

RECEIPT NO. 80303

DECLARATION OF RESTRICTIONS

OCEAN PINES

SECTION FIVE

THIS DECLARATION, made this 15th day of January, in the year nineteen hundred sixty-nine (1969) by MARYLAND MARINE PROPERTIES, INC., a Maryland corporation, herein referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of all the real property set forth and described on that certain plat (herein called "the plat") entitled "Ocean Pines", Section Five, which plat is recorded or intended to be recorded among the Land Records of Worcester County, Maryland, and is made a part hereof and incorporated herein by reference; and

WHEREAS, all of the real property described in the plat comprises in the aggregate a part of the Ocean Pines general subdivision (herein called "Subdivision"); Declarations of Restrictions imposing restrictions upon Section One, Section One-B and Section Two respectively of the Subdivision having previously been recorded among the Land Records of Worcester County, Maryland in Liber F.W.H. No. 236, folio 170 et seq., Liber F.W.H. No. 247, folio 135, et seq., and Liber F.W.H. No. 248, folio 666, et seq., respectively; and

WHEREAS, there are subdivided numbered lots set forth and described in the recorded plat, which numbered lots comprise in the aggregate a single subdivision

section (herein called "Section") which is one of several sections contemplated in the Ocean Pines general subdivision, which other sections shall be developed from adjoining lands owned by Declarant; 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 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 described in the plat and of the Subdivision as a whole. All of the Restrictions shall run with the land and shall be binding upon Declarant and upon all parties having or acquiring any right, title or interest in and to the real property or any part or parts thereof subject to such Restrictions.

1. Applicability

A. These Restrictions shall apply to subdivided numbered lots only and are specifically excluded from application to other parcels and lands owned by Declarant, which parcels and lands are intended for commercial, multiple dwelling or recreational uses.

2. Term

A. These Restrictions shall affect and run with the land and shall exist and be binding upon all parties and all persons claiming under them until January 1, 1998, after which time the same shall be extended for successive periods of ten (10) years each, unless an instrument signed by a majority of the then owners of the lots subject thereto has been recorded, agreeing to change the covenants in whole or in part; provided, however, that at any time before January 1, 1983, these Restrictions may be amended by the vote of the then record owners of two-thirds (2/3) of such lots and thereafter by a majority of such owners.

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, recreational facilities and any other amenity shown on the recorded 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 owner of each such lot, his 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. Restrictions substantially the same as those contained herein shall be recorded on all future sections of the Subdivision in conformity with the general scheme of improvement of all lands to be included therein.

4. Exclusive Residential Use and Improvements

A. No numbered lot shall be used except for residential purposes. No structures shall be erected, placed or permitted to remain on any lot other than one (1) detached, single family residence dwelling and such outbuildings constructed in connection with such residence as are usually accessory to a single family residence dwelling including a private garage.

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 proposed location thereof on any lot or lots, the construction material, the roofs and exterior color schemes, any later changes or additions after initial approval thereof and 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 Environmental Control Committee (herein called "Committee"), as the same is from time to time composed.

B. The Committee shall be composed of three (3) members to be appointed by Declarant. Committee members shall be subject to removal by Declarant and any vacancies from time to time existing shall be filled by appointment of Declarant, or in the event of Declarant's failure to so appoint within two (2) months after any such vacancy, then by the Board of Directors of the Ocean Pines Association, Inc. (hereinafter called "Association"); provided, however, that at any time hereafter the Declarant may, at its sole option, relinquish to the Board of Directors of the Association the power of appointment and removal reserved herein to the Declarant. Such transfer of power must be evidenced in writing.

C. There shall be submitted to the Committee a building application on forms approved by Declarant together with two (2) complete sets of plans and specifications 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, 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. A filing fee of \$30.00 shall accompany the submission of such application and plans to defray Committee expenses. No additional fee shall be required for resubmission of plans revised in accordance with Committee recommendations.

