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MASTER DECLARATION
OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
KINGS POINT VILLAGE

FILE COPY

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and
Exhibits "A" through "E"

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I N D E X

TO MASTER DECLARATION
OF COVENANTS, CONDITIONS, AND RESTRICTIONS

KINGS POINT VILLAGE

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EXHIBIT A: Description of entire tract that may be incorporated into Kings Point Village.

EXHIBIT B: Description of Initial Phase of Kings Point Village.

EXHIBIT C: Description of Master Amenities Tract.

EXHIBIT D: Articles of Incorporation

EXHIBIT E: Bylaws

MASTER DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS

KINGS POINT VILLAGE

THIS MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS and the exhibits attached hereto and made a part hereof (hereinafter collectively referred to as the "Master Declaration") made this ____ day of _____, 1991, by KENNERLY DEVELOPMENT COMPANY, a North Carolina corporation, its successors and assigns, hereinafter referred to as "KDC";

STATEMENT OF PURPOSE

KDC is the owner of, is under an option to purchase, or intends to purchase certain property in Mecklenburg County, North Carolina, which is more particularly described in Exhibit "A", attached hereto and incorporated herein by reference. Declarant desires to create on the property described in Exhibit "A" one or more residential developments containing condominium units to be collectively referred to as KINGS POINT VILLAGE (the "Community").

KDC is the sole owner of certain real property in Mecklenburg County, North Carolina, located within the Community and more particularly described in Exhibit "C" attached hereto (the "Master Amenities Tract").

Declarant desires to establish upon the Master Amenities Tract certain recreational amenities for the benefit of all residents of the Community and to provide for the maintenance and upkeep of such amenities. To this end, the Declarant desires to subject the Master Amenities Tract (Exhibit "C") and that parcel or parcels of land described on Exhibit "B," attached hereto and made a part hereof to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of said Community and each owner of a part thereof.

Declarant shall have the right to amend this Declaration at any time prior to June 1, 1998, without the further consent of the Unit Owners and Institutional Lenders, to incorporate into the Property (1) all or any portion or portions of the land described in Exhibit "A" attached hereto and incorporated herein by reference and (2) any or all of the additional condominium units to be constructed upon such additional land by Developer. In the event that this Declaration is so amended, the term "Property," as used herein shall be deemed to include part or all of the additional property described in Exhibit "A" and all improvements and structures now or hereafter placed by Developer thereon, all easements, rights, and appurtenances thereto, and all articles of personal property provided by Developer and intended for use in connection therewith. Upon such Amendment, the undivided interest appurtenant to each Condominium Unit shall be decreased as set out in paragraph 4 hereof. The materials used in the construction of the additional units shall be of comparable quality as those used in the original units, and the architectural style of the additional units shall be substantially the same as, or compatible with, the original units. No amendment made by Developer in accordance with this paragraph shall divest Owner or any portion of his Dwelling

Unit without the consent of such Owner and no such amendment shall materially alter the plan of development set forth herein without the consent of all Owners affected thereby. Each Unit Owner and each Institutional Lender shall further be deemed by the Owner's acceptance of a deed to a Condominium Unit to have appointed Developer their attorney-in-fact to give, execute and record the consent of said Owner and said Institutional Lender to any and all amendments to this Declaration which Developer may wish to execute pursuant to the powers herein reserved.

Declarant further desires to create an organization to which will be delegated and assigned the powers of owning, maintaining and administering the amenities located in the Community on the Master Amenities Tract, administering and enforcing the covenants and restrictions contained herein, and collecting and disbursing the assessments and charges hereinafter created, in order to efficiently preserve, protect and enhance the values and amenities in the Community and on the Master Amenities Tract, to insure the residents' enjoyment of the specific rights, privileges and easements in the recreational area described herein, and to provide for the maintenance and upkeep of the recreational area.

To that end, the Declarant has or will cause to be incorporated under North Carolina law, pursuant to the Articles of Incorporation attached hereto as Exhibit D, KINGS POINT VILLAGE ASSOCIATION, INC., as a non-profit corporation for the purpose of exercising and performing the aforesaid functions, said corporation to be governed by the Bylaws attached hereto as Exhibit E.

NOW, THEREFORE, Declarant, by this Master Declaration, declares that all of the real property described in Exhibits B and C and any additional property as may by subsequent amendment be added to and subject to this Master Declaration shall be held, transferred, sold, conveyed and occupied subject to the covenants, conditions, restrictions, easements, charges and liens set forth in this Master Declaration, which shall run with said real property and be binding on all parties owning any right, title or interest in said real property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Common Areas" shall mean and refer to any area or amenity designated as "Common Areas" or as "Common areas and facilities" in any Declaration.

