant reserves to OPA and its designees, and subject to the provisions of any assignment or contract, an exclusive easement for the installation and maintenance of radio and television transmission cables within the rights-of-way and easement areas reserved and defined in Paragraph 10.B. above.

D. On each Lot in this Section, the rights-of-way and easement areas reserved by Declarant or dedicated to public utility purposes shall be maintained continuously by the Lot owner, but no structures, plantings or other materials shall be placed or permitted to remain or other activities undertaken which may damage or interfere with the installation of utilities, which may change the direction of flow of drainage channels in the easements, which may obstruct or retard the flow of water through drainage channels in the easements, or which damage or interfere with established slope ratios or create erosion or sliding problems, provided, however, that where the existing location of a drainage channel would hinder the orderly development of a Lot, the drainage channel may be relocated as shown on the Plats by drainage arrows, provided such relocation does not cause an encroachment on any other Lot in the Section or Subdivision. Improvements within such areas shall also be maintained by the respective Lot owner, except for those for which a public authority or utility company is responsible.

E. Every Lot in this Section that lies contiguous to a waterway shall be subject to an inundation or flowage easement to an elevation on the Lot equal to the high water line or bulkhead line.

F. The Lots shall be burdened by such additional easements, notes, restrictions, conditions, limitations, agreements, servitudes and/or reservations as may be shown on the Plats or in the deed to any Lot.

G. The easements reserved hereby shall be assigned to the OPA in conjunction with the conveyance in Paragraph 10. hereof, and the assignment thereof shall be subject to the provisions of said Paragraph 10.

H. This Section is specifically subject to Final Forest Conservation Plan No. FCP 95-14 as incorporated into and made a part of a certain Perpetual Protective Agreement and Deed of Forest Conservation Easement between Potomac Pines, L.L.C. and County Commissioners of Worcester County, Maryland, dated March 9, 1996, and recorded among the aforesaid Land Records in Liber R.H.O. No. _____, folio _____, et seq.

10. Ownership, Use and Enjoyment of Streets, Parks and Recreational Amenities.

A. Each of the streets in the Section designated on the Plats is a private street, and every park, recreational facility and other amenity with the Section is a private park, facility or amenity, and neither Declarant's execution or recording of the Plats nor any other act of Declarant with respect to the Plat is, or is intended to be, or shall be construed as a dedication to the public of any of said streets, parks, recreational facilities and amenities other than as reflected therein. An easement for the use and enjoyment of each of said streets and areas designated on the Plats as parks is reserved to Declarant, its successors and assigns, and (except in the event of the refusal of the OPA to accept a conveyance of such areas as set forth in subparagraph B. hereinbelow) to the persons who are, from time to time, members or associate members of the OPA, the members and others eligible to use Ocean Pines Golf and Country Club, Inc. (an 18-hole golf course), the members and owners of Ocean Pines Swim and Racquet Club, Inc., all users of Ocean Pines International Yacht Club, Inc., and the successors and assigns of all such clubs; to the residents, tenants and occupants of any multi-family residential buildings, guest house, inn, hotel or restaurant facilities, and all other kinds of residential structures that may be erected within the boundaries of the Section or Subdivision; and to such other classifications of persons, as may be designated by the Declarant, its successors and assigns, with the consent of the Board of Directors of the OPA, and to the invitees of all the aforementioned persons.

B. The ownership of active and/or passive recreational amenities within the Section and Subdivision, which may include, but shall not be limited to, parks, waterways, dams, water impoundments, marinas, beaches, access tracts, golf courses, tennis courts, swimming pools, clubhouses and adjacent clubhouse grounds, and playgrounds, shall be in Declarant or its subsidiaries, successors or assigns, and the use and enjoyment thereof shall be on such terms and conditions as Declarant, its subsidiaries, affiliates, successors or assigns, shall from time to time license; provided, however, that any or all of such amenities may be conveyed to the OPA, pursuant to an agreement with the OPA.

C. Declarant hereby covenants, for itself, its successors and assigns, that it will convey to the OPA fee simple title to the streets in this Section as depicted on the Plats, upon completion of such streets and approval thereof by the Worcester County Roads Engineer. Such conveyance shall be subject to the easements and restrictions of record; and subject to the express condition that the OPA will properly maintain all such streets.