D. The Committee 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 Committee for its permanent files.

E. The Committee 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; if the design or color scheme of the proposed building or other structure is not in harmony with the general surroundings of such lot or with the adjacent buildings or structures; if the plans and specifications submitted are incomplete; or in the event the Committee 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 Committee shall be final.

F. Neither the Committee nor any architect or agent thereof or of Declarant shall be responsible in any way for any defects in any plans or specifications submitted revised or approved in accordance with the foregoing provisions, nor for any structural or other defects in any work done according to such plans and specifications.

G. Whenever the Committee shall approve plans and specifications for any residence, dwelling, pier or other structure on, over or extending into any waterway, such structure may extend a maximum of fifteen feet (15') beyond the bulkhead lines as designated on the recorded plat of Section Five, Ocean Pines, and the rights of any and all lot owners in the operation of the waterway as provided for in paragraph 15 hereof shall be limited accordingly.

6. Size and Placement of Residences and Structures

A. Every residence dwelling constructed on a lot shall contain a minimum of 720 square feet of fully enclosed floor area devoted to living purposes (exclusive of roofed or unroofed porches, terraces, garages, carports and other outbuildings).

B. The Committee shall have the authority to set up regulations as to the height and size requirements for all other types of outbuildings and structures, including fences, walls, copings, etc.

C. In order to preserve the natural quality and aesthetic appearance of the existing geographic areas within the Subdivision, all property lines shall be kept free and open one to another and no fences shall be permitted on any lot or lot lines except where, in the opinion of the Committee, a fence or other enclosure, as a structure or aesthetic feature of a design concept, will contribute to and be in keeping with the character of the area.

D. Except as is hereinafter provided in 6-E, 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 Committee), with respect to any dwelling house or above grade structure that may be constructed or placed on any lot in the Subdivision:

(a) Twenty-five (25) feet from the front line of each lot abutting a street;

(b) Five (5) feet from each lot side line;

(c) Thirty-five (35) feet from the rear line of each lot.

E. In the event of possible conflicts, the setback lines set forth in 6-D above shall in every instance take precedence over the setback lines shown on the recorded plat. All setback requirements are further subject to possible stricter setback requirements which may be imposed from time to time by the Worcester County Zoning Ordinance.

F. No change in ground level may be made of any lot in excess of one foot in height over existing grades without the written approval of the Committee obtained prior to the commencement of work.

7. Particular Rules for Application of Setback Requirements

A. If the line with respect to which a setback measurement is to be made is a meandering line, the average length of the two lot lines that intersect said meandering line shall be determined, and using that average length, an imaginary straight line shall be drawn through the meandering line and the setback measurement shall be made along a line perpendicular to such imaginary line.

B. The term "side line" defines a lot boundary line that extends from the street on which the lot abuts to the rear line of the lot.

C. The term "rear lot line" defines the boundary line of the lot that is farthest from, and substantially parallel to, the line of the street on which the lot abuts, except that on corner lots it may be determined from either street line.

D. A corner lot shall be deemed to have a front line on each street on which the lot abuts, and such lot need have only one rear yard as defined by 6-D(c).

8. 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. 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, tent, garage, or other outbuilding shall be placed or erected on any lot, provided, however, that the Committee may grant permission for any such temporary structure for storage of materials during construction. No such temporary structures as may be approved shall be used at any time as a dwelling place, nor shall any overnight camping be permitted on any lot.

(c) Once construction of improvements is started on any lot, the improvements must be substantially completed in accordance with 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.

(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.

(g) All signs, billboards, or advertising structures of any kind are prohibited except upon application to and written permission from the Committee.

(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 be either buried below the surface of the ground or screened to the satisfaction of the Committee 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 within 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 Committee.

(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.

(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 truck of any type shall be parked for storage 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 Committee 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 for any other cause or act of God must be rebuilt or all debris removed and the lot restored to a slightly condition with reasonable promptness, provided, however, that in no event shall such debris remain longer than sixty (60) days.

