

ARTICLES OF RESTATEMENT  
OCEAN PINES ASSOCIATION, INC.  
(A Non-Stock Corporation)

Ocean Pines Association, Inc., a Maryland corporation having its principal office in Worcester County, Maryland, hereinafter called the "Association", hereby certifies to the State Department of Assessments and Taxation as follows:

1. The Association desires to restate its Charter as currently in effect.
2. The provisions set forth in these Articles of Restatement are all the provisions of the Charter currently in effect.
3. The restatement of the Charter has been approved by a majority of the entire Board of Directors.
4. The Charter is not amended by the Articles of Restatement.
5. The current address of the principal office of the Association is 2700 Ocean Pines, 239 Ocean Parkway, Berlin, Maryland, 21811.
6. The name and address of the Association's current resident agent is Corporation Trust Incorporated, 32 South Street, Baltimore, Maryland, 21202.
7. There are presently seven Directors of the Association whose names are Clarence W. Lewis, Jr., Leonard F. Donnelly, Leslie Munro, Elmer Hastings, Allan Hopkins, Richard Ott and Thomas C. Parsons.
8. The restated Charter of the Association is as follows:
 

FIRST: We, the undersigned, Wesley T. Butler, whose post office address is P. O. Box 480, Ocean City, Maryland, Robert S. Washburn, whose post office address is 720 University Avenue, Palo Alto, California, and John S. Keating, Jr., whose post office address is 10400 West Higgins Road, Rosemont, Illinois, all being at least twenty-one (21) years of age, do under and by virtue of the General Laws of the State of Maryland authorizing the formation of corporations, associate ourselves with the intention of forming a corporation by the execution and filing of these Articles.

SECOND: The name of the Corporation (which is hereinafter called the "Association") is OCEAN PINES ASSOCIATION, INC.

REC-2-82 B #22239C \*\*\*\*\*565

TITUS & GLASGOW  
ATTORNEYS AT LAW  
102 SUBURBAN BANK BLDG.  
233 NORTH WASHINGTON ST.  
POST OFFICE BOX 1906  
ROCKVILLE, MD. 20850  
TELEPHONE (301) 340-9700

-2-

THIRD: The purposes for which the Association is formed are as follows:

1. To further and promote the community welfare of property owners in the residential community located in Worcesete County, Maryland, known as "Ocean Pines", (hereinafter sometimes referred to as the "subdivision") and to exercise the powers and functions granted to it in, or pursuant to, the Restrictive Covenants applicable to the Subdivision, or any portion thereof, and any other restrictive covenants that have heretofore or may hereafter be recorded in respect of the Subdivision or any part thereof.

2. To care for, maintain, and repair certain vacant and unimproved and unkept lots and certain common areas of the Subdivision, or any part thereof to repair, rebuild and maintain structures or residences on any lot in the Subdivision for the purposes of preventing any such structure's falling into a run-down condition; and to repair, maintain, rebuild and/or beautify all streets and their rights of way, and all parks with in the Subdivision that are not subject to maintenance by governmental authority.

3. To provide for the payment of taxes and assessments, if any, that may be levied by any governmental authority upon any area in the Subdivision that may be conveyed to the Association.

4. To enforce charges, easements, restrictions, conditions, covenants, and servitudes existing upon and created for the benefit of the property over which the Association may have jurisdiction; to pay all expenses incidental thereto; to enforce the decisions and rulings of the Association; and to pay all expenses in connection therewith.

-3-

5. To provide for the maintenance of parks, recreational facilities, and other community features of such land in the Subdivision as may be conveyed to the Association; and to provide for the maintenance of bulkheads and waterways and those areas designated on the subdivision plats of the Subdivision as pedestrian easements, and further to be responsible for providing police and fire protection for the residents of the Subdivision.

6. To establish and appoint the members of such committees, task forces and other advisory bodies as may be necessary to, or convenient in, the Association's discharging the duties entrusted to it.

7. To levy an annual charge upon the members of the Association; to publish the names of members who shall fail to pay charges made by the Association; to sue to collect any of such charges as are not paid; to impose a lien against any real estate in the Subdivision that is owned by a delinquent member of the Association for any such charge as is not paid when due; and to foreclose any such lien. Each year the Board of Directors of the Association shall consider the current maintenance needs and future needs of the Association and, in light of those needs, shall fix the amount of the annual charge herein provided for, which shall be as follows:

(a) not less than Eighty Dollars (\$80.00) in respect of each numbered waterfront lot other than each waterfront lot described in subparagraph (c) that is restricted to single-family residential use, each condominium unit with waterfront privileges, and each waterfront single-family attached dwelling.

