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SOUTH SHORES OF CEDAR CREEK POND SECOND AMENDMENT TO RESTRICTIONS

KNOW ALL MEN BY THESE PRESENTS, that a majority of sixty percent (60%) or greater of the owners of the premises shown upon a plot of South Shores of Cedar Creek Pond, hereinafter referred to as "South Shores", which is dated September, 1988, and of record in the Office of the Recorder of Deeds, in and for Sussex County, in Plot Book 42, Page 88, do hereby, pursuant to the provisions of Paragraph 20 of the restrictions governing South Shores, said restrictions being dated September 19, 1989 and filed for record in the Office of the Recorder of Deeds, in and for Sussex County, in Deed Book 1674, Page 174, amend the said restrictions and subsequent amendments to Restrictions of South Shores of Cedar Creek Pond dated January 25, 1990 and filed for record in the Office aforesaid Deed Book 1700, Page 1, *et seq.* as follows:

It is hereby expressly stipulated and understood that the lands and premises in the Development known as SOUTH SHORES OF CEDAR CREEK POND, hereafter referred to as "South Shores" are subject to the following restrictions, covenants, and reservations, for the purpose of protecting property values and providing for the quiet and peaceful enjoyment of these properties as a desirable residential area. Said restrictions are to run with the land except where specifically stated otherwise and are to bind the heirs, administrators, executors, or assigns of the said Grantees.

1. All lots shall be used for residential purposes and all lots shall be restricted and limited to single family residential purposes and uses only, provided that occupations carried on or in the structures are permitted only if such use is incidental to the lot's primary residential use; provided further that the lot owners who pursue such incidental occupational use of their lot shall have no employees, customers or clients at the lot shall not display signs or advertising of the occupation, and shall obtain prior approval from all authorities having jurisdiction over the use of the lot.

2. Not more than one dwelling shall be erected upon any one lot. A private detached or attached garage or other accessory building in addition to the residential dwelling may be constructed. The use of any such garage or accessory building or dwelling shall not include any activity conducted as a business, except as provided in Section 1, above, and no such garage or accessory building may be constructed prior to the construction of the main dwelling. Garages or accessory buildings shall not include a guest suite or similar facility.

3. Nothing herein contained shall deny any lot owner the right to construct a dwelling upon more than one lot, provided such dwelling is the singular residence on said lot. No lot as delineated on the aforesaid plot shall be divided, sold or otherwise aliened in a lesser or smaller parcel than shown on the aforesaid plot, unless the main dwelling is so constructed as to rest on more than one lot.

4. One (1) detached single-family dwelling may be placed, erected, altered, and occupied upon any numbered lot in South Shores. Each such dwelling shall not be less than one thousand four hundred (1400) square feet, exclusive of all porches, breezeways, carports, garages, terraces, stoops, basements, and the like.

5. The main dwelling erected and maintained upon any numbered lot in South Shores shall front or face toward the subdivision streets.

6. All sewage systems must have approval from the Delaware Department of Natural Resources and Environmental Control, or any agency thereof or any similar agency.

7. Required yard setbacks are as follows:

a. The front yard setback shall be thirty feet (30') from the nearest right-of-way line.

b. The rear setback line shall be twenty feet (20') from the rear line of each numbered lot.

c. There shall be two side yards, each of which shall be fifteen feet (15') from their respective sidelines of each such lot.

8. Fuel tanks, gas tanks, or similar fuel storage receptacles shall not exceed _____ gallons in size. Any liquid propane or similar gas tank or vessel which is commercially refillable from a supply truck shall be buried underground. Any such tank or vessel which is refillable by exchanging the tank may be stored above ground but in such a manner so as not to be visible or exposed. Such tanks may be kept close to the residence provided they are sheltered by, but not limited to, shrubbery, lattice frames, housings consistent with the exterior materials of the residence and the like. Small propane tanks for such items as travel trailers or barbecue grills shall be likewise discreetly maintained if not attached to the grill, trailer or the like.

9. Any fence or wall not more than three and one-half feet (3.5') in height, may project into or enclose any required front or side yard to a depth from the street line equal to the required depth of the front yard. Any fence or wall may project into or enclose other required yards, provided that such fences or walls do not exceed a height of seven feet (7'). Every such fence or wall must be approved by the Association.

10. It shall be the responsibility of each numbered lot owner to prevent the development of any unclean, unsightly, or unkempt conditions of the building or grounds upon such lot. No trash, ashes, garbage, or other refuse shall be dumped or stored or accumulated on any lot. No noxious or offensive activity shall be carried on upon any numbered lot, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance or nuisance to the neighborhood. There shall not be maintained on any lot any plant, animal, device or thing of any sort the normal activities or existence of which is in any way noxious, dangerous, unsightly, and unpleasant or of such a nature as may diminish or destroy the enjoyment of other property in the neighborhood by owners thereof. In the event that a lot is not so maintained, the Association shall have the right to enter upon the lot to maintain the same, after giving the lot owner at least fifteen (15) days written notice to cure any maintenance problems or deficiencies. In the event that the Association exercises its right of entry for maintenance purposes, the Association shall have the right to assess the particular lot owner for the cost of such maintenance, and such costs be assessed and enforced in accordance with Section 18 of these Restrictive Covenants.