Section 2. "Declarant" shall mean and refer to KDC and its successors or assigns.

Section 3. "Declaration or Declarations" shall mean and refer to any Declaration of Covenants, Conditions and Restrictions (except this Master Declaration) or any Declaration of Condominium filed by Declarant which imposes on any part of the Community covenants, conditions and restrictions governing the occupancy and use thereof, or which creates on any portion of the Community a condominium regime in accordance with the provisions of the North Carolina General Statutes.

Section 4. "Developments" shall mean and refer to any condominium developments created by Declarant pursuant to any Declaration on the Property.

Section 5. "Maps" shall mean and refer to the maps of the Developments which may be recorded by Declarant in the Mecklenburg County, North Carolina, Public Registry, including any surveys and plans recorded with respect to the Developments.

Section 6. "Master Association" shall mean and refer to the KINGS POINT VILLAGE ASSOCIATION, INC., a North Carolina non-profit corporation, and its successors and assigns.

Section 7. "Member" shall mean and refer to members of the Master Association.

Section 8. "Mortgage" shall mean any mortgage or deed of trust constituting a first lien on a Unit.

Section 9. "Mortgagee" shall mean the owner and holder of a Mortgage at the time such term is being applied, which shall include Federal National Mortgage Association.

Section 10. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Unit, including the Declarant if it owns any Unit and including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 11. "Owners' Association(s)" shall mean and refer to the owners' associations to be formed by the owners within each Development, pursuant to the terms and provisions of any applicable Declaration.

Section 12. "Property" shall mean and refer to the real property as described in Article II hereof.

Section 13. "Recreational Facilities" shall mean and refer to the improvements and amenities more particularly described in Article VI hereof.

Section 14. "Units" shall mean and refer to all "units" or "condominium units," as defined in Section 47C-1-103 of the North Carolina General Statutes and created by Declarant on any portion of the Property, whether now or hereafter created. For purposes hereof, the number of Units shall be deemed to be 94, which may ultimately be constructed on that property

described in Exhibit "A." For the purposes contained in this Master Declaration, such Units shall be deemed to exist even though appropriate Declarations creating such Units have not yet been filed. Nothing contained herein shall obligate Declarant to build or create any of the Units. In the event that the Declarant, as subsequently filed or amended, shall create a lesser number of Units, then, for the purposes hereof, the number of Units shall be such lesser number. For purposes hereof, the Declarant shall be deemed to be the owner of all Units to be constructed on the property of such Declarant prior to the filing of the applicable Declaration creating such Units.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION AND WITHIN THE JURISDICTION OF KINGS POINT VILLAGE ASSOCIATION, INC.

Section 1. Property. The real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration and within the jurisdiction of the Master Association is located in Mecklenburg County, North Carolina and is more particularly described in Exhibits "B" and "C" attached hereto and incorporated herein by reference.



ARTICLE III

PROPERTY RIGHTS

Section 1. Ownership of Recreational Facilities. Contemporaneously herewith, KDC has conveyed unencumbered title to the Master Amenities Tract by deed to the Master Association. Upon the opening of any Recreational Facility by Declarant for use by the Owners, KDC shall convey such Recreational Facility to the Master Association. The Recreational Facilities and the Master Amenity Tract are collectively referred to herein as the "Recreational Area."

Section 2. Owners' Rights to Use and Enjoy Recreational Areas. Each Owner shall have the non-exclusive easement and right to use and enjoy any Recreational Areas which shall be appurtenant to and shall pass with the title to his Unit, subject to the following:

(a) the right of the Master Association to promulgate and enforce reasonable regulations governing the use of such Recreational Area to insure the safety and rights of all Owners;

(b) the right of the Master Association to charge reasonable admission and other fees for the use of any Recreational Facilities situated upon any Recreational Area;

(c) the right of the Master Association to suspend the right to use any Recreational Area by an Owner for any period during which any assessment against his Unit remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

(d) the right of the Declarant or the Master Association to grant easements of the type and for the purposes set forth in Article VIII across any Recreational Area; and

→ (e) the right of Declarant to construct upon part of the Master Amenities Tract a visual focal point or theme area of decorative structures, landscaping or the like in order to aesthetically enhance the Community as an inducement to prospective purchasers of a Unit therein.

Section 3. Owners' Easements for Ingress and Egress. Whether or not expressly set forth in the deed for any Unit, every Unit shall be conveyed with a perpetual, non-exclusive right to use any roadway which may be constructed by Declarant and conveyed to any Owners' Association as part of its Common Areas (even though such Unit is not within the Development in which such roadway lies) for the purpose of providing access to and from any Recreational Area.