-4-

(b) not less than Fifty Dollars (\$50.00) in respect of each numbered non-waterfront lot (other than each non-waterfront lot described in subparagraph (d)) that is restricted to single-family residential use, each condominium unit without waterfront privileges, and each non-waterfront single-family attached dwelling.

(c) One Hundred Twenty Dollars (\$120.00) or one and one-half (1-1/2) times the amount of the annual charge imposed in each fiscal year upon lots described in subparagraph (a) above, whichever sum is greater, in respect of each numbered waterfront single-family "estate lot" (a lot 20,000 square feet or more in size located in any Section of the Ocean Pines Subdivision which is not platted of record as of October 1, 1973).

(d) Seventy-Five Dollars (\$75.00) or one and one-half (1-1/2) times the amount of the annual charge imposed in each fiscal year upon lots described in subparagraph (b) above, whichever sum is greater, in respect of each numbered non-waterfront single-family residential estate lot.

(e) Forty Dollars (\$40.00) or one-half (1/2) of the annual charge imposed in each fiscal year upon lots described in subparagraph (a) above, whichever sum is greater, in respect of each waterfront hotel, motel or multi-family rental residential apartment or townhouse unit owned by a Non-Voting member of the Association.

(f) Twenty-Five Dollars (\$25.00) or one-half (1/2) of the annual charge imposed in each fiscal year upon lots described in subparagraph (b) above, whichever sum is greater, in respect of each non-waterfront hotel, motel, or multi-family residential rental apartment or townhouse unit owned by a Non-Voting member of the Association.

-5-

The term "unit" as used in subparagraphs (e) and (f) above shall mean each hotel or motel room or suite and each apartment or townhouse dwelling unit owned by a Non-Voting member. An annual charge shall not be imposed upon any unit described in subparagraphs (e) and/or (f) above until the fiscal year of the Association commencing on the 1st day of May after construction of any such unit has been substantially completed. The annual charge to be imposed upon hotel, motel or multi-family residential apartment or townhouse developments owned by Non-Voting members, which is to be based upon the number of units in any such development, as computed pursuant to subparagraphs (e) and (f) above, shall be applicable to and shall constitute a lien upon all land and improvements in any such development owned by a Non-Voting member.

Nothing contained in this paragraph 7 does, or is intended to, or shall be construed to, create in the Association a power to levy or make any charge of any kind against Boise Cascade Home & Land Corporation, the Developer of "Ocean Pines", its successors and assigns, against the Association itself, or against any corporation that may hereafter be created to acquire title to, and operate, the water, sewer or cable television utilities serving the Subdivision, or any waterway, dam, beach, access tract, marina, golf course, tennis courts, clubhouse, clubhouse grounds, or other like recreational facility within the Subdivision, unless Boise Cascade Home & Land Corporation, its successors and assigns, shall agree in writing to the imposition of any such charge.

8. To acquire by gift, purchase or other means, to own, hold, enjoy, lease, operate, maintain, convey, sell,

-6-

lease, transfer, mortgage or otherwise encumber, or dedicate for public use, real or personal property in connection with the business of this Association.

9. To expend the monies collected by the Association from assessments or charges, and other sums received by the Association, for the payment and discharge of all proper costs, expenses, and obligations incurred by the Association in carrying out all or any of the purposes for which the Association is formed.

10. To borrow money and to give, as security therefor, a mortgage or other security interest in any or all real or personal property owned by the Association, or a pledge of monies to be received under paragraph 7 above, and to assign and pledge its right to make assessments and charges and its right to claim a lien therefor.

11. To do any and all lawful things and acts, and to have any and all lawful powers, which a corporation organized under Maryland law may do and have, and in general to do all things necessary and proper to accomplish the foregoing purposes including the specific power to appoint any person or corporation as its fiscal agent to collect all assessments and charges levied by the Association and to enforce the Association's liens for unpaid assessments and charges or any other lien owned by the Association.

FOURTH: The duration of the Association shall be perpetual

FIFTH: The post office address of the principal office of the Association in this State is 2700 Ocean Pines, 239 Ocean Parkway, Berlin, Maryland, 21811. The Resident Agent of the Association is Corporation Trust Incorporated,

-7-

32 South Street, Baltimore, Maryland, 21202.

Said Resident Agent is a corporation of the State of Maryland.

