

FILED FOR REGISTRATION

08614

December 19, 2000 10:57 A.M.

DATE TIME

AND RECORDED IN BOOK 354 PAGE 354

M. BRENT SHOAF, REGISTER OF DEEDS

DAVIE COUNTY, NC

BY Carol J Forest

Deputy

Drawn by: D. M. VonCannon

Return to: D. M. VonCannon

PO Drawer 5129

Winston-Salem, NC

27113-5129

TABLE OF CONTENTS

TO

DECLARATION OF COVENANTS, CONDITIONS

AND RESTRICTIONS FOR

KINDERTON VILLAGE RESIDENTIAL HOMEOWNERS MASTER ASSOCIATION

ARTICLE I ..... 3

Section 1 "Amenities" ..... 3

Section 2 "Annual Assessment" ..... 4

Section 3 "Apartment" or "Apartment Unit" ..... 4

Section 4 "Architectural Guidelines" ..... 4

Section 5 "Board of Directors" or "Board" ..... 4

Section 6 "Bylaws" ..... 4

Section 7 "Charter" ..... 4

Section 8 "Condominium Unit" ..... 4

Section 9 "Committee" ..... 4

Section 10 "Declarant" ..... 4

Section 11 "General Common Areas" ..... 4

Section 12 "Governing Documents" ..... 5

Section 13 "Limited Common Areas" ..... 5

Section 14 "Kinderton Village" ..... 5

Section 15 "Lot" ..... 5

Section 16 "Master Association" ..... 5

Section 17 "Member" ..... 5

Section 18 "Owner" ..... 6

Section 19 "Properties" or "Property" ..... 6

Section 20 "Single-Family Home" ..... 6

Section 21 "Special Assessments" ..... 6

Section 22 "Sub-Association" ..... 6

Section 23 "Townhouse" ..... 6

ARTICLE II ..... 7

Section 1. <u>Property Subject to This Declaration.</u>	7
Section 2. <u>Additions by the Declarant.</u>	7
Section 3. <u>Additions by the Association.</u>	7
ARTICLE III	8
Section 1. <u>Membership.</u>	8
Section 2. <u>Voting Rights.</u>	8
ARTICLE IV	9
Section 1. <u>Purpose.</u>	9
Section 2. <u>General Common Areas.</u>	9
A. <u>Use of General Common Areas.</u>	9
B. <u>Delegation of Use</u>	10
C. <u>Title to the General Common Areas.</u>	10
D. <u>Parking Regulations for Boats, Trailers, etc.</u>	10
E. <u>Antennas and Satellite Dishes</u>	11
F. <u>Rules and Regulations.</u>	11
G. <u>Agreement with Sub-Associations.</u>	11
Section 3. <u>Limited Common Areas.</u>	11
A. <u>Use of Limited Common Areas.</u>	11
B. <u>Delegation of Use and Rules and Regulations.</u>	11
C. <u>Reservation by Declarant.</u>	11
D. <u>Use by Others.</u>	11
E. <u>Title to the Limited Common Areas.</u>	12
ARTICLE V	12
Section 1. <u>Annual Assessment for Maintenance Fund.</u>	12
Section 2. <u>Purpose of Assessments.</u>	12
Section 3. <u>Creation of the Lien and Personal Obligation of Assessments.</u>	13
Section 4. <u>Exempt Property.</u>	13
Section 5. <u>Annual Assessment.</u>	14
Section 6. <u>Special Assessments.</u>	14
Section 7. <u>Payment of Assessment by Declarant.</u>	14
Section 8. <u>Notice and Quorum for Any Action Authorized Under Sections Five and Six.</u>	14
Section 9. <u>Date of Commencement of Annual Assessment; Due Dates; Certificate of Payment.</u>	15
Section 10. <u>Assessment Rate.</u>	15
Section 11. <u>Effect of Nonpayment of Assessment; Remedies of the Master Association.</u>	15
Section 12. <u>Subordination of the Lien to Mortgages.</u>	16
ARTICLE VI	16
Section 1. <u>Approval of Plans and Architectural Committee.</u>	16

Section 2.	<u>Use Restrictions Applicable to all of Kinderton Village.</u>	19
Section 3.	<u>Hobbies and Activities.</u>	24
Section 4.	<u>Nuisances and Unsightly Materials.</u>	24
Section 5.	<u>Governmental Regulations.</u>	25
Section 6.	<u>Other Prohibitions or Requirements.</u>	25
Section 7.	<u>Lakes.</u>	26
Section 8.	<u>Exception for Declarant and Builders.</u>	26
ARTICLE VII		26
Section 1.	<u>Walks, Drives, Parking Areas and Utilities.</u>	26
Section 2.	<u>Utilities and Drainage.</u>	27
Section 3.	<u>Emergency.</u>	27
Section 4.	<u>Encroachments.</u>	27
Section 5.	<u>To Serve Additional Property.</u>	28
Section 6.	<u>For Lake Maintenance and Flood Water.</u>	28
ARTICLE VIII		28
Section 1.	<u>Comprehensive General Liability and Property Insurance.</u>	28
Section 2.	<u>Fire and Hazard Insurance.</u>	29
Section 3.	<u>Fidelity Insurance Coverage.</u>	30
Section 4.	<u>Flood Insurance.</u>	30
Section 5.	<u>Other Insurance.</u>	30
Section 6.	<u>Proceeds.</u>	30
Section 7.	<u>Annual Review of Policies.</u>	30
Section 8.	<u>Deductibles.</u>	31
Section 9.	<u>Waivers.</u>	31
ARTICLE IX		31
Section 1.	<u>Duration.</u>	31
Section 2.	<u>Amendment.</u>	31
Section 3.	<u>Procedure for Certification and Recordation of Amendment.</u>	32
Section 4.	<u>Enforcement.</u>	33
Section 5.	<u>Delegation and Assignability.</u>	33
Section 6.	<u>FHA/VA Approval.</u>	33
Section 7.	<u>Headings and Binding Effect.</u>	33
Section 8.	<u>Unintentional Violation of Restrictions.</u>	33
Section 9.	<u>Conflicts.</u>	34
Section 10.	<u>Professional Management.</u>	34
ARTICLE X		34

STATE OF NORTH CAROLINA            )  
   )  
 COUNTY OF DAVIE                        )

DECLARATION OF COVENANTS,  
 CONDITIONS AND RESTRICTIONS FOR  
 KINDERTON VILLAGE RESIDENTIAL HOMEOWNERS MASTER ASSOCIATION

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is made and entered into this 19th day of December, 2000, by and between ADAMS EGLOFF AVANT PROPERTIES, L.L.C., a North Carolina limited liability company having its principal place of business in Forsyth County, North Carolina ("Declarant"), and any and all persons, firms or corporations hereafter acquiring any of the property more particularly described herein.

WITNESSETH:

WHEREAS, Declarant is the owner of certain real property located near the intersection of Interstate 40 and NC Highway 801, Advance, Davie County, North Carolina, and more particularly described in Book 319, page 168, Davie County Registry, and the Declarant has caused a portion of said property to be subdivided and a plat thereof recorded in Plat Book 7, Pages 143, 144, Davie County Registry. Declarant has additional property under contract which the Declarant intends to acquire and develop, and make part of this Declaration, and if acquired and made subject to this Declaration, the properties will be hereinafter referred to as the "Property" or "Properties";

WHEREAS, Declarant desires to create on all or part of the Property an exclusive, mixed-use, residential community or communities which will contain different types of residential housing. The residential communities will be a part of a larger community which will contain different types of commercial uses such as office space, shopping center, and other commercial property;

WHEREAS, the residential communities and the commercial property will be known as "Kinderton Village," and the concept of residential portion of Kinderton is to be a "Village" development with a distinctive architecture and design as established by this Declaration and architectural design guidelines, pedestrian friendly environments, sidewalks, pastoral surroundings, private streets, large lakes, meadows and natural areas;

WHEREAS, the residential portion of Kinderton will lie north of Interstate 40, along with some commercial areas, and the residential areas will be known as "Kinderton Village", and when used in this Declaration, "Kinderton Village" will mean only the residential area under the Declarant's control or subsequently controlled by the Declarant;

WHEREAS, the Declarant will create certain amenities within the residential area that will be for the general use of all residential communities such as, but the Declarant is not required to provide, private streets, lakes, community center, gazebo, open areas, and such other amenities as the Declarant or Master Association, as hereinafter defined, may create, but neither the Declarant nor the Master Association is required to provide any such amenities;

WHEREAS, the amenities provided for all of the residential communities will be permanent common areas and community facilities for the benefit of all of the residential communities, and will be known and designated as "General Common Area(s)", (hereinafter collectively referred to as "General Common Areas") on the recorded plats of Kinderton Village, as opposed to specific common areas which are only for the use and benefit of a particular community within Kinderton Village;

WHEREAS, Declarant desires to provide for the maintenance and use of the General Common Areas, and to this end, desires to subject such portions of the Property as Declarant, its successor or assigns, so designates to the terms and conditions of this Declaration;

WHEREAS, Declarant has deemed it desirable, for the efficient preservation of values of and amenities in the Property subject to this document, to create an association to which would be delegated and assigned the powers and duties of maintaining and administering the General Common Areas located within such property and establishing a procedure for accessing its members and disbursing the charges and assessments hereinafter created and collected. To this end, Declarant has caused to be created for the purposes aforesaid, a North Carolina non-profit corporation under the name and style of Kinderton Village Residential Homeowners Master Association;

WHEREAS, Declarant anticipates that the Property subject to this Declaration will be developed with different housing styles and forms of ownership by different developers and builders. To these ends, Declarant anticipates forming additional homeowners associations (hereinafter sometimes referred to as "Sub-Associations") which will govern and oversee the particular development and administration of the separate and distinct communities that are anticipated within the Property. Declarant anticipates that such Sub-Associations will be responsible for control, oversight and enforcement of rules and regulations applicable to the particular community, the collection of dues and assessments within such community and the

payment of dues and assessments from such Sub-Association to the Kinderton Village Residential Homeowners Master Association, the intent being that the Kinderton Village Residential Homeowners Master Association will have the responsibility for maintenance and upkeep of the General Common Areas and facilities located within the real property more particularly described hereinafter;

WHEREAS, the Sub-Associations to be formed will constitute the membership of the Kinderton Village Residential Homeowners Master Association and the individual lot, townhouse and condominium owners within any particular community will be members of a Sub-Association but will not, individually, be members of the Kinderton Village Residential Homeowners Master Association; and

WHEREAS, Declarant will require that the Master Association enter into an agreement or agreements with the Sub-Associations so that members of Sub-Associations will have the right to use and enjoy the General Common Areas.