Section 4. Delegation of Use. Any Owner may delegate, in accordance with the Bylaws of the Association, his right of enjoyment of any Recreational Area to the members of his family, his guests, his tenants, or contract purchasers who reside within his Unit.

Section 5. There has been constructed a waste water disposal system consisting of a lift station(s) and collective and transport system, including a force main extending from the lift station to the sewer main of CMUD. This entire wastewater treatment and/or transport system shall be a common element which will receive the highest priority for expenditures by the Association, except for Federal, State, and local taxes, and insurance.

ARTICLE IV

THE ASSOCIATION

Section 1. Membership. Every Owners' Association shall be a member of the Master Association. So long as Declarant is the owner of any Unit, then it also shall be a member of the Master Association.

Section 2. Classes of Units and Voting Rights. The voting rights of the Membership shall be appurtenant to the number of Units owned by members of each Owners' Association and by Declarant. There shall be two classes of Units with respect to voting rights.

(a) Class A Units. Class A Units shall be all Units except Class B Units as defined below. Each condominium Owners' Association shall be entitled to one vote for each Class A Unit within the Development governed by such Owners' Association.

(b) Class B Units. Class B Units shall be all Units owned by Declarant which have not been conveyed to Purchasers who are not affiliated with the Declarant. The Declarant shall be entitled to three (3) votes for each Class B Unit.

Section 3. Relinquishment of Control. Notwithstanding the provisions of Section 2 above, upon such time as the first of the following events occurs:

(1) the expiration of five (5) full years after the registration of this Master Declaration; or

(2) one hundred twenty (120) days after the date as of which seventy-five percent (75%) of the Units shall have been conveyed by the Declarant to Owners other than a party constituting the Declarant;

the Declarant shall thereupon be entitled to no more than the aggregate number of all votes cast by the other Members minus one (1) vote.

Section 4. Availability of Documents. The Master Association shall maintain current copies of the Master Declaration, the Bylaws and other rules concerning the Community, as well as its own books, records, and financial statements available for inspection by all Owners, Mortgagees and insurers and guarantors of Mortgages that are secured by Units. All such documents shall be available upon reasonable notice and during normal business hours. In addition, any Mortgagee may, at its own expense, have an audited statement prepared with respect to the finances of the Master Association.

Section 5. Contracts and Leases. The Master Association is authorized and empowered to engage the services of any person, firm or corporation to act on behalf of the Community at a compensation to be established by the Board of Directors and the Master Association is authorized and empowered to enter into leases for all or any portion of the Master Association's property. Provided, however, that the term of any such contracts or leases shall not exceed one (1) year and shall only be renewed by agreement of the parties for successive one (1) year terms. Any such contract or lease shall be terminable by the Master Association with or without cause upon ninety (90) days' prior written notice to the other party without payment of a termination fee.

Section 6. Reserve Fund. The Master Association shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and

replacement of the Recreational Area, which the Master Association is obligated to maintain. Such reserve fund shall be maintained out of the annual assessments described in Section V hereof.

ARTICLE V

COVENANT FOR ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation for Assessments. The Declarant, for each Unit owned within the Community, hereby covenants, and each Owner of any Unit by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Master Association annual assessments or charges and special assessments for capital improvements, established and collected as hereinafter provided. Any such assessment or charge, together with interest, costs and reasonable attorney's fees, shall be a charge and a continuing lien upon the Unit against which each such assessment or charge is made. Each such assessment or charge, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the Owner of such Unit at the time when the assessment fell due. The personal obligation for delinquent assessments or charges shall not pass to an Owner's successors in title unless expressly assumed by them.

Section 2. Purpose of Annual Assessments. The annual assessments levied by the Master Association shall be used as follows:

- (a) to maintain and operate the Disposal System and appurtenances in conformity with the law and the permit provisions;
- (b) to maintain the Recreational Area in a first-class condition, state of repair and working order;
- (c) to pay all ad valorem taxes levied against the Recreational Area and any property owned by the Master Association;
- (d) to pay the premiums on all insurance carried by the Master Association pursuant hereto or pursuant to the Bylaws;
- (e) to pay all legal, accounting and other professional fees incurred by the Master Association in carrying out its duties as set forth herein or in the Bylaws; and
- (f) to maintain a contingency reserve in order to fund unanticipated expenses of the Master Association.