SIXTH: The Association is not authorized to issue any capital stock and shall not be conducted for profit. No part of the income of the association shall inure to the benefit of any member, associate member, director or officer of the Association. In the event of the liquidation or dissolution of the corporation, whether voluntary or involuntary, no member, officer or director of the Association shall be entitled to any distribution or division of its remaining property or its proceeds, and the balance of all money and other property received by the Association, after payment of all debts and obligations, shall be applied to such public or charitable purposes as shall be determined by the Board of County Commissioners of Worcester County, serving at such time, or by the County Council or other successors in interest to the Board of County Commissioners under charter government.

No substantial part of the activities of the Association shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Association shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office.

SEVENTH:

1. Voting members of the Association shall be persons or corporations who at any time are owners (legal or equitable) of numbered residential lots, condominium units or single-family attached dwellings in the Subdivision. A person who has no interest in real estate in the Subdivision other

-8-

than an interest that is held merely as security for the performance of an obligation to pay money (e.g., the interest of a mortgagee or a land contract vendor) shall not be entitled to voting membership in the Association.

2. Voting membership in the Association shall lapse and terminate when any member shall cease to be the owner of a numbered residential lot, condominium unit or single-family attached dwelling in the Subdivision.

3. Meetings of voting members shall be held at such place within Worcester County, Maryland, and at such time and on such day and hour as may be provided in the By-Laws, or where not inconsistent with the By-Laws, in the notice of the meeting. Annual and special meetings of the voting members may be called and held as provided in the By-Laws.

Written notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than fifteen nor more than fifty days before the date of the meeting (except as a different time is specified below), either personally or by mail, by or at the direction of the president or the board of directors, to each member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at his address as it appears on the records of the Association, with postage thereon prepaid. In lieu of delivering notice as above, the Association may publish such notice at least once a week for two successive calendar weeks in a newspaper published in the city or county in which the registered office is located, or having a general circulation

-9-

therein, the first publication to be not more than fifty days, and the second not less than seven days, before the date of the meeting.

4. A voting member shall be entitled to one vote for each numbered residential lot, condominium unit or single-family attached dwelling in the Subdivision that is owned by the member. Any voting member shall have the power to cast his vote or votes by proxy.

5. In addition to the voting members described in Paragraph 4 above, the Association shall have non-voting members. Any person, corporation, partnership or other legal entity owning any hotel, motel and/or multi-family residential apartment building or buildings or townhouses in the Subdivision shall be required to become a non-voting member and shall pay a uniform annual charge for all land and improvements owned by the non-voting member, which charge shall be based upon the number of units in the hotel, motel, apartment or townhouse project which are available for occupancy, as is set forth in Paragraph 7 of Article THIRD.

6. In addition to the voting and non-voting members described in Paragraphs 4 and 5 above, the Association shall have associate members. Any person who is the tenant or regular occupant of any dwelling on any numbered residential lot, any unit in any condominium, any single-family attached dwelling, or any multi-family residential rental apartment building or buildings or townhouses or who is a guest in a hotel or motel situated within the Subdivision shall be an associate member of the Association. Associate membership shall cease automatically upon the termination of such tenancy

-10-

or occupancy. Associate members shall have no vote or right to notice of any meeting of members, regular or special. Associate members shall not be required to pay an annual charge, but shall be entitled to enjoy all the other privileges of membership, provided that the owner of the property leased or occupied by the associate member is a member in good standing of the Association.

7. No voting member, non-voting member or associate member may be expelled from membership in the Association for any reason whatsoever; provided, however, that the board of directors of the Association shall have the right to suspend the voting rights (if any), and right to use of the parks, roads, and other recreational facilities and amenities of the Association of any member or of any tenant or guest of any member (i) for any period during which any Association charge owed by any voting member, non-voting member or associate member remains unpaid; and (ii) during the period of any continuing violation of the restrictive covenants of the Subdivision after the existence of the violation shall have been declared by the board of directors of the Association.

8. There shall be no other preferences, limitations, or restrictions with respect to the relative rights of the members.

EIGHTH: The number of directors of the Association shall be as provided in the By-Laws of the Association, but in no event shall the number of directors be less than three (3) or more than seven (7). The terms of directors of the Association shall be as provided in the By-Laws of the Association, but in no event shall the term of directors be less than one

-11-

(1) year or more than three (3) years. There are presently seven (7) directors of the Association whose names are:

Clarence W. Lewis, Jr.  
Leonard F. Donnelly  
Leslie Munro  
Elmer Hastings  
Allan Hopkins  
Richard Ott  
Thomas C. Parsons

The board of directors of the Association and, to the extent provided in the By-Laws, the membership, shall have the power to adopt By-Laws of the Association not inconsistent with these Articles or with the laws of the State of Maryland. Pursuant to the By-Laws, the board of directors may elect such officers of the Association as it may deem appropriate.