(q) No tree over six inches in diameter shall be removed from any numbered lot in the Section or Subdivision without the written consent of the Environmental Control Committee.

(r) 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.

(s) 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. In order to enhance the appearance and orderliness of the Section or Subdivision, the Declarant hereby reserves for itself, its successors and assigns, 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 or Subdivision 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 Declarant or its successors or assigns. The charge to be made for such refuse collection and removal service 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.

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

(u) All residential structures are to be constructed so that the living quarters shall have a minimum elevation of seven feet above mean sea level.

9. Variances

A. The Committee 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; 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 property or improvements in the neighborhood, the Section or the Subdivision.

10. Easements

A. Declarant reserves for itself, its successors and assigns, for purposes incident to its development of the real property subject to these Restrictions, the following easements and/or rights-of-way:

(a) For the use and maintenance of drainage courses of all kinds designated on the plat as "Drainage Easements". These easements are ten (10) feet in width unless otherwise specified on the recorded plats and are centered about the existing drainage channels.

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

(c) For access to "Utility Lots" as shown on the recorded plats and for installation and maintenance of facilities thereon, and further such additional easements shall be granted as are required 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, and for the maintenance and preservation of all bulkheads and similar waterfront improvements. The owners of lots contiguous to a waterway may not fill beyond the bulkhead or high water lines and may only build such structures on or extending into any waterway as are approved by the Committee as provided in paragraph 5-G above.

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 (5) feet in width along side property lines and ten (10) feet in width along the front and rear property line of each lot and/or as noted on the plat.

C. Declarant reserves for itself, its successors or assigns, 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, the rights-of-way and easement areas reserved by Declarant or dedicated to public utilities purposes shall be maintained continuously by the lot owner but no structures, plantings or other material shall be placed or permitted to remain or other activities undertaken which may damage or interfere with the installation or maintenance 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 recorded plat 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. The lots in the Section or Subdivision shall be burdened by such additional easements as may be shown on the recorded plats.

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

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

A. Each of the streets in the Section or Subdivision designated on the plat is a private street, and every park, recreational facility, and other amenity within the Section or Subdivision is a private park, facility or amenity and neither Declarant's execution or recording of the plat 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 plat as parks is reserved to Declarant, its successors and assigns; to the persons who are, from time to time, members or associate members of the Ocean Pines Association, Inc.; to the members and others eligible to use Seabright (an 18-hole golf course); to the members and owners of Edgewater Swim and Tennis Club, Inc., The Yacht Club at Ocean Pines, Inc., and to the successors and assigns of all such clubs; to the residents, tenants, and occupants of any multi-family residential buildings, guest house, inn or hotel facilities, and all other kinds of residential structures that may be erected within the boundaries of the Section or Subdivision; 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 Ocean Pines Association, Inc., and to the invitees of all the aforementioned persons.

B. The ownership of recreational amenities within the Section and Subdivision, which may include but shall not be limited to waterways, dams, water impoundments, marinas, beaches, access tracts, golf courses, tennis courts, swimming pools, clubhouses and adjacent clubhouse grounds, and camp-grounds 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 Ocean Pines Association, Inc., which conveyance shall be accepted by it, provided the same is free and clear of all financial encumbrances.

C. Declarant hereby covenants, for itself, its successors and assigns, that it will convey fee simple title to the streets and to those areas designated as park on the plat and on all future plats of the Subdivision to the Ocean Pines Association, Inc., within three (3) years after their completion, subject to the easements of record; and subject to the express condition that Ocean Pines Association, Inc., will properly maintain all such streets and park areas. Declarant, its successors and assigns, reserve the right at any time to make any repairs thereto which it deems necessary and proper and to charge the Association for all such repairs.