D. Declarant further covenants for itself, its successors and assigns, that it will convey to the OPA fee simple title to those tracts of land in this Section identified on the Plats as "parks" and "open space" (together with the bed of any canal[s] adjacent to said open spaces), together with stormwater easements, drainage easements and all other easements shown on the Plats or the deeds to such open space, all as identified on the Plats or deeds. Such conveyance shall be subject to the easements of record; and subject to the express condition that the OPA will properly maintain all such property and easement areas, exclusive of bulkheads and other waterfront improvements (the repair, maintenance and preservation of which is the sole responsibility of the owners of the respective Lots).

11. The OPA.

A. Every person who acquires title, legal or equitable, to any Lot in the Section shall become a member of the OPA, provided, however, that such membership is not intended to apply to those persons who hold an interest in any such property merely as security for the performance of an obligation to pay money, e.g., mortgages or deeds of trust. However, if such person should realize upon such security and become the real owner of a Lot within the Section, such person will then be subject to all the requirements and limitations imposed in these Restrictions on owners of Lots within the Section and on members of the OPA, including those provisions with respect to alienation and the payment of an annual charge.

B. The general purpose of the OPA is to further and promote the community welfare of property owners in the Subdivision.

C. The OPA shall be responsible for insect controls, for the maintenance, repairs and upkeep of the private streets and parks within the Subdivision, the appurtenant drainage and slope easements reserved by Declarant and all waterways, and shall be responsible for providing fire and police protection for the residents of the Subdivision. The OPA shall also be the means for the promulgation and enforcement of all regulations necessary to the governing of the use and enjoyment of such streets and parks and such other properties within the Subdivision as it may from time to time own. In the event that the OPA at any time fails to properly maintain such streets, parks or easements or fails to provide adequate fire and police protection, Declarant, its successors and assigns, may, in its sole discretion, enter upon and make any and all repairs to any such facility which it deems to be necessary and proper or may adopt measures to provide fire and police protection and may charge the OPA for all such repairs or fire and police protection; provided, however, that Declarant shall under no circumstances be obligated to take any such action.

D. That the OPA shall have all the powers that are set out in its Articles of Incorporation and all other powers that belong to it by operation of law, including (but not limited to) the power to levy against every member of the OPA an annual charge per single-family dwelling Lot within the Section and Subdivision, the amount of said charge to be determined by the Board of Directors of the OPA after consideration of current maintenance needs and future needs of the OPA, for the purposes set forth in its Articles of Incorporation; provided, however, that the uniform annual charge shall in no event be less than (i) Eighty Dollars (\$80.00) for each waterfront Lot less than twenty thousand (20,000) square feet in size; (ii) One Hundred Twenty Dollars (\$120.00) for each waterfront Lot 20,000 square feet or more in size or one and one-half (1&1/2) times the uniform annual charge imposed on Lots described in (i) above, whichever sum is greater; (iii) Fifty Dollars (\$50.00) for each non-waterfront Lot 20,000 square feet or more in size or one and one-half (1&1/2) times the uniform annual charge imposed upon Lots described in (iii) above, whichever sum is greater; and provided further that, in the absence of any written agreement entered into between Declarant and the OPA, either before or after the date hereof, no such charge shall ever be made against, or be payable by, the Declarant, the OPA itself, or any corporation or corporations that may be created to acquire title to, and operate (or which now owns and operates) the water or sewer utilities serving the Section and Subdivision or any waterway, beach, access tract, marina, golf course, tennis court, swimming pool, clubhouse, clubhouse grounds, campgrounds or other like recreational facilities within the Subdivision.

(a) Every such charge so made shall be paid by the member for the OPA on or before the first day of May of each year, for the ensuing year. The Board of Directors of the OPA shall fix the amount of the annual charge per Lot by the first day of April of each year, and written notice of the charge so fixed shall be sent to each member.

(b) If any such charge shall not be paid when due, it shall bear interest from the date of delinquency at the rate set by the Board of Directors of the OPA at an open board meeting in February of each year. The OPA may publish the name of the delinquent member in a list of delinquent members, or by any other means of publication; and the OPA may file a notice that it is the owner of a lien to secure payment of the unpaid charge plus costs and reasonable attorneys' fees, which lien shall encumber the Lot or Lots in respect of which the charge shall have been made, and which notice shall be filed in the Office of the Clerk of the Circuit Court of Worcester County, Maryland. Every such lien may be established and enforced in accordance with the provisions of the Maryland Contract Lien Act, as set forth in the Real Property Article of the Annotated Code of Maryland, or any other law, rule or regulation relating to the establishment and enforcement of same. In addition to the remedy of lien foreclosure, the OPA shall have the right to sue for such unpaid charges, interest, costs and reasonable attorneys' fees, in any court of competent jurisdiction as for a debt owed by the delinquent member or members of the OPA. Every person who shall become the owner of the title (legal or equitable) to any Lot in the Section by any means is hereby notified that, by the act of acquiring such title, such person will be conclusively held to have covenanted to pay the OPA all charges that the OPA shall make pursuant to any paragraph or subparagraph of these Restrictions.