NOW, THEREFORE, the Declarant declares that any real property subjected to Declaration requiring membership in the Kinderton Village Residential Homeowners Master Association and such additions thereto as may hereinafter be made pursuant to Article II hereof, is and shall be owned, held, transferred, sold, conveyed and occupied subject to the following covenants, conditions, restrictions, easements, charges and liens which shall run with the land and be binding upon and inure to the benefit of all owners thereof, their heirs, personal representatives, successors and assigns.

## ARTICLE I

### Definitions

The following terms when used in this Declaration or any supplemental declaration hereto or any other Governing Document, as hereinafter defined, as capitalized terms are intended to have their natural, commonly accepted definitions (unless the context shall prohibit), and shall be specifically defined as follows:

Section 1. "Amenities" shall mean the facilities constructed, erected, or installed on the General Common Areas for the use, benefit and enjoyment of members of the Association.

Section 2. "Annual Assessment" shall mean the funds which a Member pays to the Sub-Association or Master Association, as the case may be, for the regular maintenance, upkeep and other expenses of the Sub-Association or Master Association as provided in Article V hereinafter.

Section 3. "Apartment" or "Apartment Unit" shall mean the individual, separate living spaces contained in a larger building which are leased to individuals for residential living space.

Section 4. "Architectural Guidelines" shall mean the architectural, design and construction guidelines set forth in the Kinderton Village Design Guidelines by Cline Davis Architects, P A./Stimmel Associates, P.A. dated September 18, 2000, and as amended.

Section 5. "Board of Directors" or "Board" shall mean those persons elected or appointed to act collectively as the directors of the Master Association.

Section 6. "Bylaws" shall mean the Bylaws of the Master Association as they now or hereafter exist.

Section 7. "Charter" shall mean the Articles of Incorporation of the Master Association as they are filed in the office of the Secretary of State for North Carolina, and any amendments thereto.

Section 8. "Condominium Unit" shall mean a single-family residence built for sale as a part of larger building described in an area designated by a recorded declaration of condominium ownership and/or on a recorded plat showing the location and dimensions of individual condominium units.

Section 9. "Committee" shall mean the committee formed by the Board of Directors to enforce the architectural control described in Article VI. Until the Committee is formed the Declarant shall carry out the duties described in Article VI.

Section 10. "Declarant" shall mean and refer to Adams Egloff Avant Properties, L.L.C., its successors and assigns.

Section 11. "General Common Areas" shall mean that real property containing Amenities for the general use of the homeowners in Kinderton Village regardless of the type of residential property that the homeowner has, i.e., apartment, single family, townhouse or condominium unit, and regardless of the General Common Areas' location, i.e., the General Common Area may be located within or without the boundaries of the Sub-Associations, but

such General Common Area shall be designated as such on a recorded plat for the purpose of designating the General Common Area or on the recorded plats of the Sub-Associations. The General Common Area will be conveyed to the Master Association by the Declarant.

Section 12. "Governing Documents" shall mean this Declaration and any applicable supplements or amendments, the Articles of Incorporation of the Association, the By-Laws of the Association, and the Architectural Guidelines, all as they may be amended.

Section 13. "Limited Common Areas" shall mean all real property owned by the Sub-Association for the common use, benefit and enjoyment of the Owners of Lots in a particular Sub-Association and designated as "Limited Common Open Space" or "Limited Common Areas" on any recorded plat in the office of the Register of Deeds for Davie County in accordance with the provisions of this Declaration or the declaration of a Sub-Association and which makes reference to this Declaration or the declaration of the Sub-Association. The term "Limited Common Areas" does not include the General Common Areas as defined in the Master Declaration and owned by the Master Association for the use, benefit and enjoyment of all Sub-Associations.

Section 14. "Kinderton Village" shall mean residential portions of the property developed in the northeast quadrant created by Interstate 40 and Highway 801 in Davie County, NC and any additional residential properties added thereto.

Section 15. "Lot" shall mean and refer to any plot of land, whether or not improvements are constructed thereon, which constitutes or will constitute, after the construction of improvements, a single dwelling site as shown on plats for Kinderton Village, or amendments thereto, recorded in Davie County Registry, and as used in this Declaration for calculating all voting matters and apportioning costs and assessments, "Lot" shall also mean a townhouse or condominium unit as defined herein, and shall also mean an Apartment Unit contained within any apartment building located on any of the Properties. In the event any Lot is increased or decreased in size by re-subdivisions, through recordation of new subdivision plats, any such newly platted Lot shall thereafter constitute a Lot for the purposes of this Declaration.

Section 16. "Master Association" shall mean and refer to the Kinderton Village Residential Homeowners Master Association, Inc., a nonprofit corporation organized and existing under the laws of the State of North Carolina, its successors and assigns.

Section 17. "Member" shall mean and refer to every Sub-Association of Homeowners in Kinderton Village which association holds membership in the Master Association.



Section 18. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot, as hereinafter defined, which is a part of the Property, including contract sellers and owners of an equity of redemption, but excluding those having such interest in a Lot solely as security for the performance of an obligation. In the case of apartments, the "Owner" is the owner of the fee simple title to the real estate.

Section 19. "Properties" or "Property" shall mean and refer to all of the land which makes up the residential portion of Kinderton Village and which is subject to this Declaration and any supplementary Declaration or annexation permitted under the provisions of Article II hereof.

Section 20. "Single-Family Home" shall mean a single-family residence upon any Lot other than a Lot lying within the area designated by a recorded plat for Townhouses, Condominiums, or Apartments.

Section 21. "Special Assessments" shall mean an assessment of funds against the membership of the Sub-Association or Master Association applicable to that year only for the purpose of defraying, in whole or in part, the cost of any capital improvement, repairs or replacement of any capital improvement, repairs or replacement of any improvement on the General or Limited Common Areas, and repair or replacement of the paving on the private streets and any private easements created by the Declarant to provide access to more than one (1) Lot.

Section 22. "Sub-Association" shall mean and refer to the residential-use homeowners associations, including, but not limited to, single family homeowners association(s), townhouse association(s), condominium association(s), or apartment association(s) formed (or to be formed) within Kinderton Village which are members of the Master Association. Each such Sub-Association shall enforce and administer separate declarations of covenants, conditions and restrictions which reflect the particular type and form of housing development subject thereto.

Section 23. "Townhouse" shall mean any single-family residence built for sale as a part of a larger building but built on a Lot in an area designated by a recorded plat for townhouse residences, located within a building which is designed to contain more than one private dwelling unit.

## ARTICLE II

Property Subject to This Declaration  
and  
Additions Thereto

Section 1. Property Subject to This Declaration. The property which is, and shall be held, transferred, sold, conveyed, and occupied subject to this Declaration is located in Davie County, North Carolina, and is more particularly described as the first phase of the Kinderton Village subdivision as described in Deed Book 319, Page 168, Davie County Registry, and any additions as herein provided.

Section 2. Additions by the Declarant. Without further assent or permit, Declarant hereby reserves the right, exercisable from time to time in its sole discretion, to add properties in the future to the terms and conditions of this Declaration without further declaration and to bring such additional properties, whether or not such additional properties are a part of the original Kinderton Village property, within the jurisdiction of the Master Association through membership in an existing or new Sub-Association.

The additions herein authorized shall be made by filing of record one or more supplementary Declarations in respect to the property to be then subject to this Declaration and which shall extend the jurisdiction of the Master Association to such properties and thereby subject such addition to assessment for its just share of the Master Association's expenses. Each supplementary Declaration may contain such complementary additions and modifications of the covenants, conditions and restrictions contained herein as may be necessary to reflect the different character of the added property; provided, however, any such supplemental Declaration or any such other Declaration shall not revoke or otherwise amend the provisions of this Declaration as this Declaration pertains to the Properties subject hereto.

Section 3. Additions by the Association. The Association may also expand Kinderton Village to include additional property by recording a supplementary Declaration describing the additional property and the intent to subject it to the provisions of this Declaration. Any such supplementary Declaration shall require the affirmative vote of the Members representing more than fifty percent (50%) of the Class A votes and more than fifty percent (50%) of the Class B votes represented at a meeting duly called for such purpose and the consent of the owner of the additional property. In addition, so long as the Declarant owns property subject to this Declaration or which may become subject to this Declaration in accordance with this Article II, Declarant's consent shall be necessary. The supplementary

Declaration shall be signed by the President and Secretary of the Association, by the owner of the additional property, and by the Declarant, if Declarant's consent is necessary.

### ARTICLE III

#### Membership And Voting Rights

Section 1. Membership. Every Sub-Association, its successors and assigns, which is formed pursuant to the terms and conditions hereof to oversee and administer the Properties shall be a member of the Master Association.

Section 2. Voting Rights. Although the Sub-Associations will constitute the membership of the Master Association, each Sub-Association shall have the number of votes in the Master Association matters as is determined by the following provisions:

(a) Class A Lots. Each Sub-Association shall have the number of votes in the Master Association matters as is determined by the number and type of Class A Lots within the development overseen and administered by the Sub-Association. Class A Lots shall be all Lots except Class B Lots as the same are hereinafter defined. The voting rights in the Master Association matters attributable to each Sub-Association on the basis of Class A Lots shall be as follows:

(1) Townhouses. A Sub-Association which oversees and administers townhouses shall be entitled to one vote for each designated Lot within such townhouse subdivision as shown on the recorded plat of such subdivision.

(2) Single-Family Homes. A Sub-Association which oversees and administers single-family homes shall be entitled to one vote for each designated Lot within such single-family subdivision as shown on the recorded plat of such subdivision.

(3) Condominiums. A Sub-Association which oversees and administers condominium units shall be entitled to one vote for each designated Condominium Unit within such condominium subdivision as shown on the recorded plat or other record of ownership of such condominium development.

(4) Apartments. A Sub-Association which oversees and administers the apartment buildings shall be entitled to one vote for each designated Apartment Unit within the apartment association.

(b) Class B Lots. The Declarant shall have the number of votes in the Master Association matters as is determined by the number of Class B Lots within the Properties. Class B Lots shall be all Lots within the Properties owned by Declarant. The Declarant shall be

entitled to three (3) votes for each Class B Lot designated by a recorded plat for the development of Townhouses, Single-Family Homes, Condominium Units, and Apartment Units.