12. Ocean Pines Association

A. Every person who acquires title, legal or equitable, to any lot in the Subdivision shall become a member of the Ocean Pines Association, Inc., a Maryland non-profit corporation, herein referred to as "Association", and no such person shall acquire such title until he has been approved for membership in the Association, nor shall the owner of a lot or lots in the Subdivision convey the title to said lot or lots to any person who has not been approved in writing for membership in the Association, provided, however, that such membership is not intended to apply to those persons who hold an interest in any such lot merely as security for the performance of an obligation to pay money, e.g., mortgages, deeds of trust, or real estate contract purchases. However, if such person should realize upon his security and become the real owner of a lot within the Subdivision, he will then be subject to all the requirements and limitations imposed in these Restrictions on owners of lots within the Subdivision and on members of the Association, including those provisions with respect to alienation and the payment of an annual charge.

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

C. The Association shall be responsible for insect controls, for the maintenance, repair and upkeep of the private streets, and parks within the Subdivision; the appurtenant drainage and slope easements reserved by Declarant; all waterways, bulkheads and other waterfront improvements and shall be responsible for providing fire and police protection for the residents of the Subdivision. The Association 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 Association at any time fails to properly maintain such streets, parks, easements, waterways and bulkheads and other waterfront improvements 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 Association 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. The Association 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 Association a uniform annual charge per single-family

residential lot within the Section and Subdivision, the amount of said charge to be determined by the Board of Directors of the Association after consideration of current maintenance needs and future needs of the Association, for the purposes set forth in its Articles of Incorporation; provided, however, that the uniform annual charge shall in no event be less than Eighty Dollars (\$80.00) per waterfront lot and Fifty Dollars (\$50.00) per non-waterfront lot and provided further that no such charge shall ever be made against, or be payable by, the Declarant, the Association itself, or any corporation or corporations that may be created to acquire title to, and operate, the water or sewer utilities serving the Section and Subdivision, or any waterway, beach, access tract, marina, golf course, tennis courts, 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 to the Association on or before the first day of May of each year, for the ensuing year. The Board of Directors of the Association 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 of six per cent (6%) per annum; the Association may publish the name of the delinquent member in a list of delinquent members, or by any other means of publication; and the Association 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 foreclosed by equitable foreclosure at any time within three years after the date on which the notice thereof shall have been filed. In addition to the remedy of lien foreclosure, the Association 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 to the Association. Every person who shall become the owner of the title (legal or equitable) to any lot in the Subdivision 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 Association all charges that the Association shall make pursuant to any paragraph or subparagraph of these Restrictions.

(c) The Association shall upon demand at any time furnish a certificate in writing signed by an officer of the Association 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 Association for 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 Association shall be used exclusively for the purposes of promoting the recreation, health, safety and welfare of the members of the Association and, in particular, for maintaining insect control, providing police and fire protection and for the improvement and maintenance of the streets, waterways and bulkheads and those areas within the Section and Subdivision designated as parks on the plats thereof, and other property within the Section and Subdivision as such streets, parks and properties which shall have been conveyed to the Association.

F. The lien of a mortgage or deed of trust placed upon any lot for the purpose of permanent financing and/or constructing a residence or other improvement thereon recorded in accordance with the laws of the State of Maryland, shall be, from the date of recordation, superior to any and all such liens provided for herein.

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

(a) For any period during which any Association charge (including the charges and the fines, if any, assessed under paragraphs 12-D, 13 and 14 of these Restrictions) owed by the member or 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 Association;

(c) During the period that any utility bill for water or sewer service rendered to the member or associate member shall remain unpaid.

13. Speed Limits

A. Speed limits for streets and waterways and the rules governing the use of parks within the Section and Subdivision shall be as promulgated from time to time by Declarant, its successors and assigns. Appropriate postings of these speed limits shall be made. The Association shall have the power to assess fines for the violation of the speed limits in accordance with a schedule of fines promulgated by the Association. Every such fine shall be paid promptly upon

its being assessed; if it is not, the Association may add the amount of the fine to the annual charge made by the Association, pursuant to subparagraph 12-D of the Restrictions, and the amount of such fine shall be collectible by the same means as are prescribed in said subparagraph for the collection of delinquent annual charges of the Association or through the use of the sanctions prescribed in subparagraph 12-G of the Restrictions.