As used in this Article Eighth, any word or words that are defined in Section 2-418 of the Corporations and Associations Article of the Annotated Code of Maryland (hereinafter the "Indemnification Section"), as amended from time to time, shall have the same meaning as provided in the Indemnification Section. The Association shall indemnify a present or former director or officer of the Association in connection with a proceeding to the fullest extent permitted by and in accordance with the Indemnification Section. With respect to any Association representative other than a present or former director or officer, the Association may indemnify such Association representative in connection with a proceeding to the fullest extent provided by and in accordance with the Indemnification Section; provided, however, that to the extent an Association representative other than a present or former director or officer successfully defends on the merits or otherwise any proceeding referred to in subsections (b) or (c) of the Indemnification

-12-

Section or any claim, issue or matter raised in such proceeding, the Association shall not indemnify such representative other than a present or former director or officer under the Indemnification Section until it shall have been determined and authorized in the specific case by (i) an affirmative vote at a duly constituted meeting of a majority of the board of directors who were not parties to the proceeding; or (ii) an affirmative vote, at a duly constituted meeting of the voting members of the Association who were not parties to the proceeding, that indemnification of such Association representative other than a present or former director or officer is proper in the circumstances.

NINTH: None of the provisions of these Articles of Incorporation may be altered or amended in whole or in part in such a way as to bring them into conflict with the restrictive covenants and deed restrictions now or hereafter made applicable to the Subdivision. With the foregoing exception, these Articles may be freely amended by the affirmative vote of not less than two-thirds of the entire board of directors at any meeting called for that purpose, providing that a notice of the meeting and of the proposed amendments has been distributed prior thereto to the address of each voting member appearing in the records of the Association. Such notice may be separately given or may be contained in a publication distributed by the Association to the membership.

TENTH: The following provision is hereby adopted for the purpose of defining, limiting and regulating the powers of the Association and of the directors and officers:

-13-

No contract or other transaction between this Corporation any any other corporation and no act of this Corporation shall in any way be affected or invalidated by the fact that any of the directors of this Corporation are pecuniarily or otherwise interested in, or are directors or officers of, such other corporation; any directors individually, or any firm of which any director may be a member, may be a party to, or may be pecuniarily or otherwise interested in, any contract or transaction of this Corporation, provided that the fact that he or such firm is so interested shall be disclosed or shall have been known to the Board of Directors or a majority thereof; and any director of this Corporation who is also a director or officer of such other corporation or who is so interested may be counted in determining the existence of a quorum at any meeting of the Board of Directors of this Corporation, which shall authorize any such contract or transaction, with like force and effect as if he were not such director or officer of such other corporation or not so interested."

IN WITNESS WHEREOF, Ocean Pines Association, Inc. has caused these presents to be signed in its name and on its behalf by its President and its corporate seal to be hereunto affixed and attested by its Secretary on the 27th day of August 1982.

ATTEST:

OCEAN PINES ASSOCIATION, INC.

Leonard F. Donnelly  
 Leonard F. Donnelly, Secretary

BY: Clarence W. Lewis, Jr.  
 Clarence W. Lewis, Jr., Pres

STATE OF MARYLAND )  
 COUNTY OF WORCESTER )

ss:

I HEREBY CERTIFY that on this 27th day of August, 1982, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared CLARENCE W. LEWIS

JR., President of Ocean Pines Association, Inc., a Maryland Corporation, and in its name and on behalf of said corporation acknowledged the foregoing Articles of Restatement to be the corporate act of said corporation.

AS WITNESS my hand and notarial seal.

*Isabella W. Michalis*  
Notary Public  
My Commission Expires 7/1/86

STATE OF MARYLAND )  
COUNTY OF WORCESTER ) ss:

I HEREBY CERTIFY that on this 27th day of August 1982, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared LEONARD F. DONNELLY, Secretary of Ocean Pines Association, Inc., a Maryland Corporation, and stated that the matters and facts set forth in the foregoing Articles of Restatement are true to the best of his knowledge, information and belief, and that among the records of the Association is a duly executed Consent in writing duly conforming to the requirements of Section 2-408(c) of the Corporations and Associations Article setting forth the action of the Board of Directors approving the Articles of Restatement of the Association therein set forth.

AS WITNESS my hand and notarial seal.

*Isabella W. Michalis*  
Notary Public  
My Commission Expires 7/1/86