11. No structure of any temporary character, including but not limited to tents, trailers, shacks, or other outbuildings, except as provided herein, shall be placed on any numbered lot within South Shores at any time except during periods of construction for storage of materials and such temporary structures for storage of materials shall not in any event be used for living quarters.

12. The following general prohibitions and requirements shall prevail as to the construction or activities conducted on any lot within South Shores:

a. Once construction of any building has been commenced, such construction shall proceed without delay until the same is completed, unless such delay is attributable to a cause or causes beyond the control of the owner, builder, or contractor as the case may be. Cessation of work before construction of building once started and before completion thereof for a continuous period of sixty (60) days shall be prima facie evidence of an attempt to abandon the same in its partially completed state and the same shall be deemed to be a public nuisance.

b. No residence shall be occupied until the same has been substantially completed in accordance with its plans and specifications, and has been issued a certificate of occupancy by the Sussex County Building Permit Office.

c. No stripped down or junk motor vehicle or sizeable part thereof or any unregistered or unlicensed vehicle shall be permitted to be parked on any lot or any street in South Shores.

d. No advertising signs shall be permitted upon any numbered lot in South Shores except a sign offering the premises for rent or sale, or both, may be displayed upon the lot which is for sale or for rent and any such sign shall not exceed eighteen inches (18") by twenty-four inches (24") in size.

e. Not more than one (1) satellite antenna, including satellite dish, shall be installed on any one lot. The Federal Communications Commission (the "FCC") adopted a rule effective October 14, 1996 (the "FSS Rule"), preempting certain restrictions concerning the installation, maintenance, and use of direct broadcast satellite, television broadcast, and multipoint distribution service antennas (collectively, "Antennas"). The requirements set forth in this Section are generally consistent with the FCC Rule. However, because the FCC Rule is subject to change or modification, the Committee reserves the right to amend and modify any requirements governing installation, maintenance, and use of antennas, which may be more restrictive than as set forth herein and which may, in the discretion of the Association, be applied retroactively. Antennas not covered by the FCC Rule, including satellite dishes in excess of one (1) meter in diameter, shall not be installed higher than the roofline of any structure on the lot without prior written approval of the Association. Antennas situated entirely within a dwelling, antennas that are not visible from the exterior of any lot, and antennas located in the rear yard of a lot are permitted. Antennas covered by the FCC Rule, including satellite dishes of one (1) meter or less in diameter, are permitted within a lot, provided such antennas shall not be visible from the front elevation of the lot; provided, however, that nothing herein requires installation of such an antenna in a location from which an acceptable quality signal cannot be received, as certified in writing by a licensed installer or which causes an unreasonable delay or cost increase in such installation.

13. Nothing contained herein shall be construed as an obligation of the grantors, or their heirs, executors, administrators, and assigns to remove underbrush or rubbish, or cut grass on any lots owned by them or their heirs, executors, administrators, and assigns. Individual owners of lots in South Shores; however, do hereby covenant and agree to be responsible for the appearance for such lot or lots sold or otherwise conveyed to them by cutting grass and brush and by removing trash and rubbish there from at all reasonable times. Should such owners fail to maintain their lot in compliance with these Restrictive Covenants, the Association reserves the right and privilege to enter upon such property for the purpose of maintaining the appearance of any improved or unimproved lot, the cost of which is to be borne by the lot owner or owners, and such cost shall be assessed and enforced in accordance with Section 18 of these Restrictive Covenants.

14. Lot owners shall not keep any animals, wildlife, livestock, reptiles or poultry of any kind, other than domesticated household birds and fish, dogs or domesticated cats; provided that in no event shall a lot owner or occupant of any lot keep more than a total of three (3) dogs or cats, or a combination thereof not to exceed three (3) animals in total. Breeding of domesticated animals of any kind is strictly prohibited. Pets shall not be permitted to run loose or uncontrolled on their lot and within the community. Lot owners shall immediately clean up any waste left by their pets anywhere within the community.