Section 3. Establishment of Annual Assessment. As soon as practicable after the filing of this Master Declaration, the Board of Directors shall meet and establish an annual budget necessary to fund the items set forth in Section 2 above. As soon as this annual amount is established, each Owner shall be notified, in writing, of its pro-rata share of the annual assessments. The annual assessment shall be paid in twelve (12) monthly installments. The total annual assessments, as so determined, shall be divided into a number of equal shares, such number to be the sum of the total number of Units. Each Owner shall be allocated one share for each Unit owned by such Owner. The annual assessment specified hereunder shall be collected by the Owners' Association(s) of annexed Developments as a portion of the annual assessment to be levied by said Association(s). The Owners' Associations shall remit these collections to the Master Association monthly, as collected.

Section 4.

(a) Special Assessments for Capital Improvements. In addition to the annual assessments 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 construction, reconstruction, repair or replacement of the Recreational Area, including fixtures and personal property related thereto. Each Owner's share of any such special assessment shall be determined in the same manner as set forth above for the annual assessments.

(b) Special Assessments for Disposal System. In the event that the common expense allocation and separate fund created under Section 2 (a) and (f) hereof are insufficient for the construction, repair and maintenance of the Disposal System, the Master Association may levy, in an assessment year, in whole or in part, the cost of construction, reconstruction, repair or replacement, and maintenance of said system as needed and required, without limitation.

(c) Working Capital Fund. The Declarant shall establish a working capital account to deposit funds collected for the initial months of operation of the Association in an amount equal to two (2) months' estimated assessment for common area repair and maintenance times the number of units within the annexed Development(s). The purpose of this account is to insure that the Association board will have cash available to meet unforeseen expenditures or services deemed necessary or desirable for the Board. Each Unit's share of this fund shall be collected and transferred to the Association at the time of closing of the sale of each unit and maintained in a segregated account for the use and benefit of the Association. Amounts paid into this fund shall not be considered as advance payment of regular assessments.

Section 5. Date of Commencement of Annual Assessments. The annual assessments provided for herein shall commence on the first day of the month following the month in which the first Recreational Area is placed into service by Declarant. Such assessments shall be due and payable on the first day of each month thereafter. For purposes hereof, a Recreational Area is considered to be placed in service by Declarant upon the day that Declarant opens such

Recreational Area for use by Owners. The Board of Directors shall fix the amount of the annual assessment against each Unit at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner. 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 of a specified Unit have been paid. A properly executed certificate of the Master Association as to the status of assessments on a Unit shall be binding upon the Master Association as of the date of its issuance.

Section 6. Effect of Nonpayment of Assessments: Remedies of the Master Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of twelve percent (12%) per annum. In addition to such interest charge, the delinquent Owner shall also pay such late charge as may have been theretofore established by the Board of Directors of the Master Association to defray the costs arising because of late payment. The Master Association may bring an action at law against the delinquent Owner or foreclose the lien against the Unit of such owner, and interest, late payment charge, costs and reasonable attorney's fees of such action or foreclosure shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by not using the Recreational Areas or abandoning his Unit.

Section 7. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first Mortgage on a Unit or any mortgage or deed of trust to the Declarant. Sale or transfer of any Unit shall not affect the assessment lien. However, the sale or transfer of any Unit pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer; provided, however, that the Board of Directors may in its sole discretion, determine such unpaid assessments to be an annual or a special assessment, as applicable, collectible pro-rata from all Owners including the foreclosure sale purchaser. No sale or transfer shall relieve the purchaser of such Unit from liability for any assessments thereafter becoming due or from the lien thereof, but the lien provided for herein shall continue to be subordinate to the lien of any mortgage or deed of trust as above provided.

ARTICLE VI

RECREATIONAL AREA

Except by reason of excusable delay, KDC shall have completed by July 4, 1992, the construction of three (3) tennis courts, a jogging and fitness trail, and a volley ball court within the Master Amenities Tract for the use of all Owners in the Community. The tennis courts, the jogging and fitness trail, volley ball court, and related facilities are referred to throughout this Master Declaration as the "Recreational Facilities" and same shall be the only such Recreational Facilities which KDC shall be obligated to construct upon the Master Amenities Tract, but KDC shall have the right, but not the obligation, to construct additional Recreational Facilities upon the Master Amenities Tract and

to convey same to the Master Association subject to the terms of this Master Declaration. Ownership of the Recreational Facilities, but not the Master Amenities Tract, shall initially be retained by KDC. Upon completion of the Recreational Facilities, unencumbered title to such Recreational Facilities shall be conveyed by KDC to the Master Association. Once completed, the maintenance and upkeep of the Recreational Facilities shall be as provided for in this Master Declaration. The Recreational Facilities to be built by KDC are to be of a like nature and kind as similar facilities at similar residential communities near the Community. KDC reserves the right to locate the Recreational Facilities within the Master Amenities Tract as KDC deems to be the most economic in terms of construction and maintenance, bearing in mind, however, the interests of all of the Owners. The Recreational Facilities and the Master Amenities Tract are collectively referred to herein as the "Recreational Area." The Board of Directors, in its sole discretion, may set and collect fees and charges for the use of the Recreational Area by residents, in addition to the assessments set forth in Article V hereof.