(c) Representative. Each Sub-Association which is a member of The Master Association, shall elect or otherwise designate one (1) representative from such sub-association to vote on its behalf at all meetings of the Master Association and on all Master Association matters. Such representatives shall be entitled to cast the number of votes for such Sub-Association as is determined in accordance with this Article III.

#### ARTICLE IV

##### Common Areas Property Rights

Section 1. Purpose. There shall be two types of common areas in Kinderton Village, General Common Areas and Limited Common Areas, as defined hereinabove, and as so designated on the recorded plats of Kinderton Village.

##### Section 2. General Common Areas

A. Use of General Common Areas. Every Owner and tenant of any Apartment (through membership in a Sub-Association and the Sub-Association's membership in the Master Association) shall have a nonexclusive right and easement of access to and enjoyment in and to the General Common Areas which shall be appurtenant to and shall pass with the title for every Lot subject to the provisions of this Declaration and other Governing Documents, but such rights of enjoyment shall be subject to the following:

(a) The right of the Master Association and the applicable Sub-Association to limit the use of the General Common Areas to Owners and tenants of any Apartments, their families and guests and the members of Sub-Associations and other Sub-Associations which are a members of this Master Association.

(b) The right of the Master Association and the applicable Sub-Association to suspend the voting and enjoyment rights of an Owner for any period during which any assessment against his or her Lot remains unpaid.

(c) The right of the Master Association to mortgage, to dedicate or to transfer all or any part of the General Common Areas to any public agency, authority, utility, or other entity for such purposes and subject to such conditions as may be agreed to by a majority vote of the members of the Master Association. No such dedications or transfer shall be effective unless the action of the Members is evidenced by a signed and recorded written document,

provided that this Section shall not preclude the Board of Directors of the Master Association from granting easements for the installation and maintenance of electrical, telephone, cablevision, water and sewerage, utilities and drainage facilities upon, over, under and across the General Common Areas without the assent of the membership when such easements are requisite for the convenient use and enjoyment of the General Common Areas or such easements are needed for the use and development of Kinderton Village and will not materially alter the nature and character of the General Common Areas.

(c) The foregoing notwithstanding, the Declarant expressly reserves the right for itself and any builders who purchase Lots in Kinderton Village who have received written permission from the Declarant, to construct and maintain upon portions of the General Common Areas and Limited Common Areas such facilities and activities as Declarant, in its sole discretion, may determine is reasonably required, convenient, or incidental to the construction or sale of residences on the Lots, including but not limited to, construction trailers, model homes, sales offices, signs, and the storage of building materials. Declarant and those authorized by the Declarant shall have all of the necessary easements for access and use of such common areas at no charge.

B. Delegation of Use. The right and easement of enjoyment granted to every Owner in Section One of this Article may be exercised by members of the Owner's family, and an Owner may delegate his or her rights of enjoyment in the General Common Areas to his or her tenants or contract purchasers who occupy the residence of the Owner within the Properties.

C. Title to the General Common Areas. The Declarant hereby covenants for itself, its successors and assigns, that it will convey fee simple title to the General Common Areas, if any, shown on the aforementioned recorded plats to the Master Association, free and clear of all encumbrances and liens, except easements of record, easements provided for or reserved herein, and easements to governmental authorities. Similarly, Declarant will convey to the Master Association any General Common Areas which are part of this development as those portions are annexed in the future.

D. Parking Regulations for Boats, Trailers, etc. The Master Association may regulate the parking of boats, other watercraft, trailers, motor homes, recreational vehicles, golf carts, stored or inoperable vehicles, equipment, and other such items on the General Common Areas (including the provision of special facilities for which a reasonable charge may be made). Nor shall any such vehicles, boats, or equipment be parked within the right-of-way of any public or private street in or adjacent to the Property; provided however, the Board may (but shall not be obligated to) grant permission for visitors to temporarily park such vehicles on streets for a period not to exceed seven (7) days while visiting the occupants of a Lot.

E. Antennas and Satellite Dishes. The Master Association may regulate or prohibit the erection of any type of antennas, including but not limited to, CB, TV, Video, and Short Wave, on any General Common Areas.

F. Rules and Regulations. The Board of Directors of the Master Association shall have the power to formulate, publish and enforce reasonable rules and regulations concerning the use and enjoyment of the General Common Areas, including all rules regarding the use of the lakes located on the General Common Areas. Such rules and regulations, along with all policy resolutions and policy actions taken by the Board of Directors, shall be recorded in a Book of Resolutions, and the Book of Resolutions shall be maintained in a place convenient to the Owners and available to them for inspection during normal business hours.

G. Agreement with Sub-Associations. The Master Association hereby covenants and agrees that any Sub-Association which becomes a member of the Master Association and the individual Owners who are members of the Sub-Associations will have the right to use and enjoy the General Common Areas and, reciprocally, the obligation to contribute to the maintenance and upkeep of the General Common Areas.

### Section 3. Limited Common Areas.

A. Use of Limited Common Areas. The Limited Common Areas are reserved exclusively for the use and benefit of the Owners and tenants of a particular Sub-Association. By way of illustration, Limited Common Areas may include entry signs and entry landscaping, recreational facilities, other landscaping and other Amenities within a particular Sub-Association. All costs associated with the maintenance, repair, replacement, and insurance of any Limited Common Areas shall be at the sole expense of the Sub-Association and paid from the Sub-Association assessments allocated among its Owners.

B. Delegation of Use and Rules and Regulations. The delegation of use and the rules and regulations of the Limited Common Areas shall be as set forth in the Sub-Association Declaration of Covenants, Conditions and Restrictions.

C. Reservation by Declarant. Notwithstanding having designated certain Limited Common Area to a particular Sub-Association, the Declarant reserves the right to later dedicate said Limited Common Area for the non-exclusive use of other Sub-Associations, so long as said additional Sub-Associations share in the common expense of said Limited Common Areas on a pro rata basis, based on the number of Lots in each Sub-Association.

D. Use by Others. Upon approval by a majority of the Members of the Sub-Association to which particular Limited Common Area has been dedicated, the Sub-Association

may permit Owners who are not Members of the Sub-Association, but who are Owners within Kinderton Village, to use all or a portion of such Limited Common Area upon payment of a reasonable user fee as established by the Sub-Association Board of Directors.

E. Title to the Limited Common Areas. The Declarant hereby covenants for itself, its successors and assigns, that it will convey fee simple title to the Limited Common Areas, if any, shown on the recorded plats of the Sub-Association property to the Sub-Association (or to the developer of the Sub-Association property as a part of the Sub-Association property), free and clear of all encumbrances and liens, except easements of record, easements provided for or reserved herein, and easements to governmental authorities.

## ARTICLE V

### Covenants for Maintenance Assessments

Section 1. Annual Assessment for Maintenance Fund. For each Lot owned within the Properties, each Sub-Association covenants and agrees to collect and pay to the Master Association from each Owner within the subdivision overseen and administered by such Sub-Association, and every Owner covenants, and each subsequent Owner of any such Lot, by acceptance of a deed therefor, whether or not it is so expressed in such deed, is deemed to covenant and agree to pay to the Master Association (through payment to the applicable Sub-Association and subsequent payment to the Master Association):

(a) Annual Assessments or charges for the creation and continuation of a maintenance fund as established by the Board,

(b) Special Assessments as approved by the Master Association, to be established and collected as hereinafter provided.

The Annual Assessment provided for herein for the Master Association shall be payable in advance on an annual basis by every Sub-Association, unless the Master Association decides by a majority vote to have the assessment payable monthly. The Annual Assessment shall be due on January 1 of each year. The assessment shall begin to accrue from the date of closing the sale of a lot to the ultimate Owner, not the builder or other developer.

Section 2. Purpose of Assessments. The assessments levied by the Master Association shall be used to provide funds for such purposes and common expenses as are for the benefit of the Master Association, the Sub-Associations, and the Owners, their tenants, guests, and invitees, which purposes may include, but are not limited to, maintenance, repair, insurance, landscaping and beautification of the General Common Areas and enforcement of the rules,

regulations and restrictions provided for in the Governing Documents, and which purposes shall specifically include;

(a) the payment of electric bills for decorative street lighting whether or not such lighting is installed in the General Common Areas or the Limited Common Areas or along or in the public or private streets,

(b) maintenance of the private streets,

(c) maintenance and liability for the common sewer lift station necessary to pump sewage across Interstate 40 to the sewer force main located near NC Highway 158.

Funds may also be used to provide other services to promote the health, safety and welfare of the Owners and in particular for the acquisition, improvement and maintenance of the properties, services and facilities related to the use and enjoyment of the General Common Areas, including but not limited to the cost of repair, replacement and additions thereto; the cost of labor, equipment, materials, management and supervision thereof; the payment of taxes assessed against all General Common Areas; the procurement and maintenance of insurance; the employment of attorneys, accountants and other professionals to represent the Association when necessary or useful; the employment of security personnel to provide any service which is not readily available from any governmental authority; and such other needs as may arise. Any additional uses and purposes for assessments may be adopted by an amendment to this Declaration, as provided in Article IX herein.

Section 3. Creation of the Lien and Personal Obligation of Assessments. To secure payment of any assessment, as each assessment becomes due, there shall arise a continuing lien and charge against each Lot, the amount of which shall include costs and reasonable attorneys' fees to the extent permissible by law. Each such assessment, together with such interest, costs and reasonable attorneys' fees shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment fell due; such personal obligation shall not pass to successors in title unless expressly assumed by them, provided such assumption shall not relieve such Owner of such obligation if the same is not paid when due by the successor assuming it.

Section 4. Exempt Property. The assessments, charges and liens created under this Article V shall not apply to the Limited Common Areas, the General Common Areas, nor shall it apply to any Lot the title to which is vested either in any first mortgagee subsequent to foreclosure or in the Secretary of Housing and Urban Development or the Administrator of Department of Veterans' Affairs or any other State or Federal governmental agency which acquires title by reason of such agency's guarantee or insurance of a foreclosed mortgage loan;



provided, however, that, upon the resale of such property by such first mortgagee or such governmental agency, the assessment herein provided shall again commence and accrue and shall be fully applicable to such Lot upon the conveyance to any subsequent Owner. Any Lot which becomes vested in the Master Association or which Declarant may hereafter designate for common use as part of any common areas or otherwise shall be exempt from the assessments and charges created herein. In addition, all property dedicated to and accepted by a local public authority, all land granted to or used by a utility company, all properties owned by a charitable or nonprofit organization exempt from taxation under the laws of the State of North Carolina shall be exempt from the assessments, charges and liens created hereby.