(c) The OPA shall, upon demand at any time, furnish a certificate in writing signed by an officer of the OPA certifying that the charges on a specified Lot have been paid or that certain charges against said Lot remain unpaid, as the case may be. A reasonable charge may be made by the Board of Directors of the OPA of the issuance of these certificates. Such certificate shall be conclusive evidence of payment of any charges therein stated to have been paid.

E. The fund accumulated as the result of the charges levied by the OPA shall be used exclusively for the purposes of promoting the recreation, health, safety and welfare of the members of the OPA, and, in particular, of maintaining insect control, providing police and fire protection and for the improvement and maintenance of the streets and waterways of those areas within the Section and Subdivision designated as parks on the Plats, and other property within the Section and Subdivision such as streets, parks and properties which shall have been conveyed to the OPA.

F. The lien of a mortgage or deed of trust placed upon any Lot for the purpose of financing or refinancing the construction of any improvements thereon, recorded in accordance with the laws of the State of Maryland, shall be superior from the date of recordation to any and all such liens provided for herein.

G. The Board of Directors of the OPA shall have the right to suspend the voting rights (if any) and the right to use of the streets in the Subdivision and the recreational facilities of the OPA of any member (or associate member).

(a) For any period during which any OPA charge (including the charges and the fines, if any, assessed under paragraphs 11.D., 12. and 13. of these Restrictions) owed by the member of associate member remains unpaid;

(b) During the period of any continuing violation of the restrictive covenants for the Section and Subdivision, after the existence of the violation shall have been declared by the Board of Directors of the OPA.

H. The OPA has joined in the execution of this Declaration for the purpose of granting and imposing the rights, privileges, duties and obligations of membership in the OPA as set forth above.

12. Speed Limits and Traffic Regulations.

A. Speed limits for streets and waterways and the rules governing all traffic regulations not inconsistent with Maryland Law and the use of parks within the Section and Subdivision shall be as promulgated from time to time by the Board of Directors of the OPA. Appropriate postings of these speed limits and traffic regulations shall be made. The OPA shall have the power to assess fines for the violation of the speed limits and traffic regulations in accordance with a schedule of fines promulgated by the OPA. Every such fine shall be paid promptly upon its being assessed; if it is not, the OPA may add the amount of the fine to the annual charge made by the OPA, pursuant to subparagraph 11.D. of the Restrictions, and the amount of such fine shall be collectible by the same means as are prescribe in said subparagraph for the collection of delinquent annual charges of the OPA or through the use of the sanctions prescribed in subparagraph 11.G. of the Restrictions. All speed limits and traffic regulations shall be in conformance with Maryland Law.

13. OPA's Right to Perform Certain Maintenance.

A. In the event an owner of any Lot in the Subdivision shall fail to maintain the premises and the improvements situated thereon in a manner satisfactory to the Board of Directors of the OPA, the OPA shall have the right, through its agents and employees, to enter upon said Lot and repair, maintain and restore the Lot and the exterior of the buildings and any other improvements erected thereon. Such right shall not be exercised unless two-thirds of such Board of Directors shall have voted in favor of its being exercised. The cost of such exterior maintenance shall be added to and become part of the annual charge to which such Lot is subject. The OPA shall not be liable for any damage which may result from any maintenance work performed hereunder. The right reserved hereunder does not create an obligation on the part of the OPA.

14. Reservation of Easement for Operation of Waterways.

A. The Declarant reserves to itself and its successors and assigns, and to the OPA, such an easement for private ingress, egress, navigation and flowage upon, across and through the waterway portion of each of said Lots contiguous to said waterway as is reasonably necessary in connection with operating said waterway; provided, however, that said easement created herein and shown on the Plats shall in no way affect the right of any Lot owner to construct, operate, repair and maintain any shared dock facility approved by the ECC pursuant to Paragraph 15. hereof, and by federal, state and local agencies having jurisdiction in the

premises, which shared dock facility may extend on, over or into said waterway. Insofar as the easement for private ingress, egress, navigation and flowage is shown on the Plats, the terms of this paragraph shall be deemed controlling as to any and all rights of the Lot owners in the operation of the waterways. Without limiting the generality of the immediately preceding sentence, it is declared that neither the Declarant nor any successor or assign of the Declarant shall be liable for loss of property or for damages caused by water, ice, erosion, washing, flooding or other action by storm or act of God.