15. Every person who acquires title, legal or equitable, in any lot in South Shores shall become a member of South Shores Homeowners Association, Inc.; provided that such membership is not intended to apply to those persons, firms, or corporations who hold an interest in any such lot merely as security for the performance of any obligation to pay money; namely, mortgages, deeds of trust, or real estate contract purchases. However, if such person, firms, or corporations should realize upon their security and become the real owner or owners of a lot within South Shores, such persons, firms or corporations will then be subject to all the requirements and limitations imposed in these Restrictions on such owners within South Shores and all members of the Association, including those provisions with respect to alienation and the payment of an annual charge. It is specifically intended that the corporate name "South Shores Homeowners Association, Inc." be the corporate name for the Association that governs South Shores of Cedar Creek Pond, which is referred to and known as "South Shores".

16. The general purpose of the Association shall be to further and promote the community welfare of the property owners in both portions of South Shores. The Association shall also be the means for the promulgation and enforcement of all regulations necessary to the governing of South Shores.

17. The Association shall have all the powers that belong to it by operation of law. The Association shall be governed by a Board of Directors in accordance with the By-Laws of the corporation. Such Board of Directors shall be selected, elected and appointed by the vote in person or by proxy of the individual owners of the majority of the lots located in South Shores, the owner or owners thereof to have one (1) vote for each lot owned by him, her, them or it, as the case may be. The right to vote may be exercised by a member or a member's spouse, co-owner or domestic partner, but in no event shall more than one (1) vote be cast for each lot.

18. Each lot owner in South Shores covenants to pay to South Shores Homeowners Association, and its successors, on June 1st of each year, an annual maintenance assessment as determined annually by the Board in accordance with the annual budget of the Association. A late fee, of Twenty-Five Dollars and No Cents (\$25.00) shall be added to any assessment not paid within thirty (30) days after the due date. The Association shall also have the power and authority to levy and collect special assessments from owners. Without limiting the foregoing, special assessments shall be used for the payment of reconstruction, unexpected repair or replacement of a capital improvement, including the necessary fixtures and personal property related thereto. All

special assessments shall be assessed at a uniform rate for each lot assessed. If a special assessment shall exceed One Hundred Dollars and No Cents (\$100.00) per lot, it shall require approval by the affirmative vote of fifty-one percent (51%) of the owners entitled to vote at a meeting of the Association duly called and held upon notice. Special assessments shall be collectible in such manner as the Board of Directors shall determine. If any annual or special assessment is not paid on the date when stated to be due in the Notice of Assessment, then the assessment shall be deemed delinquent and shall, together with such interest thereon and cost of collection thereof, including reasonable attorney's fees, as hereinafter provided, continue as a lien on the lot and any structure built thereon which shall bind such lot in the hands of the owner, his/her heirs, devisees, personal representatives, successors and assigns. In addition to such lien rights, the obligation of the assessment shall be a personal obligation of the then owner to pay such assessment, however, the personal obligation shall not pass to his successors in title (other than as a lien on the land) unless expressly assumed by them. If the assessment is not paid within thirty (30) days after the delinquency, the assessment shall bear interest from the date of delinquency at the rate of ten percent (10%) per year and the Association may bring legal action against the owner personally obligated to pay the same or may enforce or foreclose on the lien against the lot; and in the event a judgment is obtained, such judgment shall include interest on the assessment from its due date and reasonable attorney's fees to be fixed by the Court, together with costs of collection. No owner of a lot may waive or otherwise escape liability for an assessment provided for herein by nonuse of the common areas or abandonment of his/her or its lot. The Association reserves the right to suspend the enjoyment rights of any member in any easement or common area for the period during which any assessment against such member remains unpaid.

Written notice of the assessment shall be sent to every owner subject thereto. The annual assessment determined by South Shores' Board of Directors can be obtained by written request to: South Shores Homeowners Association, Inc., P. O. Box 66, Lincoln, Delaware 19960. Such assessment thereafter to be determined by the Board of Directors of South Shores Homeowners Association, Inc. for each and every lot owned by said property owner in South Shores. The proceeds received by South Shores Homeowners Association shall be used and expended by it for the installation, construction, repair, maintenance and the like of streets, drainage easements, walkways, recreation areas, water system, electrical transmission facilities, lighting for streets and recreation areas, and similar maintenance and governance purposes. It shall be the responsibility of South Shores Homeowners Association, Inc. to maintain all drainage easements as shown on the plot of South Shores, recorded at Plot Book 42, Page 88, the cost of said maintenance to be taken out of the assessments aforesaid.

19. The Board of Directors shall have the authority to enter into any contact with any utility services for the provision of cable television or radio reception, electrical service, street lighting, water supply system or the like on behalf of the owners and the South Shores Homeowners Association, Inc., as their interests may appear, and the lot owners and the Association shall be responsible for performance of the Board of Director's obligations under such agreements and the lot owners and the Association shall likewise receive all benefits to accrue to the Grantor under said contracts.

20. A water supply system has been installed in the community and each lot shall be required to connect to said water system as a condition of purchase and construction of a residence thereon. Such connection fees shall be paid at the time of settlement for each lot purchased. Each lot shall be likewise subject to a periodic charge for water use which shall be established by the operator of the system in accordance with the prevailing laws and regulations which shall apply to such utility service.