Section 5. Annual Assessment. The Annual Assessment shall be set each year by the Board of Directors of the Master Association as provided in Section Eight hereunder and in the Master Association's Bylaws.

Section 6. Special Assessments. In addition to the Annual Assessment authorized above, the Master Association may levy, in any assessment year, a Special Assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any capital improvement, repairs or replacement of any capital improvement, repairs or replacement of any improvement on the General Common Areas, including the repair or replacement of the paving on the private streets and private easements created by the Declarant to provide access to more than one Lot. Provided that any such assessment by the Master Association shall have the consent of fifty-one percent (51%) of the votes of all Owners of Lots not owned by the Declarant as cast by the representative to the Master Association at a meeting duly called for this purpose in accordance with the provisions of the By-Laws. Any such Special Assessment passed by the Master Association shall not apply to the Declarant.

Section 7. Payment of Assessment by Declarant. Notwithstanding anything in this Article V to the contrary, the Declarant shall at no time be required to pay, in any form, the Annual Assessment or any Special Assessment imposed by the Master Association or any Sub-Association.

Section 8. Notice and Quorum for Any Action Authorized Under Sections Five and Six. Written notice of any meeting called for the purpose of taking any action authorized under Sections 5 and 6 of this Article shall be sent to the designated representative of each Sub-Association not less than ten (10) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence in person or by proxy of representatives of Sub-Associations entitled to cast thirty percent (30%) of all the votes shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the

required quorum at the preceding meeting. No such subsequent meeting shall be held less than six (6) months following the preceding meeting

Section 9. Date of Commencement of Annual Assessment; Due Dates; Certificate of Payment. At least thirty (30) days before January 1 of each year, the Board of Directors shall establish the amount of the Annual Assessment against each Lot, and in the event the Board elects not to fix such assessment rate as herein provided, the amount of the prior year's Annual Assessment shall be the fixed amount. Written notice of any changed assessment rate shall be sent to the Board of Directors of each Sub-Association. The due dates for the payment of Annual Assessment and Special Assessments shall be established by the Board of Directors. The Master Association shall, upon demand and for a reasonable charge, furnish a certificate signed by an officer of the Master Association setting forth whether the assessments on a specified Lot have been paid to date.

Section 10. Assessment Rate. The Annual Assessment for the Lots within the Properties shall be fixed by dividing the annual budget amount or Special Assessment by the number of Lots contained within all Sub-Associations made subject to this Declaration; the quotient of such division shall be each Lot's share of such Annual Assessment or Special Assessment.

Section 11. Effect of Nonpayment of Assessment; Remedies of the Master Association. Unless the Board of Directors of the Master Association directs otherwise, the Sub-Associations shall collect the Annual and Special Assessments from the Owners along with the assessments for the Sub-Association, and shall remit the Annual Assessments and Special Assessments for the Master Association to the Master Association. The Sub-Associations will be primarily responsible for collecting any past due Annual or Special Assessments. All assessments not paid within thirty (30) days after the due date together with interest from the due date at the rate of eighteen percent (18%) or such other rate as the Board may establish (to the extent allowed by law), late charges as determined by Board resolution, costs, and reasonable attorneys' fees shall be the personal obligation of each Owner and a lien upon each Lot until paid in full, whether or not any notice of lien has been filed with the Office of the Clerk of Superior Court for David County, NC. The Master Association, its agent or representative, or the applicable Sub-Association, its agent or representative, may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Lot to which the assessment relates, and interest, costs and reasonable attorneys' fees for such action or foreclosure shall be added to the amount of such assessment to the extent allowed by law. An Owner may not waive or otherwise escape liability for the assessments provided for herein by non-use of the General Common Areas or abandonment of his or her Lot. No diminution or abatement of assessments shall be claimed or allowed for any alleged failure of the Master Association or Board to take some action or perform some function required of

it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action it takes.

Section 12. Subordination of the Lien to Mortgages. The liens provided for herein shall be subordinate to the lien of any deed of trust (sometimes hereinafter called "mortgage") on any Lot if, but only if, all such assessments with respect to such Lot having a due date on or prior to the date such mortgage is filed for record have been paid. The lien and permanent charge hereby subordinated is only such lien and charge as relates to assessments authorized hereunder having a due date subsequent to the date such mortgage is filed of record and prior to the satisfaction, cancellation or foreclosure of such mortgage or the sale or transfer of the mortgaged property pursuant to any proceeding in lieu of foreclosure or the sale or transfer of the mortgaged property pursuant to a sale under power contained in such mortgage. Sale or transfer of any Lot to a New Owner shall not affect any assessment lien, unless the sale or transfer of the Lot is pursuant to a foreclosure or under a power of sale or any proceeding in lieu of foreclosure, and in that event shall extinguish the lien of such assessment as to payments which became due prior to such sale or transfer, but the Master Association and the applicable Sub-Association shall have a lien upon the proceeds from foreclosure or of sale junior only to the said foreclosed first mortgage and the equity of redemption of the mortgagor or trustor. No sale or transfer shall relieve such Lot from liability for any assessment thereafter becoming due or from the lien thereof.

## ARTICLE VI

### Architectural and Landscaping Control, Inspection and Use Restrictions

Declarant shall have the responsibility of enforcing the restrictions set forth in this Article prior to the formation of the Committee, which, upon appointment by the Board of Directors, shall assume and be responsible for enforcement of these restrictions. References in this Article to "Committee" shall mean "Declarant" until the Committee is appointed and references to "Declarant" shall mean "Committee" once it is appointed. The following architectural restrictions shall apply to each and every Lot and building now or hereafter subject to this Declaration, and references to "Lot" in this Article VI shall include the building constructed for townhouses, condominiums and apartments.

#### Section 1. Approval of Plans and Architectural Committee.

(a) No site preparation or initial construction, erection, or installation of any improvements, including, but not limited to, dwellings, outbuildings, landscaping (including installation and removal), fences, walls, signs, antennas, mailboxes, post lamps, and other structures, shall be undertaken upon the Lots unless the plans and specifications therefor,

showing the nature, kind, shape, height, materials, color and location of the proposed improvements on the Lot, including but not limited to, the house, decks, garage, driveway, parking areas, plants, shrubs, trees (including trees to be removed), and any other permanent structures or changes to be made to the Lot, shall have been submitted to the Committee and expressly approved in writing. No subsequent alteration or modification which will result in an exterior, structural change to the dwelling, outbuilding, or significant changes to the landscaping may be undertaken on any of the Lots without the prior review and express written approval of the Committee. This shall include, without limitation, signs; basketball goals, swing sets and similar sports and play equipment; clotheslines; garbage cans; woodpiles; above-ground and in-ground swimming pools; hedges; walls; dog runs and animal pens; and fences of any kind. The dwelling constructed on the Lot, including buildings which house townhouses, condominiums and apartments, must meet, in the sole discretion of the Committee, the minimum requirements of the Architectural Guidelines to be considered for approval by the Committee.

(b) In the event that the Committee fails to approve or disapprove the site or design of any proposed improvements within sixty (60) days after plans and specifications therefor have been submitted and received, approval will not be required, and the requirements of this Article will be deemed to have been fully met; provided, that the plans and specifications required to be submitted shall not be deemed to have been received by the Committee if they contain erroneous data or fail to present adequate information upon which the Committee can arrive at a decision.

(c) For purposes of Section 1, subparagraph (b) above, plans and specifications will not be deemed to have been "received" unless the Declarant acknowledges in writing such receipt or the plans and specifications are sent by certified or registered mail to the Declarant, and a return receipt is received acknowledging the receipt thereof.

(d) The Committee shall have the right, at its election, to enter upon the Lots during site preparation or construction, erection or installation of improvements to inspect the work being undertaken and to determine that such work is being performed in conformity with the approved plans and specifications and in a good and workmanlike manner, utilizing standard industry methods and good quality materials.

(e) In reviewing the plans and specifications, the Committee may consider any factors it deems relevant, including, without limitation, harmony of external design with surrounding structures and environment. Decisions may be based on purely aesthetic considerations. Each Owner acknowledges that determinations as to such aesthetic matters are purely subjective and opinions may vary as to the desirability and/or attractiveness of particular improvements and that the determination of the Committee as to aesthetic judgment shall be final and shall not be subject to judicial review so long as exercised with the procedures set forth in

this Article. Each Owner acknowledges that the members of the Committee will change from time to time and that opinions on aesthetic matters, as well as interpretation and application of the Architectural Guidelines, may vary accordingly.

(e) The approval of any such plans, specifications or other items submitted to the Committee pursuant to this Article VI is made on the basis of aesthetic considerations only and shall not impose any liability or responsibility on the Committee or the Master Association with respect to either the compliance or non-compliance of any such plans, specifications or other items (including any improvements or structures erected in accordance therewith) with applicable zoning ordinances, building codes or other governmental or quasi-governmental laws, ordinances, rules and regulations or defects in or arising from such plans, specifications or other items (including, without limitation, defects relating to engineering matters, structural and design matters and the quality or suitability of materials).

(f) Any Owner may request that the Committee issue a certificate of architectural compliance certifying that there are no known violations of this Article or the Architectural Guidelines. The Committee shall either grant or deny such request within thirty (30) days after receipt of the written request and may charge a reasonable administrative fee for issuing such certificates. Issuance of such a certificate shall estop the Association from taking enforcement action with respect to any condition as to which the Association had notice as of the date of the certificate.

(g) For so long as Declarant owns a Lot in Kinderton Village, or until such time as the Declarant notifies the Board of Directors in writing of its desire to have the Master Association elect the members of the Committee, the Declarant shall serve as the Committee, and shall exercise the authority to approve plans and other matters set forth in this Article. After Declarant divests itself of all Lots within the Property, or so notifies the Master Association, the Committee shall be elected by a majority of the votes of the Members, cast in person or by proxy, at a meeting duly called for this purpose.

(h) The exterior maintenance of the dwellings located on a Lot and other improvements constructed thereon, if any, shall be the duty and responsibility of the Owner of such Lot or Sub-Association, as the case may be, and shall not be the responsibility of the Master Association. If, however, in the opinion of the Board of Directors, any Owner fails to discharge his or her repair, maintenance or upkeep responsibilities in a reasonable and prudent manner to a standard harmonious with that of the other Lots in Kinderton Village, the Board, at its discretion, and following ten (10) days written notice to the Owner, may enter upon and make or cause to be made maintenance work or repairs as may be deemed reasonably required by the

Board. The Master Association, or its agents, shall have an easement for the purpose of accomplishing the foregoing. The costs incurred by the Master Association in rendering such services plus a charge of twenty percent (20%) of such costs, shall be added to and become a part of the assessments to which such Lot is subject.