15. Shared Dock Facilities.

A. The owners of Lots in this Section shall have the right to construct and maintain shared dock facilities approved by the ECC (pursuant to Paragraph 5. hereof) and by federal, state and local agencies having jurisdiction in the premises, which said shared dock facilities may only be constructed in accordance with the exact locations and configurations as more particularly shown and depicted on drawings (consisting of three pages) entitled "DOCK AND MOORING PILES PLAN, A Single-Family Cluster Housing Subdivision To Be Known as 'Harbor Village'", and which said plans are attached hereto and made a part hereof as "Exhibit A".

B. A mutual, reciprocal and non-exclusive easement, license, right and privilege to use and enjoy (for the purposes for which same were designed) the shared dock facilities (which may only be constructed in accordance with "Exhibit A" hereof) is hereby established and created for the benefit of the owners of each of the two Lots on which each shared dock facility is constructed. The easement use hereby established and created shall be limited to the docking of boats at said shared dock facility and a right of ingress and egress to same. Each Lot owner shall only be able to dock boats in the water that is contiguous to his Lot.

C. The owners of each of the two Lots on which a shared dock facility is constructed shall share equally in the cost and expense of the construction, operation, repair and maintenance of any such shared dock facility.

D. The owners of each of the two Lots on which a shared dock facility is constructed shall hold each other harmless and indemnify each Lot owner from all claims and causes of action arising from or incidental to the use of said shared dock facility by all guests, owners, invitees, tenants, and any other person or persons using said shared dock facility, with or without the express permission of the respective owner, whether said use by authorized or not.

E. The easements, restrictions, benefits and obligations set forth in this Paragraph 15. create mutual and reciprocal easements, restrictions, benefits and servitudes upon the respective Lot owners of said shared dock facility, running with the land, which shall be perpetual, and create privity of contract and estate with and among said Lot owners and all grantees of said Lots.

16. Remedies.

A. The OPA or any part to whose benefit these Restrictions inure, including the Declarant, its successor and assign, may proceed at law or in equity to prevent the

occurrence, continuation or violation of any of these Restrictions ;provided, however, that it is expressly understood that neither Declarant nor the OPA shall be liable for damages of any kind to any party for failing to either abide by, enforce or carry out any of these Restrictions.

B. In the event that the OPA shall bring any suit or action to enforce any provision herein contained in the Restrictions of Ocean Pines or the ECC Guidelines or to collect any money due to it hereunder or to foreclose a lien, the losing party in such suit or action shall pay all costs and expenses which the prevailing party shall incur in connection with such suit or action including such amount as the court may determine to be reasonable as attorney's fees therein, including attorney's fees incurred in connection with any appeal or decision of the trial court or an appellate court.

C. No delay or failure on the part of an aggrieved party to invoke an available remedy set forth in Paragraph 16.A. above in respect of a violation of any of these Restrictions shall be held to be a waiver by that party of (or an estoppel of that party to assert) any right available to him upon the recurrence or continuation of said violation or the occurrence of a different violation.

17. Grantee's Acceptance.

A. The grantee of any Lot subject to the coverage of this Declaration, by acceptance of a deed conveying title thereto, or the execution of a contract for the purchase thereof, whether from Declarant or a subsequent owner of such Lot, shall accept such deed or contract upon and subject to teach and all of these Restrictions and the agreements herein contained, and also the jurisdiction, rights and powers of Declarant and of the OPA and by such acceptance shall for himself, his heirs, personal representatives, successors and assigns, covenant, consent and agree to and with Declarant, the OPA and to and with the grantees and subsequent owners of each of the Lots within the Subdivision to keep, observe, comply with and perform said Restrictions and agreements.

B. Each such grantee also agrees, by such acceptance, to assume, as against Declarant, its successors or assigns, all the risks and hazards of ownership or occupancy attendant to such Lot, including, but not limited to, its proximity to golf course fairways or waterways.

18. Severability.

A. Every one of the Restrictions is hereby declared to be independent of, and severable from the rest of the Restrictions and of and from every other one of the Restrictions and of and from every combination of the Restrictions. Therefore, if any of the Restrictions shall be held and be invalid or to be unenforceable or to lack the quality of running with the land, that holding shall be without effect upon the validity, enforceability or "running" quality of any other one of the Restrictions.