21. Nothing contained herein shall be construed in any manner so as to impose upon the Association, its successors, and assigns, or its officers or directors, any liability for property damage and/or personal injury occurring to any person or persons whomsoever for or by reason of the use of the ways, roads, streets, lands, easements, common areas, or similar conditions, of any of them in South Shores.

22. All side and rear lot lines are reserved for the centerline of a ten foot (10') drainage or utility easement, this reservation being in addition to those easements specifically set out in the plot plan of South Shores as filed in Plot Book 42, Page 88, as recorded in the Office of the Recorder of Deeds, Georgetown, Delaware.

23. These Restrictions may be amended by and with the written consent of no less than sixty percent (60%) of the owners of all the lots in South Shores. The owners of the various lots shall have the power to waive, abandon, terminate, modify, alter, change, amend, or add to these Restrictions or any of them at any time hereafter. Any such waiver, abandonment, termination, modification, alteration, change, amendment, or addition shall take effect when a copy thereof executed and acknowledged by each of the lot owners who assent thereto in accordance with the usual form of execution and acknowledgement of deeds to land, shall have been filed for record in the Office of the Recorder of Deeds, in and for Sussex County, and the same thereafter shall remain in effect in perpetuity, unless the same shall be waived, abandoned, terminated, modified, altered, changed, amended, or added to as the case may be. In the taking of any such vote or the obtaining of any such written consent to the lot owners of South Shores, each owner shall have as many votes or consents as he or she or any business entity may own lots situated in South Shores. The right to vote may be exercised by a member or a member's spouse, co-owner or domestic partner, but in no event shall more than one (1) vote be cast for each lot. Alternatively, any waiver, abandonment, termination, modification, alteration, change, amendment or addition to be recorded may be accompanied by a verified Certificate of the President or other appropriate officer of the South Shores Homeowners Association, Inc. verifying the date, time and place of a meeting of the owners of all of the lots in South Shores and the nature of the vote thereof in support of any such proposal which, when acknowledged and attached to the document to be recorded, shall constitute a presumption that such amendment shall have been properly obtained in accordance with this paragraph without the necessity of the recordation of the written consent of all of the lot owners.

24. The invalidating of any one of the foregoing restrictions by any Court of any competent jurisdiction shall in no way affect or impair the full force and effect of all other restrictions set forth herein and in such event all other restrictions not expressly invalidated thereby shall remain in full force and effect.

25. In addition to any other regulation, requirement or the like with respect to the construction of improvements on any lot in South Shores, each lot owner shall submit a copy of a proposed building site plan showing the location of any proposed improvements on the property to the appropriate Sussex County permitting officials for such permits or approvals as may be necessary at the time construction is to commence.

26. To insure compliance with environmental laws and regulations, septic systems to be erected or installed on any lot in South Shores shall be in accordance with a plan of South Shores as the same may more fully and at large appear by reference to an exhibit filed for record in the Office of the Recorder of Deeds in and for Sussex County at Georgetown, Delaware, which may simultaneously or hereafter be recorded and which is incorporated herein by reference. All septic systems to be placed, erected or installed on each lot shall be in conformity with the said exhibit and each lot owner shall provide to the Association, proof of his or her compliance with these requirements. Deviations from the approved plan shall only be allowed with the express written consent of the Association and the Department of Natural Resources and Environmental Control, or their successors. If no such plan is filed at the time any lot owner begins construction, then the placement of said system shall be in accordance with the regulations then in existence.

NOW THEREFORE the South Shores Homeowners Association, Inc. and the owners of lots and building sites in South Shores of Cedar Creek Pond, do hereby amend the Restrictive Covenants currently applicable to the development as attached hereto.

IN WITNESS WHEREOF, South Shores Homeowners Association, Inc., a Delaware non-stock corporation, by and through its President, does hereby make this Certification, that the attached Second Amendment to Restrictions of South Shores of Cedar Creek Pond has been approved by the consent of a sixty percent (60%) or greater majority of owners of lots, being ____ number of votes in favor of the Amendment, and ____ number of votes in opposition to the Amendment, of a total of ____ owners entitled to vote, at an election which votes were tallied by the Association on _____, 2010 in accordance with all then-existing provisions for the amendment of the Restrictive Covenants.

IN CERTIFICATION WHEREOF, South Shores Homeowners Association, Inc. has caused this Certification to be signed by its President and its corporate seal to be hereunto affixed, attested by its Corporate Secretary on this ____ day of _____, 2010.

SIGNATURES ON THE FOLLOWING PAGE

**SOUTH SHORES HOMEOWNERS
ASSOCIATION, INC.**

President

(Corporate Seal)

Corporate Secretary