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RESTRICTION
RECORDING FEES

\$11.00

PRESENTED & RECORDED:

07-28-2010 02:47 PM

JOHN LANE

REGISTER OF DEEDS
LANCASTER COUNTY, SC

By: JOHN LANE REGISTER

BK: DEED 573

PG: 327-331

STATE OF SOUTH CAROLINA

SECOND AMENDMENT TO
DECLARATION OF PROTECTIVE
COVENANTS FOR
BAILES RIDGE

COUNTY OF LANCASTER

THIS SECOND AMENDMENT TO DECLARATION OF PROTECTIVE COVENANTS FOR BAILES RIDGE (the "Amendment") is made this 28th day of July, 2010, by BAILES INVESTMENT ASSOCIATES, LLC, a North Carolina limited liability company, hereinafter referred to as "Declarant";

WITNESSETH

WHEREAS, the Declaration of Protective Covenants for Bailes Ridge was recorded in Book 165, at Page 1, Lancaster County Register of Deeds (the "Declaration"); and

WHEREAS, the First Amendment to Declaration of Protective Covenants for Bailes Ridge is recorded in Book 285, Page 91, Lancaster County Register of Deeds; and

WHEREAS, Section 3 of Article IX of the Declaration provides that the Declaration may be amended by an instrument signed by the Owners of at least fifty-one percent (51%) of the Total Votes and by the Declarant, so long as the Declarant still owns any portion of the

After recording, mail to:
Susan K. Irvin
P.O. Box 2376
Davidson, North Carolina 28036

Properties (unless the context otherwise requires, all defined terms utilized herein shall have the same meaning ascribed to them in the Declaration); and

WHEREAS, Declarant is the owner of fee simple title to a portion of the Properties; and

WHEREAS, Section 3 of Article III of the Declaration provides that notwithstanding any contrary provisions of the Declaration, the Declarant shall be entitled to fifty-one percent (51%) of the Total Votes of the Members until December 31, 2012;

NOW, THEREFORE, the undersigned Declarant does hereby amend the Declaration as follows:

1. Page 3 of the Declaration is attached hereto and incorporated herein to replace the Page 3 that was not included in the recorded copy of the Declaration.

2. Section 10 of Article 1 is hereby amended to read as follows:

““Member” or “Members” shall mean and refer to Declarant and to any Owner of any Lot (unless horizontal property regime ownership has been established for a Lot, in which case the Member shall be the horizontal property regime association (each, an “HPR Association”) established for such Lot pursuant to Article IX, Section 7 of this Declaration), which person or entity shall automatically be deemed a member of the Association.”

3. The following sentence shall be added as the last sentence of Section 1, of Article IV:

“In addition, the members of any HPR Association established pursuant to Article IX, Section 7 hereof shall, through their membership in the HPR Association, have the rights and privileges afforded to all Owners in this Article IV so long as said members and the HPR Association comply with the provisions of this Declaration.”

4. The following sentence shall be added as the last sentence of Section 8 of Article V:

“The HPR Association for any horizontal property regime established for a Lot pursuant to Article IX, Section 7 of this Declaration shall be responsible for paying Assessments applicable to that Lot, and the Association shall invoice the HPR Association for such Assessments in accordance with this Declaration. However, if the HPR Association does not pay Assessments as required by this Declaration, each owner of a horizontal property

regime unit created pursuant to Article IX, Section 7 hereof shall be liable for the portion of the Assessment for the Lot on which the horizontal property regime building is situated attributable to such unit, to the extent such owner failed to pay the condominium assessments for such unit to the HPR Association, out of which the Assessments under this Declaration will be paid to the Association and such amount, together with interest, costs and reasonable attorney's fees shall be a continuing lien upon such unit owner's fee interest in the unit and common elements appurtenant thereto."

5. The following Section 7 shall be added to Article IX:

"Section 7. Horizontal Property Regime. Declarant expressly reserves the right to establish one or more horizontal property regimes within the Properties. In the event Declarant, in its sole discretion, elects to establish horizontal property regime ownership for one or more of the Lots within the Properties, the HPR Association established therefor shall be a Member of the Association based on the ratio of the acreage within the horizontal property regime Lot to the total acreage within the Properties and such HPR Association, as a Member, shall pay Assessments applicable to such Lot pursuant to this Declaration. Such establishment of a horizontal property regime shall not be considered a subdivision or partition of the Lots. The HPR Association established pursuant to this Section shall comply with and perform the obligations assigned to Owners in this Declaration, including, but not limited to, the obligations set forth in Section 1 of Article V and Sections 1 and 4 of Article VI hereof. Where compliance with the obligations assigned to Owners herein involves compliance by individuals with laws, rules, restrictions or regulations, the HPR Association shall be responsible for enforcing such to the extent required by this Declaration. In the event of a termination of the horizontal property regime for any reason, the members of the HPR Association shall (a) assume the obligations of the HPR Association pro rata based on their percentage interests in the horizontal property regime and (b) automatically become Owners and Members of the Association under this Declaration."