19. Rights of Mortgagees.

A. Regardless of whether a mortgagee in possession of a Lot is its Owner, (i) such mortgagee in possession shall have all of the rights under the provisions of this Declaration, the Plat, the Articles of Incorporation and the Bylaws and of the OPA and applicable

law, which would otherwise be held by such Owner, subject to the operation and effect of anything to the contrary contained in its mortgage, and (ii) the Declarant, the OPA and each other owner or person shall be entitled, in any matter arising under the provisions of this Declaration and involving the exercise of such rights, to deal with such Mortgagee in possession as if it were the owner of the Lot thereof; provided, however, that no Mortgagee in possession or other holder of a security interest in a Lot shall have any right to vote on any OPA matters and the rights granted to such Mortgagee in possession hereunder shall be limited by any provisions of the Articles of Incorporation or Bylaws of the OPA to the contrary.

B. Any mortgagee in possession of a Lot shall (subject to the operation and effect of the provisions of this Declaration, the Articles of Incorporation and the Bylaws and applicable law) bear all of the obligations under the provisions thereof which are borne by the Owner of such Lot; provided, that nothing in the foregoing provisions of this Section shall be deemed in any way to relieve any Owner of any such obligation, or of any liability to such mortgagee on account of any failure by such Owner to satisfy any of the same.

20. Lender's Rights.

A. The Lender and Trustees join herein for the purpose of assenting to and subordinating the Loan and Deed of Trust hereinabove described to this Declaration.

21. Captions.

A. The underlined captions preceding the various paragraphs and subparagraphs of these Restrictions are for convenience of reference only, and none of them shall be used as an aid to the construction of any provision of the Restrictions. Wherever and whenever applicable, the singular form of any work shall be taken to mean or apply to the plural, and the masculine form shall be taken to mean or apply to the feminine or to the neuter.

B. This instrument shall be governed by and construed according to the laws of the State of Maryland.

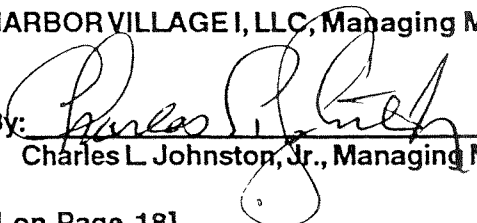
IN WITNESS WHEREOF, Potomac Pines, L.L.C., Declarant, has caused this Declaration to be executed on its behalf by a proper officer, and Ocean Pines Association, Inc., nonprofit Maryland corporation, has joined in this Declaration for the purposes set forth in Paragraph 11.H. and has caused this Declaration to be executed on its behalf for such purposes by its proper officer, all as of the day and year first herein written.

ATTEST:

POTOMAC PINES, L.L.C., a Delaware limited liability company



By: HARBOR VILLAGE I, LLC, Managing Member

By:  (SEAL)
Charles L. Johnston, Jr., Managing Member

[Signatures Continued on Page 18]

[Signatures Continued from Page 17]

ATTEST:

[Signature]

OCEAN PINES ASSOCIATION, INC.

By: [Signature] (SEAL)

Its: President

SEVERN SAVINGS BANK, F.S.B.

By: [Signature] (SEAL)

Its: EXECUTIVE VICE PRESIDENT

WITNESS:

[Signature]

[Signature] (SEAL)
Alan G. Hyatt, Trustee

[Signature]

[Signature] (SEAL)
Steven G. Tyler, Trustee

STATE OF md, COUNTY OF Worcester, TO WIT:

I HEREBY CERTIFY that on this 30 day of August, 1996, before me, the undersigned, a Notary Public in and for the State and County aforesaid, personally appeared CHARLES L JOHNSTON, JR., who acknowledged himself to be the Managing Member of HARBOR VILLAGE I, LLC, which is the Managing Member of POTOMAC PINES, LLC. and he, as such Managing Member of the Managing Member, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of POTOMAC PINES, LLC. by himself as Managing Member of the Managing Member of Potomac Pines, LLC.

AS WITNESS my hand and Notarial Seal.

[Signature]
NOTARY PUBLIC BARBARA J. CONNELL
My Commission Expires: January 29, 2000
NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires: January 29, 2000

[Notaries Continued on Page 19]

[Notaries Continued from Page 18]

STATE OF MD, COUNTY OF Worcester, TO WIT:

I HEREBY CERTIFY that on this 30 day of August, 1996, before me, the undersigned, a Notary Public in and for the State and County aforesaid, personally appeared Richard P. Brady, who acknowledged himself to be the President of OCEAN PINES ASSOCIATION, INC., and he/she, as such President, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the Corporation by himself/herself as President of OCEAN PINES ASSOCIATION, INC.