14. Association'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 Association, the Association 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 Association shall not be liable for any damage which may result from any maintenance work performed hereunder.

15. Reservation of Easement for Operation of Waterways

A. The Declarant reserves to itself and its successors and assigns, and to the Association, 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 waterways; provided, however, that said easement created herein and shown on said plat shall in no way affect the right of any lot owner to construct and maintain any residence, dwelling, pier or other structure approved by the Environmental Control Committee pursuant to paragraph 5 hereof which residence, dwelling, pier or other structure may extend on, over or into said waterway. Insofar as the easement for private ingress, egress, navigation and flowage is shown on the recorded plat of Section Five, Ocean Pines, the terms of this paragraph shall be deemed controlling as to any and all rights of the lot owners in the operation of the waterway. 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.

16. Rights of First Refusal

A. Whenever the owner of any lot in the Section or Subdivision shall receive a bona fide offer to purchase

said lot, which offer is acceptable to said owner, or shall independently decide to put said lot on the market, said owner shall offer to sell said lot, at the price and on the same terms contained in said bona fide offer or (if said owner shall independently have decided to put said lot on the market) at the price and on the terms acceptable to said owner, first to the owner of the lot on the right of the prospective seller's lot, next to the owner of the lot on the left of the prospective seller's lot, and finally, to the Declarant, its successors or assigns. Such offerings shall be made successively, and each of said offerees shall have ten (10) days within which to accept or refuse such offer. If all said offerees refuse to purchase said lot at the price and on the terms proposed by said owner, said owner shall be free, subject to the limitations contained herein requiring the purchaser to have been approved for membership in the Ocean Pines Association, Inc., to sell said lot to the party who shall have made said bona fide offer or (if said owner shall have independently decided to put said lot on the market) to any third party, in either case at a price and on terms not substantially more favorable to the purchaser than those offered, as aforesaid, to said owner's neighbors and the Declarant or its successors or assigns. The "lot on the right" for the purposes of this paragraph 16, shall be the next lot on one's right hand as one faces the rear of one's own lot.

B. In the event that the owner of any lot in the Section or Subdivision should desire to exchange his lot for another lot in the Section or Subdivision, and the Declarant is agreeable to do so, the provisions for first refusal set forth in subparagraph A of this paragraph 16 shall not apply; and the owner shall be free to reconvey his lot to the Declarant in exchange for a conveyance to him of the other lot in the Section or Subdivision, without the necessity of making any offerings to said owner's neighbors, upon such terms as the Declarant and the owner shall then agree.

17. Charges for Water and Sewer Service

A. Every owner (legal or equitable) of a lot in the Section or Subdivision shall be conclusively presumed to have covenanted by acquiring title to his lot (regardless of the means of such title acquisition) to pay a water availability charge commencing upon the availability of water to serve the lot at the rate of Four Dollars (\$4.00) per month per lot or at such other rate as may be approved by the Public Service Commission of Maryland. Purchaser further covenants to pay all other charges for water service in accordance with rates approved from time to time by the Public Service Commission of Maryland or its successors in interest having jurisdiction in the premises. It is presently intended that the rates and charges for water service to be initially submitted to the Public Service Commission of Maryland for its approval shall be as follows: At such time as the owner of a lot shall elect to have service connected, he shall pay a connection charge

of Three Hundred Eighty-Five Dollars (\$385.00); thereafter, he shall pay for water service at reasonable consumption rates, subject to a minimum monthly charge, all such rates and charges being subject to the prior approval of the Public Service Commission of Maryland.