(i) The Declarant shall be solely responsible for the initial landscaping of the General Common Areas. Once the General Common Areas, or parts thereof, are transferred to the Master Association, the care and maintenance of the landscaping of the General Common Areas shall be a common expense and the responsibility of the Master Association.

(j) The cost of landscaping on each Lot and the cost of repair, maintenance and upkeep of Limited Common Areas within or peculiar to a Sub-Association shall be the sole expense of the Owner or the Sub-Association, as the case may be.

Section 2. Use Restrictions Applicable to all of Kinderton Village.

The following use restrictions shall apply to all of the property subject to this Declaration, including property within the Sub-Associations. Any conflict between these use restrictions and the use restrictions of a Sub-Association shall be resolved in favor of the following use restrictions, it being understood that the following use restrictions shall control:

(a) All structures must be built to comply substantially with the plans and specifications as approved by the Committee, and before any house may be occupied it must be completely finished and a certificate of completion must have been issued by the local or state authority empowered to do so.

(b) All Lots (including condominium units, townhouses, and apartment units) shall be used for single-family residential use only. No building shall be erected, altered, placed or permitted to remain on any Lot that exceeds three (3) stories in height (exclusive of finished attic space). Any additional building or out buildings which an Owner wants to construct on a Lot must be approved in writing by the Committee.

(c) No Lot shall be used for the operation of any kind of timesharing, fractional-sharing, or similar program whereby the right to exclusive use of the Lot rotates among participants in the program on a fixed or floating time schedule over a period of years.

(d) Lot boundaries may not be changed without the consent of the Committee.

(e) Each Owner must provide on the Lot at least one additional parking space (which may be on the driveway) for off-street parking, over and above the parking spaces in

garages or carports. Notwithstanding any of the foregoing, the location of any detached garage or carport must be approved by the Committee.

(f) No permanent structures shall be erected having exposed exterior walls of concrete blocks, and all driveways must be paved with either concrete or brick pavers.

(g) No Lot shall be used as a street or other type of access for any adjoining tracts of land whether or not they are a part of the Property, unless the Declarant gives its written consent, which consent may be withheld in its sole discretion.

(h) Building setback requirements shall be as shown on the recorded plats of the Properties or in the Architectural Guidelines. All other setback requirements shall be as required by applicable zoning unless otherwise designated on the recorded plat(s).

(i) No business, profession, professional clinic or other trade or business activity shall be carried on upon any Lot or in any building erected thereon except a Lot Owner may use one room of the residence as a home office, provided there is nothing visible from outside the residence to indicate a room is being used as an office; there are no business clients or members of the general public coming to the residence because of the business being conducted in the residence; and there is nothing being done in the residence which may be or become an annoyance or nuisance to the neighborhood.

The terms "business" and "trade", as used in this paragraph, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the providing of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether, (i) such activity is engaged in full or part-time, (ii) such activity is intended to or does generate a profit, or (iii) a license is required for the activity. Notwithstanding the foregoing, nothing herein shall prevent the Declarant or any builder from conducting any activity with respect to the development of Kinderton Village or the construction and sale of dwellings therein.

(j) No trailer, basement, tent, shack, garage, barn or other outbuilding erected on the Lots shall be used at any time as a residence, temporarily or permanently, nor shall any structure of any temporary character be used as a residence. This restriction shall not apply to construction trailers used during the construction of improvements on the Lot.

(k) No stable, barn, or out building shall be erected or allowed to remain on any Lot for domestic animals. No animals, livestock or poultry of any kind shall be raised, bred, pastured or maintained on any Lot, except standard household pets which may be kept thereon

in reasonable number as pets for the sole pleasure and purpose of the occupants but not for any commercial use or breeding purpose. Any standard household pets which are permitted by this paragraph shall be kept primarily within the residence and shall not be housed outside of the dwelling. No housing, cages, pens, fences, or enclosures shall be located on any Lot for purposes of housing or restraining such pets. No pets shall be permitted in or upon the General Common Areas or Limited Common Areas unless restrained by a leash. The walking of any pets on streets, General or Limited Common Areas or Lots belonging to others, for the purposes of allowing pets to relieve themselves of bodily wastes, is prohibited and each pet owner is responsible for retrieving any excrement deposited by his or her pet in the event of unintentional depositing of such waste.

(l) No property in the subdivision shall be used for the sale of any items, including automobiles, nor shall inoperable automobiles, automobiles which are not used on a regular basis, or other debris, trash or storage items be allowed to accumulate or to remain on any Lot of the subdivision.

(m) Declarant reserves an easement for, and the right at any time in the future to grant, rights-of-way for the installation and maintenance of public utilities across, on or under any Lot along the front, rear and side property lines, but such rights-of-way must be used so as to interfere as little as possible with the use of the Lot by its Owner. Further, there is reserved on behalf of Declarant and the standard utility companies for electricity, telephone, cable, natural gas, and any other standard utility company which has been approved by the Committee, an easement to enter upon the premises to maintain, repair, or modify existing or future underground facilities, and the Owners, or their successors in title to said Lots, shall in no way interfere with said facilities, or dig up, cut or tamper with said facilities except at their own peril and in violation of the rights of said utility companies. No public utility company or governmental entity or agency shall obtain any right in the easement reserved herein without an express written and recorded grant thereof by Declarant. In the event the Property subject to this Declaration is served by any underground public utility facilities, the service to structures erected thereon shall be connected to the underground facility at the pedestals provided for this purpose.

(n) Decorative fencing of good quality may be erected, but the quality, style, color, and location of said fencing must be approved by the Committee. Fencing must be maintained in a good state of repair.

(o) No communications or television receiving dish, antenna or similar item may be erected or placed on any Lot, or on any building on any Lot, except a satellite dish less than one (1) meter in diameter. Before installing a satellite dish less than one (1) meter in diameter, the Lot Owner must make a good faith effort to locate the dish in the rear yard area and



screen the dish such that the dish is not visible from any Lot, the street or any General or Limited Common Areas. The screening for the dish must be approved by the Committee.

(p) Incinerators for garbage, trash or other refuse shall not be used or permitted to be erected or placed on any Lot. Any and all equipment, coolers, woodpiles, garbage cans, refuse or storage piles placed on a Lot (whether temporary or permanent) shall be screened to conceal same from the view of adjoining Lots, roads, streets, or General or Limited Common Areas. Plans for all screens, walls and enclosures must be approved by the Committee prior to construction.

(q) No leaves, trash, garbage or other similar debris shall be burned on any Lot or General or Limited Common Area. No garbage, trash, construction debris or other unsightly or offensive materials shall be placed upon any portion of the Lot, except as is temporary and incidental to the bona fide improvement of any portion of the Lot.

(r) No lumber, brick, stone, cinder block, concrete or other building materials, scaffolding, mechanical devices or any other thing used for building purposes shall be stored on any Lot except for the purpose of construction on such Lot or for the purpose of staging materials for construction of improvements on other Lots if the Declarant or builder designates the Lot as a staging area for such construction materials. In either event, such materials shall not be stored on the Lot for longer than the length of time reasonably necessary for completion of the improvement(s) in which same is to be used.

(s) No exposed above-ground tanks will be permitted for storage of fuel or water or any other substance.

(t) No Owner shall excavate or extract earth from any of the Lots subject to this Declaration for any business or commercial purpose. No elevation changes shall be permitted which materially affect surface grade of surrounding Lots.

(u) No outside toilet facility may be constructed or maintained on any Lot except during construction of improvements on any Lot.

(v) Outside clotheslines and such clothes-handling devices will not be permitted.

(w) Individual mailboxes or mail receptacles are prohibited on the Lots, unless permitted on an individual basis by the Committee. Community mail collections stations will be provided by the Declarant and maintained by each Sub-Association.

(x) No sign of any kind whatsoever shall be erected upon or displayed or otherwise exposed to view on any Lot or any improvement thereon, except for standard realtor "for sale" signs (no subcontractor's signs or lender's shall be allowed).

(y) No house trailer, motor home, boat, boat trailer, camper, trailer, vessel, motorcycle or other recreational vehicle shall be permitted on any Lot unless such trailer, boat, camper, motorcycle or other vehicle is kept within the garage with the garage door closed and not visible from any adjoining Lot or Lots, streets or General or Limited Common Areas. It is the intention of this restriction to prevent the parking of any such vehicles in the parking area of the Lot other than the Owner's or the Owner's invitees' passenger automobiles and pickup trucks. No vehicle which contains any commercial printing or signs on the vehicle may be parked on a Lot unless it is either parked within a closed garage or is temporarily parked on the Lot by an invitee of the Owner. Notwithstanding the foregoing, the Board of Directors may, but shall not be obligated to, grant permission for visitors to temporarily park such vehicles overnight on driveways or streets for a period not to exceed seven (7) days or nights while visiting the occupants of a Lot.

(z) All motorized vehicles operating on any Properties, Lots, General or Limited Common Areas and streets of Kinderton Village, whether public or private streets, must be operated in a safe and proper manner and must have proper mufflers so as to eliminate noise which might be offensive to others. Minibikes and similar two, three, or four-wheeled vehicles are prohibited from being used or operated on or within Kinderton Village, unless the prior written consent of the Board of Directors is first secured.

(aa) No temporary structure or storage building shall be permitted on any Lot unless screened from view of adjoining Lots, streets or General and Limited Common Areas; provided, however, temporary buildings and other structures shall be permitted during the construction period of the dwellings on Lots. No garage, outbuilding or other appurtenant structure shall be used for residential purposes, either temporary or permanently, except for a finished room or rooms which are a part of the attached garage, without the written consent of the Committee.

(bb) Trees may be removed, where necessary, for the construction of driveways and dwellings or if located within six (6) feet of the foundation of the house or garage or swimming pool. All other trees over four (4) inches in diameter (measured eighteen (18) inches from the surface of the ground) shall be retained unless their existence creates a hazard to the property.

(cc) The Use Restrictions set forth in this Section 2 shall not apply to Lots during the period of construction of the dwelling unit upon the Lots. As soon as a dwelling unit has been completed on a Lot, these Use Restrictions shall immediately apply to the Lot.

(dd) In all cases the Use Restrictions set forth or provided for in this Section 2 shall be construed together and shall be given that interpretation or construction which will best tend toward their strict enforcement, and, if necessary, they shall be so extended or enlarged by implication as to make them fully effective.