AS WITNESS my hand and Notarial Seal.

Barbara J. Connell
NOTARY PUBLIC
My Commission Expires: January 20, 2000
NOTARY PUBLIC, STATE OF MARYLAND
My Commission Expires January 20, 2000

STATE OF Maryland, COUNTY OF Anne Arundel, TO WIT:

I HEREBY CERTIFY that on this 29th day of August, 1996, before me, the undersigned, a Notary Public in and for the State and County aforesaid, personally appeared Melvin E. Meekins, Jr., who acknowledged himself to be the Executive Vice President of SEVERN SAVINGS BANK, F.S.B., and he/she, as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the Corporation by himself/herself as Executive Vice President of SEVERN SAVINGS BANK, F.S.B.

AS WITNESS my hand and Notarial Seal.

Steven G. Tyler
NOTARY PUBLIC
My Commission Expires: 2/4/99
NOTARY PUBLIC
STEVEN G. TYLER
NOTARY PUBLIC
ANNE ARUNDEL COUNTY, MARYLAND

[Notaries Continued on Page 20]

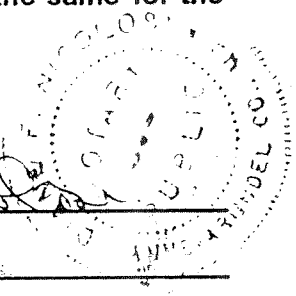
[Notaries Continued from Page 19]

STATE OF Maryland, COUNTY OF Anne Arundel TO WIT:

I HEREBY CERTIFY that on this 29th day of August, 1996, before me, the undersigned, a Notary Public in and for the State and County aforesaid, personally appeared ALAN G. HYATT, Trustee, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained.

AS WITNESS my hand and Notarial Seal.

[Signature]
NOTARY PUBLIC
My Commission Expires: 3/1/98



STATE OF Maryland, COUNTY OF Anne Arundel TO WIT:

I HEREBY CERTIFY that on this 29th day of August, 1996, before me, the undersigned, a Notary Public in and for the State and County aforesaid, personally appeared STEVEN G. TYLER, Trustee, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained.

AS WITNESS my hand and Notarial Seal.