B. Every owner (legal or equitable) of a lot in the Section or Subdivision shall be conclusively presumed to have covenanted, by acquiring title to his lot (regardless of the means of such title acquisition) to pay a sewer availability charge commencing upon the availability of sewer to serve the lot at the rate of Two Dollars (\$2.00) per month per lot or such other rate as may be approved by the Public Service Commission of Maryland. Purchaser further covenants to pay all other charges for sewer service in accordance with rates as approved from time to time by the Public Service Commission of Maryland or its successors in interest having jurisdiction in the premises. It is presently intended that the charges with regard to sewer service to be initially submitted to the Public Service Commission of Maryland for its approval shall be as follows: At such time as the owner of a lot has service connected, he shall pay a connection charge of Seven Hundred Eighty-Five Dollars (\$785.00) and a line installation charge of Two Hundred Twenty-Eight Dollars (\$228.00); thereafter, he shall pay for sewer service at reasonable rates, subject to a minimum monthly charge, all such rates and charges being subject to the approval of the Public Service Commission of Maryland. Lot owners shall be required to connect to said sewer service before the completion of construction of the dwelling on the lot. Easements in addition to those reserved throughout these restrictions and on the recorded plats shall be granted for the practical construction, operation and maintenance of said sewer facilities upon request of the Declarant or the applicable utility.

18. Remedies

A. The Association or any party to whose benefit these Restrictions inure, including the Declarant, its successors and assigns, 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 Association 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. No delay or failure on the part of an aggrieved party to invoke an available remedy set forth in 18-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.

19. 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 each and all of these Restrictions and the agreements herein contained, and also the jurisdiction, rights and powers of Declarant and of the Association and by such acceptance shall for himself, his heirs, personal representatives, successors and assigns, covenant, consent and agree to and with Declarant, the Association, 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.

20. 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 to 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.

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 word 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.

IN WITNESS WHEREOF, Maryland Marine Properties, Inc., the Declarant herein, has caused this Declaration to be signed for it and in its behalf by Werner R. Heimann, its

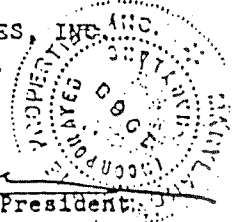
Vice President, with its corporate seal affixed, attested by its Assistant Secretary, on the day and year first herein written.

ATTEST:

MARYLAND MARINE PROPERTIES, INC. AND

Elizabeth Ann Bozman
Elizabeth Ann Bozman,
Assistant Secretary

Werner R. Heimann
Werner R. Heimann, Vice President



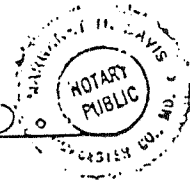
STATE OF MARYLAND
COUNTY OF WORCESTER

to wit:-

I HEREBY CERTIFY, that on this 15th day of January, 1969, before me, the subscriber, a Notary Public of the State of Maryland, in and for Worcester County aforesaid, personally appeared Werner R. Heimann, Vice President of Maryland Marine Properties, Inc., a Maryland corporation, and on behalf of said corporation did acknowledge the foregoing instrument to be the act and deed of Maryland Marine Properties, Inc.

AS WITNESS my hand and Notarial Seal.

Margaret H. Davis
Notary Public



My Commission Expires:

July 1, 1969.

1969, July 11 - 9:19 AM The foregoing Declaration of Restrictions filed for record and is accordingly recorded among the land records of Worcester County, Md. in Liber P.W.H. No. 208 folios 204
the 252 Ernie W. Blane Clerk

OCEAN PINES - SECTION FIVE

CERTIFICATION OF AMENDMENT OF DECLARATION OF RESTRICTIONS

Charles G. Haynes, Sr., President of Ocean Pines Association, Inc., does hereby make the following certification with regard to the Amendment of Declaration of Restrictions of Section Five of Ocean Pines Subdivision in the Third Election District of Worcester County, Maryland.