6. The amendment set forth herein are effective on the date hereof. In all other respects the Declaration and shall remain unchanged and the Declaration, as amended, is hereby ratified and shall remain in full force and effect.

[SIGNATURE AND ACKNOWLEDGEMENT APPEAR ON FOLLOWING PAGE]

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Section 5. "Association Landscape and Easement Areas" shall be (a) areas within fifty feet (50') of the margin of Highway 160; (b) areas within thirty feet (30') of the margin of public streets or rights-of-way within and/or abutting the Properties; (c) private streets within the Properties; (d) areas within thirty (30') feet of the margin of private streets within the Properties; (e) those areas designated "Association Landscape and Easement Areas" on maps of portions of the Properties, presently or hereinafter recorded; (f) medians located within the rights-of-way of any public street within the Properties; (g) storm water structures including detention ponds and (h) walking trails

Section 6. "Utility Easements" shall be utility easements in areas within twenty feet (20') of the front and rear boundary lines of each Lot and in areas within ten feet (10') of the side boundary lines of each Lot or such areas designated as "Utility Easement" on maps of portions of the Properties, now or hereafter recorded; provided, however, if the nature of development on a Lot, is such that the Unified Development Ordinance of Lancaster County does not impose a side yard requirement between buildings or other improvements constructed on said Lot and any adjacent Lot, then with respect to such Lot, utility easements shall be in areas within twenty feet (20') from the front and rear boundary lines of such Lot.

Section 7. "Sidewalk Easements" shall be areas located along or adjacent to the street front boundary lines of each Lot or such areas designated as "Sidewalk Easement" on maps of portions of the Properties which are now or hereafter recorded, within which areas sidewalks shall be constructed.

Section 8. "Buffer and Open Space Easement" shall mean areas not encumbered with any substantial structures in accordance with applicable governmental regulations.

Section 9. "Declarant" shall mean and refer to Bailes Investment Associates, LLC and those of its successors and assigns, if any, to whom the rights of Declarant hereunder are specifically transferred by written instrument, subject to such terms and conditions as the Declarant may impose. Upon any transfer by Declarant of any or all of its Declarant rights and obligations hereunder, Declarant shall be relieved of any and all obligations and liabilities with respect to the rights and obligations so transferred.

Section 10. "Member" shall mean and refer to the Declarant and to any owner of any Tract or Lot, which person or entity shall automatically be deemed a member of the Association.

Section 11. "Designated Maintenance Items" shall mean those items located within the rights-of-way of public streets within Bailes Ridge (including property in medians and entrances) and within Association Landscape and Easement Areas, Utility Easements and Sidewalk Easements or which are specifically designated in a written notice delivered to any Owner by the Association, which written notice shall set forth the extent of the maintenance obligations of the Association and the specific locations to which such obligations apply.

This Declaration imposes no obligation on Declarant to construct, install or maintain any of the Designated Maintenance Items, except as expressly set forth in Article VIII hereof.

IN WITNESS WHEREOF, the undersigned Declarant has caused these presents to be
 duly executed by authority duly given as of the day and year first above written.

Signed, sealed and delivered
 in the presence of

BAILES INVESTMENT ASSOCIATES, LLC, a
 North Carolina limited liability company

By: CROSLAND-BAILES, LLC, a North
 Carolina limited liability company, its
 Manager

By: CROSLAND MANAGER, LLC, a North
 Carolina limited liability company, its
 Manager

James M. Piotts
 Witness #1

By: James E. Merrifield
 Name: James E. Merrifield
 Title: Vice President

Kumbia B. Jones
 Witness #2

STATE OF North CAROLINA)
)
 COUNTY OF mecklenburg)

The foregoing instrument was acknowledged before me this 27th day of
July, 2010 by James E. Merrifield as Vice President of
 CROSLAND MANAGER, LLC, a North Carolina limited liability company ("Crosland"),
 Manager of CROSLAND-BAILES, LLC, a North Carolina limited liability company ("CBL"),
 Manager of BAILES INVESTMENT ASSOCIATES, LLC, a North Carolina limited liability
 company ("Bailes"), on behalf of Crosland acting as manager of CBL, acting as manager of
 Bailes.

Betty J. Burkhart [SEAL]
 Notary Public for mecklenburg County, North Carolina
 My commission expires: October 25, 2014