[Signature]
NOTARY PUBLIC
My Commission Expires: 3/1/98

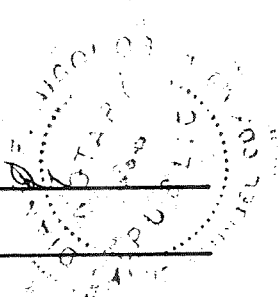
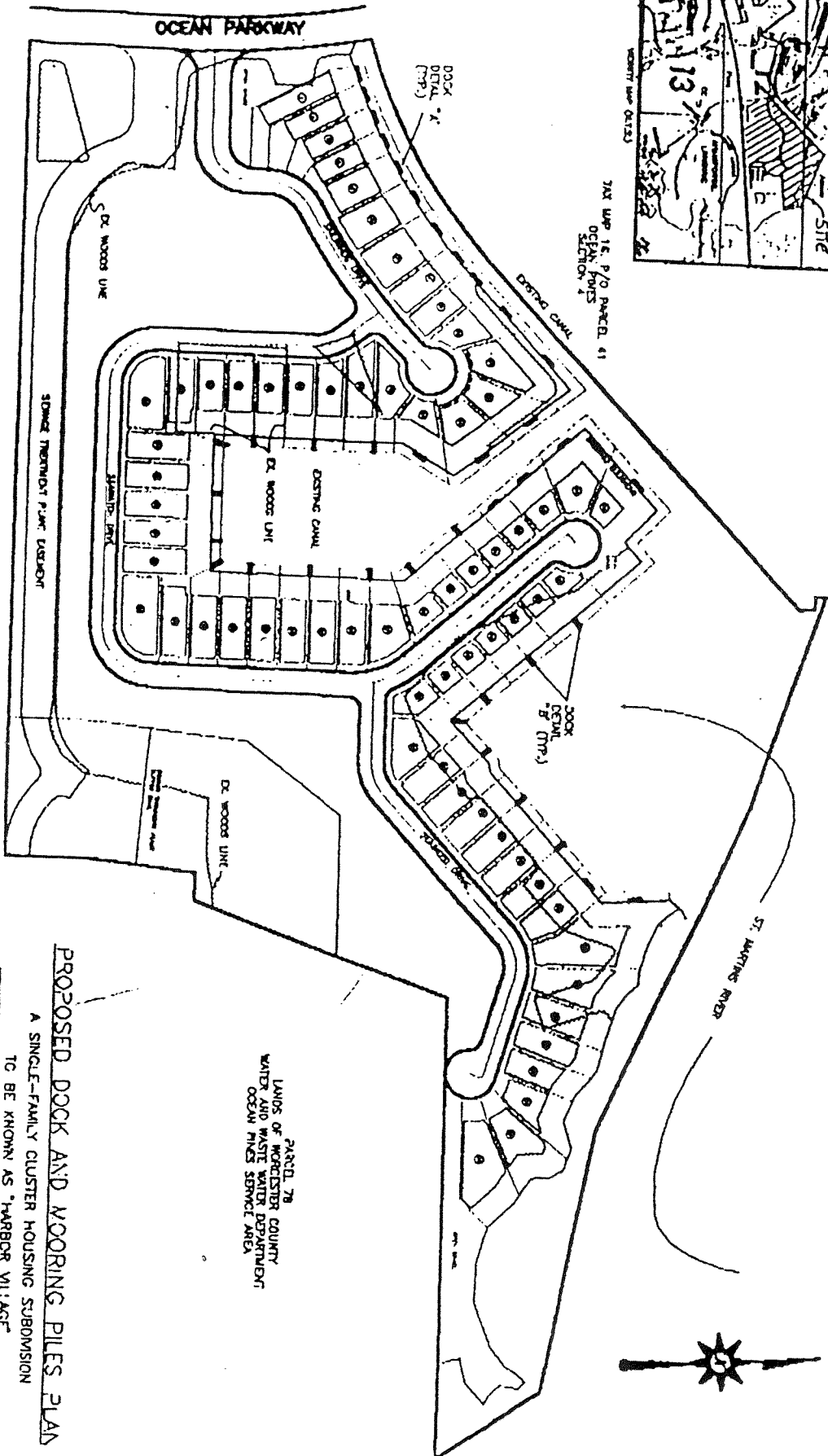
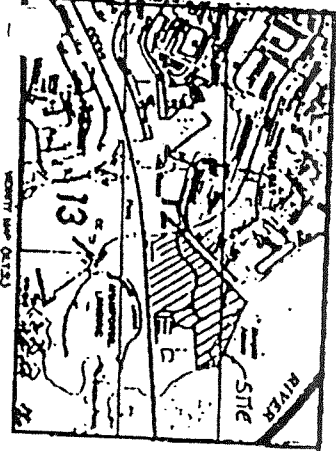


EXHIBIT A



TO ROUTE NO. 589
 MD. ROUTE 90
 RE. DEWAL CITY

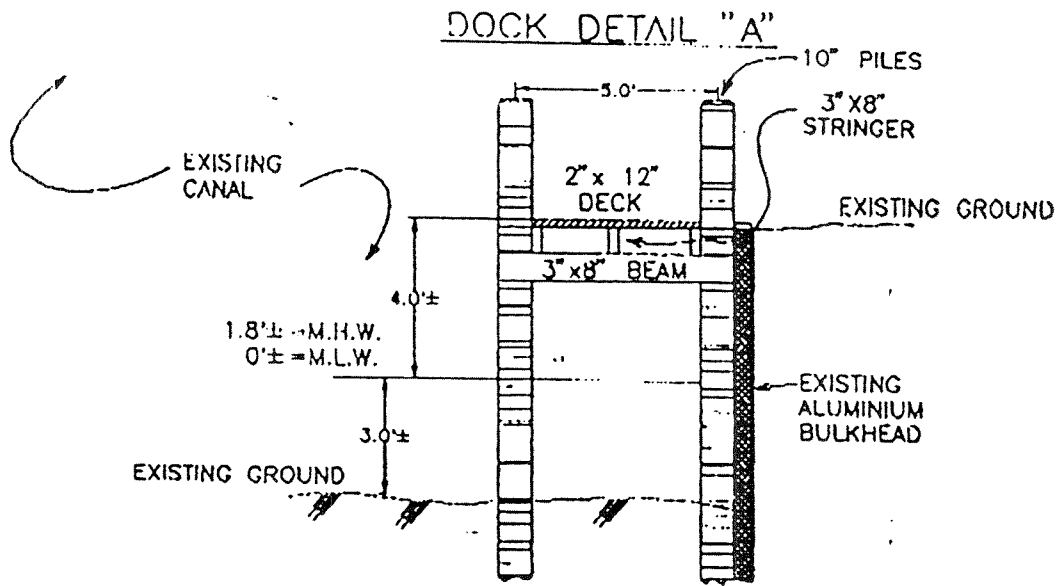
DEVELOPER: EASTERN REALTY CO.
 1586 SPRINGHILL ROAD, SUITE 227
 McLEANS, VIRGINIA 22102