Section 3. Hobbies and Activities. The pursuit of hobbies or other inherently dangerous or unsightly activities including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices which might tend to cause disorderly, unsightly or unkempt conditions; the shooting of firearms, fireworks or pyrotechnic devices of any type or size; and such other activities shall not be pursued or undertaken on any part of any Lot or the General and Limited Common Areas without the consent of the Board of Directors of the Master Association.

Section 4. Nuisances and Unsightly Materials. Each Owner shall refrain from any act or use of his or her Lot which could reasonably cause embarrassment, discomfort, annoyance or nuisance to the neighborhood. No noxious, offensive, unsafe or illegal activity shall be carried on upon any Lot. No Lot shall be used in whole or in part for storage of rubbish of any character whatsoever; nor shall any substance, thing or material be kept upon any Lot which will emit foul or noxious odors or which will cause any noise that will or might disturb the peace and quiet of the occupants of surrounding property. No trash, rubbish, stored materials, wrecked or inoperable vehicles or similar unsightly items shall be allowed to remain on any Lot outside an enclosed, covered structure. However, the foregoing shall not be construed to prohibit temporary deposits of trash, rubbish and other debris for pickup by garbage and trash removal service units. Each Owner shall maintain the improvements on the Lot in a neat and orderly manner. In the event any Owner of any Lot fails or refuses to maintain the improvements and the Lot in a neat and orderly manner or to keep the Lot from accumulating any of the foregoing unsightly items, weeds or underbrush, the Master Association may, at its option, ten (10) days after posting a notice thereon or mailing a notice to said Owner at his or her property address requesting Owner to comply with the requirements of this Section, enter and remove all such unsightly items and growth at said Owner's expense, and such Owner shall be personally liable to the Master Association for the costs of removal, and the costs, until paid, and said costs shall be a permanent charge and lien upon such Lot enforceable to the same extent and collectible as provided for in Article V, entitled "Covenants for Maintenance Assessments". By acquiring property subject to these restrictions, each and every Owner agrees to pay such costs promptly upon demand by the Master Association, its agents, assigns, or representatives. No such entry

as provided in this Section shall be deemed a trespass. The provisions of this Section shall not apply to Lots upon which houses are under construction.

Section 5. Governmental Regulations. Each Owner shall observe all governmental building codes, health regulations, zoning restrictions and other regulations applicable to his or her Lot. In the event of any conflict between any provision of any such governmental code, regulation or restriction and any provision of the Governing Documents, the more restrictive provision shall apply.

Section 6. Other Prohibitions or Requirements.

(a) No vent or other pipes or appendages may extend from the front of any dwelling, unless screened from public view by a screening material or shrubbery approved by the Committee.

(b) Any exterior air-conditioning or heating equipment must be screened from public view by a screening material or shrubbery approved by the Committee.

(c) Downspouts and gutters must be so constructed so as not to promote the erosion of the soil of any Lot.

(d) Any outdoor lighting must be shielded so as to cast no direct light upon adjacent Lots.

(e) Use or discharge of any radio, loudspeaker, horn, whistle, bell, or other sound device so as to be audible to occupants of other Lots shall be prohibited, except alarm devices used exclusively for security purposes.

(f) There shall be no trapping or killing of wildlife within the Property, except in circumstances posing an imminent threat to the safety of persons in Kinderton Village and except as expressly permitted by the Board of Directors.

(g) There shall be no activities which materially disturb or destroy the vegetation, wildlife, wetlands, or air quality within Kinderton Village or which use excessive amounts of water or which result in unreasonable levels of sound or light pollution. This paragraph shall not apply to any activities of the Declarant or any builder with respect to the development of Kinderton Village or the construction and sale of dwellings therein.

Section 7. Lakes.

(a) Lakes which are shown on the recorded plat(s) of the Property, whether or not so labeled, shall be General Common Areas for the use and enjoyment of every Owner, subject to the rules and regulations of the Master Association. Use of the lakes by the Owners shall not include the use of Lots whose lot lines extend to the high water mark of the lakes, and use of the lakes shall be limited to the areas designated as "General Common Areas" adjacent to the lake or lakes.

(b) Maintenance of the lakes and dams shall be the duty of the Master Association, and no Owner by virtue of owning a Lot adjacent to the lake shall be required to assist in the maintenance of the lake except through the payment of the regular assessment paid by all Owners to the Sub-Association and the Sub-Association's payment to the Master Association.

(c) The Board of Directors shall establish rules and regulations governing the activities which are permitted in and on the lakes, but until said rules and regulations are enacted, there shall be no swimming, boating, use of personal flotation devices, or other active use of the lakes except for fishing from the banks of the lakes in designated areas.

(d) Neither the Declarant, the Master Association, nor any Sub-Association shall be responsible for any loss, damage, or injury to any persons or property arising out of the authorized or unauthorized use of the lakes, ponds, streams or other bodies of water within Kinderton Village.

Section 8. Exception for Declarant and Builders. The rules, restrictions, regulations and prohibitions provided for in this Article VI are intended for the use and protection of the future Owners of Lots in Kinderton Village, and nothing herein shall prevent or prohibit the Declarant or any builder from developing the Properties subject to this Declaration and constructing dwellings thereon so long as said development and construction are within the standards of the Architectural Guidelines.

## ARTICLE VII

### Easements

Section 1. Walks, Drives, Parking Areas and Utilities. All of the Properties, including Lots, townhouse properties, condominium properties, apartment properties, and General and Limited Common Areas, shall be subject to such easements for driveways, walkways, parking areas, water lines, sanitary sewers, storm drainage facilities, gas lines,

telephone and electric power lines, television antenna lines, and other public utilities as shall be established prior to subjecting the properties to this Declaration by the Declarant or its predecessors in title. The Master Association shall have the power and authority to grant and to establish in, over, upon, and across the General and Limited Common Areas such further easements as are requisite for the convenient use and enjoyment of the properties.

Section 2. Utilities and Drainage. All utility lines of every type, including but not limited to water, electricity, natural gas, telephone, sewage and television cables, running from the main trunk line or service locations must be underground. The Declarant reserves unto itself, its successors and assigns, a perpetual, alienable and releasable easement and right on, across, over and under the ground to erect, maintain, replace and use water, sewer, electric and telephone systems, wires, cables, and conduits for the purpose of bringing public services, including television cable service, to the Lots, townhouse properties, condominium properties, apartment properties, and General and Limited Common Areas, said easement to be within (i) ten (10) feet of each lot line or other property line fronting on a street and (ii) twenty (20) feet along the rear line of each lot or other property, (iii) the rights-of-way of any street or road shown on any recorded plat(s) of the Property, and (iv) such other areas as are shown on any recorded plats of the Property; provided further, that the Declarant or Master Association may cut, at its own expense, drainways for surface water wherever and whenever such action is reasonably required in order to maintain reasonable standards of health, safety and appearance. These easements and rights expressly include the right to cut any trees, bushes or shrubbery, take or add any soil, or to take any other similar action reasonably necessary to provide economical and safe utility installation or to maintain reasonable standards of health, safety and appearance.

Section 3. Emergency. There is hereby reserved without further assent or permit, a general easement over the private streets, General and Limited Common Areas to all policemen and security guards employed by Declarant or the Master Association or any Sub-Association, firemen, ambulance personnel and all similar law enforcement and emergency personnel to enter upon the Property, or any property or portion thereof which is now or hereafter made subject to this Declaration, in the performance of their respective duties.

Section 4. Encroachments. The Declarant grants reciprocal appurtenant easements of encroachment, and for maintenance and use of any permitted encroachment, between each Lot and any adjacent General or Limited Common Area and between adjacent Lots due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of the these restrictions) to a distance of not more than three (3) feet, as measured from any point on the common boundary along a line perpendicular to such boundary. However, in no event shall an easement for encroachment exist if such encroachment occurred due to the willful and knowing conduct on the part of, or with the knowledge and consent of, the party claiming the benefit of such easement.

Section 5. To Serve Additional Property. The Declarant hereby reserves for itself and its duly authorized agents, successors, assigns, and mortgagees, a perpetual, non-exclusive easement over any of the General or Limited Common Areas for the purposes of enjoyment, use, access, and development of any property brought into the Association by a supplemental Declaration as provided in Article II herein. This easement includes, but is not limited to, a right of ingress and egress over any General or Limited Common Areas for construction of roads and for connecting and installing any and all utilities on such additional property.

Section 6. For Lake Maintenance and Flood Water. The Declarant reserves for itself, the Association, and their successors, assigns and designees, the non-exclusive right and easement, but not the obligation, to enter upon bodies of water and wetlands located on any of the General or Limited Common Areas to (i) install, operate, maintain, and replace pumps to supply irrigation water to any of the General or Limited Common Areas, (ii) construct, improve, maintain, and repair structures and equipment used for retaining or draining water, and (iii) maintain such common areas in a manner consistent with this Declaration or the directives of the Board of Directors. Declarant, the Association, and their successors, assigns and designees shall have an access easement over and across any of the Lots to the extent reasonable necessary to exercise their rights under this Section.

The Declarant further reserves for itself, the Association, and their successors, assigns and designees, a perpetual, non-exclusive right and easement of access and encroachment over the General and Limited Common Areas and the Lots (but not the dwellings thereon) adjacent to or within fifty (50) feet of bodies of water and wetlands within the Property, in order to (i) temporarily flood and back water upon and maintain water over such portions of the Property as is reasonably necessary, (ii) alter in any manner and generally maintain the bodies of water and wetlands within the General or Limited Common Areas, and (iii) maintain and landscape the slopes and banks pertaining to such areas. All parties entitled to exercise these easements shall use reasonable care in use of these easements and repair any damage resulting from the intentional exercise of the easements. Nothing herein shall be construed to make the Declarant or the Association liable for damage resulting from flooding due to heavy rainfall or other natural occurrences.

## ARTICLE VIII

### Insurance

Section 1. Comprehensive General Liability and Property Insurance. Comprehensive general liability and property damage insurance shall be purchased by the Board of Directors of the Master Association and shall be maintained in force at all times, the premiums thereon to be paid by the Master Association as a common expense. If Declarant pays the premium, it shall be entitled to reimbursement from the Master Association. The insurance shall be carried with reputable companies authorized to do

business in the State of North Carolina, in such amounts as the Board may determine; the insurance carrier should have a current rating by Best's Insurance Reports of VI or better, or a financial rating of Class VI and a general policyholder's rating of at least A. If the insurer does not meet this rating requirement, the insurer must be reinsured by a company that does have a current rating by Best's Insurance Reports of VI or better.