WHEREAS, the Declaration of Restrictions of Section Five, which said Declaration of Restrictions is duly recorded among the Land Records of Worcester County, Maryland in Liber F.W.H. No. 258, folio 334 et seq., contains the following provision:

"2. TERM

A. These Restrictions shall affect and run with the land and shall exist and be binding upon all parties and all persons claiming under them until January 1, 1998, after which time the same shall be extended for successive periods of ten (10) years each, unless an instrument signed by a majority of the then owners of the lots subject thereto has been recorded, agreeing to change the covenants in whole or in part; ..."

and;

WHEREAS, the Declaration of Restrictions in Section Five of Ocean Pines Subdivision, contains the provisions in Paragraph 4 as follows:

"4. EXCLUSIVE RESIDENTIAL USE AND IMPROVEMENTS

A. No numbered lot shall be used except for residential purposes. No structures shall be erected, placed or

RICHARD H. SMITH
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permitted to remain on any such lot other than one (1) detached, single family residence dwelling and such outbuildings constructed in connection with such residence as are usually accessory to a single family residence dwelling including a private garage."

and;

WHEREAS, by the provisions of Section 11A-104 (a)(2) of the Real Property Article of the Annotated Code of Maryland, it is provided that the owners of property in a residential community governed by recorded covenants and restrictions may prohibit time-shares in any property subject to the recorded covenants and restrictions by amending the recorded covenants and restrictions by a vote of the owners in accordance with the majority requirements of the recorded covenants and restrictions; and

WHEREAS, there are 288 Lots in Section Five of said subdivision, and

WHEREAS, the owners of lots in Section Five of said Subdivision voted by a vote of 203 in favor and 3 opposed to amend the said restriction in the manner following:

(In the following paragraphs, new material to be inserted is underlined; changed or deleted material is stricken over with dashes -----.)

"4. EXCLUSIVE RESIDENTIAL USE AND IMPROVEMENTS

A. No numbered lot shall be used except for residential purposes. No structures shall be erected, placed or permitted to remain on any such lot other than one (1) detached, single family residence dwelling and such outbuildings constructed in connection with such residence as are usually accessory to a single family residence dwelling including a private garage.

B. No lot 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. Time-shares shall be prohibited in the Section."

and, FURTHER that the owners of lots in Section Five within said Subdivision did vote by a vote of 191 in favor and 13 opposed to further amend the Declaration of Restrictions in the manner following:

8 A (o). shall be amended as follows:

"No vehicle shall be parked on any street in the subdivision. ~~No truck shall be parked for storage~~ 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 visable 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 Committee has been obtained."

and,

FURTHER that the lot owners of lots in Section Five within said subdivision did vote by a vote of 183 in favor and 27 opposed to further amend the Declaration of Restrictions in the manner following:

Paragraph 12 D (b) shall be amended as follows:

"12 D (b) If any such charge shall not be paid when due, it shall bear interest from the date of delinquency at the rate of ~~six per cent [6%] per annum;~~ set by the Board of Directors at an open Board meeting in February of each year; the Association may publish the name of the delinquent member in a list of

delinquent members, or by any other means of publication; and the Association 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 foreclosed by equitable foreclosure at any time within three years after the date on which the notice thereof shall have been filed. In addition to the remedy of lien foreclosure, the Association 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 to the Association. Every person who shall become the owner of the title (legal or equitable) to any lot in the Subdivision by any means is hereby notified that, by the fact of acquiring such title, such person will be conclusively held covenanted to pay the Association all charges that the Association shall make pursuant to any paragraph or subparagraph of these Restrictions."

and,

WHEREAS, the said owners did, by document (the form of which is attached hereto), appoint Charles G. Haynes, Sr. as attorney-in-fact for the purpose of filing a certification among the Land Records of Worcester County, designating the vote of said Section with regard to the amendment as set forth herein.