PROPOSED DOCK AND MOORING PILES PLAN

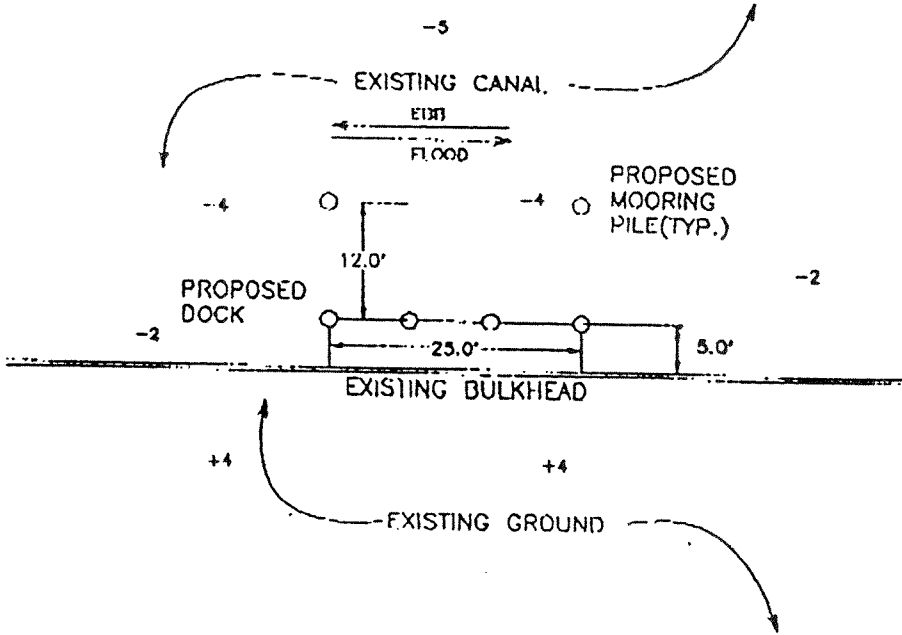
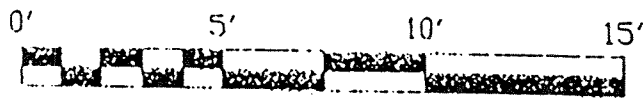
A SINGLE-FAMILY CLUSTER HOUSING SUBMISSION
 TO BE KNOWN AS "HARBOR VILLAGE"

PARTIC. 78
 LANDS OF WORCESTER COUNTY
 WATER AND WASTE WATER DEPARTMENT
 OCEAN PILES SERVICE AREA

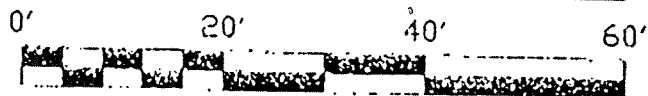
THREE SECTION DISTRICT
 WORCESTER COUNTY, MARYLAND
 TAX MAP 16, PARCEL 13
 TOTAL AREA - 38.732 ACRES
 TOTAL UNDER FULT OF EXISTING BULKHEAD - 4,333 FT. ±
 TOTAL PROPOSED DETAIL 'A' DOCKS - 20
 TOTAL PROPOSED DETAIL 'B' DOCKS - 11
 TOTAL PROPOSED DOCKS - 31



DOCK SECTION



PROPOSED DOCK PLAN



- NOTES:
1. TIDAL RANGE IS 1.8' ± .
 2. SOUNDINGS IN FEET AND REFER TO M.L.W.
 3. NO DREDGING TO BE DONE.
 4. NO. OF PROPOSED DETAIL "A" DOCKS = 20
 5. THIS DRAWING IS FOR OUTLINE PURPOSES ONLY.
 6. OWNER: EASTERN REALTY COMPANY
1568 SPRINGHILL ROAD, SUITE 227
MCLEAN, VA. 22102

MADISON J. BUNTING, JR.
SURVEYOR, INC.
11623 BACK CREEK ROAD
BISHOPVILLE, MARYLAND 21813
(410)641-5718 - FAX 641-6266

SCALE:	N/A	DATE:	08/03/1995
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SEP 3 1996

The foregoing instrument
filed for record and is accordingly recorded
among the land records of Worcester County,
Maryland.

Richard H. Patten Clerk