A comprehensive policy of general liability insurance shall be in force for a minimum amount of \$1,000,000 per occurrence, covering all claims for bodily injury and/or property damage arising out of a single occurrence, such coverage to include protection against liability for non-owned and hired automobiles, liability for property of others, and, if applicable, host liquor liability and other risks which are customarily covered with projects similar in construction, location and use. The policy or policies shall name as insured all of the Sub-Associations and the Master Association. Declarant shall also be named as an additional insured on such policy or policies until such time as Declarant shall have conveyed all the Lots within the Property to unrelated third-party purchasers. The policy or policies shall insure against loss arising from perils in the General Common Areas and shall include contractual liability coverage to protect against such liabilities as may arise under the contractual exposure of the Master Association or its Board of Directors.

The Policy or policies shall contain a "severability of interest" clause or endorsement which shall preclude the insurer from denying a claim of an Owner or the Master Association because of negligent acts of the Master Association or other Owners.

Section 2. Fire and Hazard Insurance. Fire and other hazard insurance shall be purchased by the Board of Directors of the Master Association and shall thereafter be maintained in force at all times, the premiums thereon to be paid by the Master Association as a common expense, such policy to cover the General Common Areas. The policy or policies shall be of a master or blanket type with a standard all risk endorsement, and insure against loss from perils therein including coverage on all of the improvements in the General Common Areas, except such as may be separately insured, and except land, foundation, excavation and other items normally excluded from coverage. Such policy or policies shall contain extended coverage, vandalism and malicious mischief endorsements. The improvements to be insured under this clause shall be continually insured to value, and the policy or policies shall contain replacement cost insurance. If reasonably available, the policy or policies shall contain a stipulated amount clause, or determinable cash adjustment clause, or similar clause to permit a cash settlement covering specified value in the event of destruction and a decision not to rebuild. The policy or policies shall name as insured all of the Sub-Associations, the Master Association and Declarant, so long as Declarant is the Owner of any Lots. The policy or policies shall also cover personal property owned by the Master Association or in common by any Owner, their tenants, invitees or agents, and shall further contain a waiver of subrogation rights by the carrier as to negligent owners. If Declarant pays the premium for said policy or policies, it shall be entitled to reimbursement from the Master Association.

The insurance shall be carried with reputable companies authorized to do business in the State of North Carolina, in such amounts as the Board of Directors of the Master Association may determine. The insurance carrier should have a current rating by Best's Insurance Reports of VI or better or a financial rating of Class VI and a general policyholder's rating of at least A. If the insurer does not meet



this rating requirement, the insurer must be reinsured by a company that does have a current rating by Best's Insurance Reports of VI or better.

Section 3. Fidelity Insurance Coverage. The Master Association shall provide for fidelity coverage against dishonest acts on the part of the Officers, Directors, Management Contractors, employees or volunteers responsible for handling funds belonging to or administered by the Master Association. The fidelity bond or insurance must name the Master Association as the named insured and shall be written in an amount sufficient to provide protection, which is in no event less than 1.5 (one and one-half) times the insured's estimated annual operating expenses and reserves. In connection with such coverage, an appropriate endorsement to the policy to cover any person or persons who serve without compensation shall be added if the policy would not otherwise cover volunteers. If requested by an Owner or first mortgagee, such policies shall additionally provide that the policies cannot be cancelled by either the insured or the insurance company until after ten (10) days' prior written notice to all who have requested such notice.

Section 4. Flood Insurance. In the event General Common Areas is or shall become located in an area identified by the Federal Emergency Management Agency (FEMA) as an area having special flood hazards, a "blanket" policy of flood insurance must be maintained in the amount of 100% of current "replacement cost" of all such buildings and other insurable property or the maximum limit of coverage available, whichever is less. The name of the insured under each required policy must be stated in form and substance similar to the following:

"The Kinderton Village Residential Homeowners Master Association, Inc. for use and benefit of the Members, individual Residential Owners and their first mortgagees."

Section 5. Other Insurance. The Board of Directors of the Master Association may purchase and maintain in force as a common expense, debris removal insurance, plate or other glass insurance, fidelity bonds and other insurance or bonds that it deems necessary. The Board of Directors of the Master Association shall purchase and maintain worker's compensation insurance to the extent that the same shall be required by law respecting employees of the Master Association.

Section 6. Proceeds. The Master Association shall receive the proceeds of any casualty insurance payments received on the policies obtained and maintained pursuant to this Article. To the extent that repairs and reconstruction are required herein and there is a determination that any improvements on the General Common Areas shall not be rebuilt, the proceeds shall be distributed to the Sub-Association on a pro-rata basis based on the number of Lots in the Sub-Association.

Section 7. Annual Review of Policies. All insurance policies shall be reviewed at least annually by the Board of Directors of the Master Association to ascertain whether the coverages contained in the policies are sufficient for the upcoming year, whether any necessary repairs or

replacements of the property which occurred in the preceding year were covered by insurance, and that all possible insurance claims have been filed.

Section 8. Deductibles. No insurance policy applicable to either fire or extended coverage shall contain a deductible clause which exceeds the greater of:

- (a) \$500.00
- (b) One percent (1%) of the face amount of the policy.

If an Owner, who by a negligent or willful act, causes damage to the General Common Areas which are insured as a common expense, then said Owner shall bear the whole cost of the deductible required in the blanket insurance policy for the Master Association. An Owner shall be responsible for any action of members of his or her family, his or her tenants or his or her guests which causes damage to the General Common Areas.

Section 9. Waivers. All such policies of insurance shall contain waivers of subrogation and waivers of any defense based on an invalidity arising out of the acts of an Owner of property in Kinderton Village or Member.

## ARTICLE IX

### General Provisions

Section 1. Duration. This Declaration and the foregoing restrictions shall be construed to be covenants running with the land and shall be binding and effective for a period of twenty-five (25) years from the date this Declaration is recorded in the office of the Register of Deeds for Davie County, North Carolina, and at the end of which time they shall be automatically extended for successive periods of ten (10) years each unless it is agreed by a majority of the votes entitled to be cast in Master Association matters to change, amend or revoke this Declaration and the restrictions contained herein in whole or in part. Every purchaser, Owner or subsequent grantee of any interest in any Property now or hereafter made subject to this Declaration, by acceptance of a deed or other conveyance therefor, hereby agrees that the covenants and restrictions of this Declaration may be extended as provided in this Article.

Section 2. Amendment. This Declaration may be amended unilaterally at any time and from time to time by Declarant (a) if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation or judicial determination which shall be in conflict therewith; (b) if such amendment is necessary to enable any reputable title insurance company to issue title insurance coverage with respect to the

Properties subject to this Declaration; (c) if such amendment is required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on the Lots subject to this Declaration; or (d) if such amendment is necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the Properties or individual Lots subject to this Declaration; provided, however, any such amendment shall not adversely affect the title to any Owner's Lot or property unless any such Owner shall consent thereto in writing. Further, so long as Declarant has the right unilaterally to subject additional property to this Declaration as provided in Article II hereof, Declarant may unilaterally amend this Declaration for any other purpose so long as said amendment promotes or makes no change to the common scheme of development; provided, however, any such amendment shall not materially adversely affect the substantive rights of any property owner hereunder, nor shall it adversely affect title to any property without the consent of the affected owner.

Section 3. Procedure for Certification and Recordation of Amendment. Any instrument amending these covenants, conditions, and restrictions (other than an amendment by the Declarant) shall be delivered, following approval by the Members, to the Board of Directors of the Master Association. Thereupon, the Board of Directors shall, within thirty (30) days after delivery, do the following:

(a) Reasonably assure itself that the amendment has been approved by the Members of the Master Association.

(b) Attach to the amendment a certification as to its validity, which certification shall be executed by the Master Association in the same manner that deeds are executed.

(c) Immediately, and within the thirty (30) day period aforesaid, cause the amendment to be executed by the Association officers and recorded in the Davie County Registry.

All amendments shall be effective from the date of recordation in the Davie County 3 Registry, unless a later effective date is specified therein; provided, however, that no such instrument shall be valid until it has been indexed in the name of the Master Association. When any instrument purporting to amend the covenants, conditions and restrictions has been certified by the Board of Directors, recorded and indexed as provided by this Section, it shall be conclusively presumed that such instrument constitutes a valid amendment as to the Owners of all lots in the Sub-Associations.

Section 4. Enforcement. If any person, firm or corporation shall violate or attempt to violate any of these restrictions, it shall be lawful for the Declarant, the Master Association, any Sub-Association, or other person, firm or corporation owning any Property subject to the terms hereof to bring an action against the violating party at law or in equity for any claim which these restrictions may create in such other Owner or interested party either to prevent said person, firm or corporation from so doing such acts or to recover damages for such violation. Any failure by the Master Association, Sub-Association, Declarant or any Owner to enforce any of said covenants and restrictions or other provisions shall in no event be deemed a waiver of the right to do so thereafter. Invalidation of any one or more of these restrictions by judgment or court order shall neither affect any of the other provisions not expressly held to be void nor the provisions so voided in circumstances or application other than those expressly invalidated, and all such remaining provisions shall remain in full force and effect together with the provisions ruled upon as they apply to circumstances other than those expressly invalidated.

Section 5. Delegation and Assignability. Declarant shall at all times and from time to time have the right to delegate any and all functions herein reserved to Declarant. Further, notwithstanding any other provision contained herein to the contrary, Declarant shall have the right at all times and from time to time to fully transfer, convey and assign all or any part of its right, title and interest (whether real or personal) in and to the General Common Areas to the Master Association. In the event of any such sale, transfer or conveyance, Declarant shall not be liable to any person for any injury or loss resulting from failure of performance or negligent performance of Declarant's obligations under these covenants arising after such sale, transfer or conveyance.

Section 6. FHA/VA Approval. As long as there is a Class B membership, the following actions will require the prior written approval of the Federal Housing Administration or the Department of Veterans' Affairs: annexation of additional properties, dedication of General Common Areas or Limited Common Areas, and amendment of this Declaration of Covenants, Conditions and Restrictions. This paragraph shall apply only in the event Declarant desires FHA or VA approval for any development, phase or portion thereof, in Kinderton Village.

Section 7. Headings and Binding Effect. Headings are inserted only for convenience and are in no way to be construed as defining, limiting, extending or otherwise modifying the particular Sections to which they refer. The covenants, agreements, and rights set forth herein shall be binding upon and inure to the benefit of the respective heirs, executors, successors and assigns of the Declarant and any Owner and all persons or entity claiming by, through or under Declarant or any Owner.