NOW, THEREFORE, THIS CERTIFICATION OF AMENDMENT OF DECLARATION OF RESTRICTIONS, WITNESSETH: that Charles G. Haynes, Sr., President of Ocean Pines Association, Inc., does hereby certify that the Declaration of Restrictions of Section Five in Ocean Pines Subdivision, Third Election District of Worcester County, Maryland,

shall be amended to read in pertinent part as follows:

"4 B. No lot 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. Time-shares shall be prohibited in the Section."

"8 A (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 visable 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 Committee has been obtained."

"12 D (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 at an open Board meeting in February of each year; the Association may publish the name of the delinquent member in a list of delinquent members, or by any other means of publication; and the Association 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 foreclosed by equitable foreclosure at any time within three years after the date on which the notice thereof shall have been filed. In addition to the remedy of lien foreclosure, the Association 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 to the Association. Every person who shall become the owner of the title (legal or

equitable) to any lot in the Subdivision by any means is hereby notified that, by the fact of acquiring such title, such person will be conclusively held covenanted to pay the Association all charges that the Association shall make pursuant to any paragraph or subparagraph of these Restrictions."

ATTEST:

[Handwritten Signature]

OCEAN PINES ASSOCIATION, INC.

By: Charles G. Haynes Sr. (SEAL)
Charles G. Haynes, Sr.
President - Ocean Pines
Association, Inc.

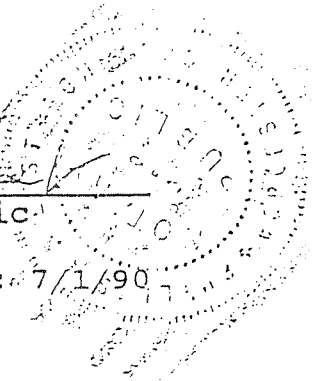
STATE OF MARYLAND, WORCESTER COUNTY, to wit:

I HEREBY CERTIFY that on this 28 day of June, 1990, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared CHARLES G. HAYNES, SR., who certified that the matters and facts contained in the Certification of Amendment of Declaration of Restrictions are true to the best of his knowledge and belief.

AS WITNESS my hand and official seal.

[Handwritten Signature]
Notary Public

My Commission Expires: 7/1/90



CONSENT TO AMENDMENTS TO DECLARATION OF RESTRICTIONS
AND POWER OF ATTORNEY

This will certify that the undersigned is/are the owner(s) of Section _____, Lot No. _____ in the subdivision of Ocean Pines, and declare under the penalties of perjury that his/her/their signature(s) is/are true and correct and that by signing this document the following votes regarding amendments are true and correct, and further that he/she/they do designate Charles G. Haynes, Sr., President of Ocean Pines Association to be the true, sufficient and lawful attorney-in-fact for said owner(s), and in the owner(s) name(s), place and stead to record among the Land Records of Worcester County, Maryland the certification of the owner(s) votes as herein set forth for the amendments as set forth herein, and the said owner(s) further agree that the certification, by said attorney-in-fact is binding the owner(s) as though the owner(s) original signature(s) is/are recorded among the Land Records of Worcester County, Maryland.

This Power of Attorney is LIMITED to the purpose set forth herein and shall be used for no other purpose.

FIRST AMENDMENT-TO PROHIBIT TIME SHARE OWNERSHIP
() FOR () AGAINST

SECOND AMENDMENT-TRUCK DEFINITION
() FOR () AGAINST

THIRD AMENDMENT-INTEREST ON DELINQUENT ASSESSMENTS
() FOR () AGAINST

CLERK'S NOTATION

Document submitted for record in a condition not permitting satisfactory photographic reproduction.

EACH OWNER MUST INDIVIDUALLY SIGN.

By: _____ (SEAL) By: _____ (SEAL)

DATE: _____, 1990

DATE: _____, 1990

1990 July 10 The foregoing Amended Restrictions filed for record and is accordingly recorded among the land records of Worcester County, Md. in Liber, R.H.O. No. 1662 folios 337 thru 343

Richard H. Cotton

Clerk