Section 8. Unintentional Violation of Restrictions. In the event of unintentional violation of any of the foregoing restrictions with respect to any Lot, the Declarant or its

successors reserves the right (by and with the mutual written consent of the Owner or Owners for the time being of such Lot) to change, amend, or release any of the foregoing restrictions as the same may apply to that particular Lot.

Section 9. Conflicts. In the event of any irreconcilable conflict between the Declaration and the Bylaws of the Master Association, the provisions of this Declaration shall control. In the event of any irreconcilable conflict between this Declaration or the Bylaws of the Master Association and the Articles of Incorporation of the Master Association, the provisions of the Articles of Incorporation shall control.

Section 10. Professional Management. Declarant reserves the right to select professional management of the Master Association for the period during which Declarant maintains voting control of the Master Association. Declarant is not required to engage professional management, but may, if Declarant so desires. Following the transfer of voting control to the Members pursuant to Article III, the Members may vote either to engage professional management for the Master Association, or to self manage the Master Association. Any contract for professional management shall provide that the Master Association may terminate said contract on the giving of not less than ninety (90) days' notice.

## ARTICLE X

### Dissolution or Insolvency of the Master Association

In the event that the Master Association becomes insolvent or for any reason whatsoever loses the ownership of any of the General Common Areas, the Owners of Lots having an interest in such General Common Areas or any Member of the Master Association may, at their election as determined by majority vote of those affected, form a nonprofit corporation as provided in the Articles and Bylaws of the Master Association and assign to it the duty and authority to assess on a per lot basis all Lots having an interest in such General Common Areas, whereupon such corporation shall maintain such General Common Areas in the same manner that the Association is empowered to do by this instrument with the same right of lien for assessments provided for herein.

IN WITNESS WHEREOF, the Declarant has caused this Declaration of Covenants, Conditions and Restrictions to be duly signed this 19<sup>th</sup> day of December, 2000.

[SEE NEXT PAGE FOR SIGNATURES]

ADAMS EGLOFF AVANT PROPERTIES,  
L.L.C., a N. C. limited liability company (SEAL)

By: Kerry L. Avant (SEAL)  
Kerry L. Avant, Member

By: Richard C. Egloff (SEAL)  
Richard C. Egloff, Member

By: Trent C. Adams (SEAL)  
Trent C. Adams, Member

CONSENT OF OTHER LOT OWNERS

K. T. Isenhour Construction Co., Inc. joins in the execution of this Declaration for the purposes of giving its consent to the terms and provisions of the Declaration and to subject the lots owned by it which are a part of the single family lots of Kinderton Village described herein to all of the terms and conditions of the foregoing Declaration.

K.T. ISENHOUR CONSTRUCTION CO., INC.  
By: [Signature]  
\_\_\_\_\_, President

STATE OF NORTH CAROLINA )  
 )  
COUNTY OF FORSYTH )

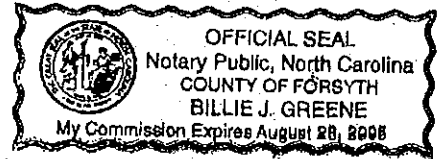
I, Billie J. Greene, a Notary Public of Forsyth County, State of North Carolina, do hereby certify that Kerry L. Avant, Richard C. Eglöff, and Trent C. Adams, Members of ADAMS EGLOFF AVANT PROPERTIES, L.L.C., a N.C. limited liability company personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and notarial seal, the 19<sup>th</sup> day of December, 2000.

Billie J. Greene  
Notary Public

My commission expires:

August 28, 2005



STATE OF NORTH CAROLINA )  
 )  
COUNTY OF FORSYTH )

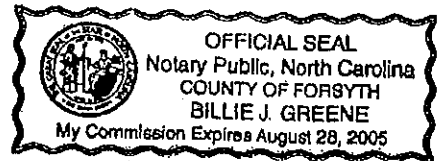
I, Billie J. Greene, Notary Public of Forsyth County, State of North Carolina, certify that K. T. ISENHOUR personally came before me this day and acknowledged that he/she is President (Title) of K. T. ISENHOUR CONSTRUCTION CO., INC., a North Carolina corporation, and that he/she, as the President of said corporation, being duly authorized to do so, executed the foregoing instrument on behalf of the corporation.

Witness my hand and official seal, this the 19<sup>th</sup> day of December, 2000.

Billie J. Greene  
Notary Public

My Commission Expires:

August 28, 2005



NORTH CAROLINA, DAVIE COUNTY

The foregoing certificates of Billie J. Greene, Notary Public of Forsyth County, NC, are certified to be correct. This the 19 day of December, 2000.

M. BRENT SHOAF, REGISTER OF DEEDS by Carol J. Forest Deputy

COPY

06464

FILED FOR REGISTRATION  
 July 29, 2002 11:22 A.M.  
 DATE TIME  
 AND RECORDED IN BOOK 430 PAGE 415  
 M. BRENT SHOAF, REGISTER OF DEEDS  
 DAVIE COUNTY, NC  
 BY Martina Smith deputy

Drawn by & return to:  
 Donald M. VonCannon  
 Allman Spry Leggett & Crumpler, P.A.  
 PO Drawer 5129  
 Winston-Salem, NC 27113-5129

NORTH CAROLINA ) FIRST AMENDMENT TO DECLARATION  
 ) OF COVENANTS, CONDITIONS AND  
 DAVIE COUNTY ) RESTRICTIONS FOR KINDERTON  
 VILLAGE RESIDENTIAL HOMEOWNERS  
 MASTER ASSOCIATION

THIS FIRST AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR KINDERTON VILLAGE RESIDENTIAL HOMEOWNERS MASTER ASSOCIATION, made this 25<sup>th</sup> day of July, 2002, by ADAMS EGLOFF AVANT PROPERTIES, L.L.C., a North Carolina limited liability company, having its principal office in Forsyth County, North Carolina, hereinafter referred to as the "Declarant";

WITNESSETH:

WHEREAS, Adams Egloff Avant Properties, L.L.C. caused to be recorded in Book 354, Page 354, Davie County Registry, a Declaration of Covenants, hereinafter referred to as the "Declaration", which established certain Restrictions, Covenants and Conditions for the property described therein;

WHEREAS, the Declarant desires to amend the Declaration by permitting the Annual Assessment to be collected on a quarterly basis as well as a monthly or annual basis, and to amend the Use Restrictions in Section 2 of Article VI of the Declaration;

WHEREAS, Section 2 of Article IX of the Declaration provides that the Declaration may be amended by the Declarant so long as the Declarant has the right to subject additional property to the Declaration as provided in Article II of the Declaration; and

WHEREAS, at the time of execution of this Amendment, the Declarant still has the right to subject additional property to the Declaration.

NOW, THEREFORE, the Declarant does hereby amend the Declaration of Covenant, Conditions and Restrictions recorded in Deed Book 354, Page 354, Davie County Registry, as follows:

1. The first sentence of the last full paragraph of Section 1 of Article V of the Declaration shall be amended by deleting the first sentence in its entirety and substituting the following: "The Annual Assessment provided for herein for the Master Association shall be payable in advance on an annual basis by every Sub-Association, unless the Master Association decides by a majority vote to have the assessment payable monthly or quarterly."



2. The third and fourth sentences of paragraph (k) of Section 2 of Article VI (beginning with "Any standard household pets . . ." and ending with ". . . restraining such pets." of the Declaration shall be amended by deleting the said sentences in their entirety and substituting the following: "Any standard household pets which are permitted by this paragraph shall be kept primarily within the residence and/or within a fenced-in area of the rear yard, which fenced-in area shall comprise at least one-half (1/2) of the rear yard portion of the Lot. No such pet shall be restrained by a chain, cage or pen and no such pet shall be allowed to disturb other Owners or be a nuisance to the neighbors."

3. Paragraph (p) of Section 2 of Article VI of the Declaration shall be amended by deleting the words "garbage cans" in the second line of the paragraph and the following sentence added to the paragraph: "Garbage cans do not have to be screened from view so long as the garbage cans are kept within the garage or behind the residence and are not visible from any street. If located behind the residence, the garbage cans and the area around the garbage cans must be kept in a neat and presentable appearance."

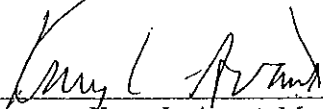
4. The third sentence of paragraph (y) of Section 2 of Article VI (beginning with "No vehicle which . . ." and ending with ". . . invitee of the Owner." of the Declaration shall be amended by deleting the said sentence in its entirety and substituting the following: "No vehicle which contains any commercial printing or signs on the vehicle may be parked on a Lot unless it is parked on the driveway of the residence and is the primary vehicle of one of the occupants of the residence."

5. Paragraph (b) of Section 6 of Article VI of the Declaration shall be amended by deleting the said paragraph in its entirety and substituting the following: "If any exterior air-conditioning or heating equipment is visible from any street, it must be screened from public view by a screening material or shrubbery approved by the Committee."

EXCEPT AS AMENDED HEREIN, all other terms and conditions of the aforesaid Declaration shall remain as stated.

IN WITNESS WHEREOF, the Declarant has caused this instrument to be executed by authority duly given the day and year first above written.

ADAM EGLOFF AVANT PROPERTIES, L.L.C.  
a North Carolina limited liability company

BY:   
Kerry L. Avant, Member

\*\*\*\*\*

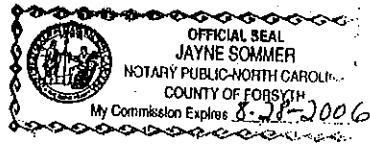
NORTH CAROLINA )  
 )  
 COUNTY OF FORSYTH )

I, Jayne Sommer, a Notary Public of Forsyth County, State of North Carolina, do hereby certify that Kerry L. Avant, Member of Adams Egloff Avant Properties, L.L.C., a North Carolina limited liability company, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and notarial seal or stamp this the 25<sup>th</sup> day of July, 2002.

*Jayne Sommer*  
 \_\_\_\_\_  
 Notary Public

My commission expires: 8-28-2006



STATE OF NORTH CAROLINA, DAVIE COUNTY

The foregoing certificate of Jayne Sommer, Notary Public of Forsyth County is certified to be correct. This the 29th day of July, 2002.

M. BRENT SHOAF, REGISTER OF DEEDS

BY: Martie Smith deputy