ARTICLE VII

RESTRICTIONS

Section 1. Use of Recreational Area. The Recreational Area shall not be used in any manner except as shall be approved or specifically permitted by the Master Association. All damages to the Recreational Area intentionally or negligently caused by any Owner, his family, guests, agents, servants, lessees, employees or contractors shall be promptly repaired by such Owner at his sole cost and expense; provided, however, that if such repairs are necessitated by casualties insured against by the Master Association, then to the extent the Master Association receives insurance proceeds for such repairs, the cost thereof shall be borne by the Master Association.

Section 2. Regulations. Reasonable regulations governing the use of the Recreational Area may be made and amended from time to time by the Board of Directors of the Master Association; provided, however, that all such regulations and amendments thereto shall be approved by a majority vote of the Members of the Master Association before the same shall become effective. Copies of such regulations and amendments thereto shall be furnished to each Owner by the Master Association upon request.

ARTICLE VIII

EASEMENTS

Section 1. Easements Reserved by Declarants. Declarant reserves easements for the installation and maintenance of water lines, telephone and electric power lines, cable television lines, sanitary sewer and storm drainage facilities, pumping and lift stations, drainage ditches and for other utility installations within or serving the Community. Each Owner, by his acceptance of a deed to a Unit, and the Master Association, by its acceptance of deeds to the

Recreational Area, acknowledge such reservation and the right of Declarant to transfer such easements to an Owners' Association, the Master Association or to such utility companies as Declarant may choose. The easements reserved by the Declarant includes the right of ingress, egress and regress to and from such facilities and installations for construction, installation and maintenance thereof, the right to cut any trees, bushes and shrubbery, make any gradings of the soil, or take any similar action reasonably necessary to provide economical utility installation and to maintain the overall appearance of the Community.

Within any such easements, no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation of utilities, or which may change the direction of flow or drainage channels in the easements or which may obstruct or retard the flow of water through drainage channels in the easements. In addition, the Declarant, the Owners' Association and the Master Association shall have the continuing right and easement to maintain all sewers and water lines located within or serving the Community, including the right to go into dwellings and disturb the structure and floors thereof in order to maintain those lines located within or under said dwelling.

An easement is also reserved by Declarant, its successors and assigns, and residents of KINGS POINT VILLAGE, their guests or invitees, for pedestrian ingress and egress over and upon a ten (10) foot strip of land within the Property adjacent to and along the 760 foot mean sea level contour line of Lake Norman.

Section 2. Easements for Access to Recreational Area. Declarant hereby reserves for itself, its employees and agents such easements over the Common Areas and the Master Amenities Tract (including, without limitation, any privately maintained road within the Community) as may be necessary to provide ingress and egress to and from the Recreational Area for both construction and maintenance purposes, together with easements over the Common Areas and the Master Amenities Tract for purposes of temporarily storing construction materials or parking vehicles and equipment used in connection with the construction of improvements for the Recreational Area. Declarant hereby reserves for the benefit of all Owners easements over the Common Areas of each Development and the Master Amenities Tract as may be reasonably necessary to provide vehicular and pedestrian ingress and egress to and from the Recreational Area, including, without limitation, the right to use the bridge(s), pedestrian walkways, gazebo(s) and pier(s), and the right to use any privately maintained road within a Development by all Owners.

Section 3. Declarant's Easement. Declarant hereby reserves such easements through the Common Areas and the Master Amenities Tract as may be reasonably necessary for the construction and maintenance of the Recreational Area and any other recreational facilities and amenities, including, but not limited to, community piers, walkways, bridges, and gazebos, to be located within the property to serve any Development or Developments within the Community.

Section 4. Additional Easements. Declarant has entered into certain easements, cross-easements, and reservations more particularly set out in a deed from the owners of the marina and a lease agreement which grants and reserves easements across the Association property.

ARTICLE IX

INSURANCE

Section 1. Types of Coverage. The Board of Directors shall obtain and maintain at all times insurance on the Recreational Area of the type and kind and in no less than the amounts set forth below (if available):

(a) Fire. All improvements and all fixtures and personal property included in the Recreational Area and all personal property and supplies belonging to the Master Association shall be insured in an amount equal to 100% of the current replacement cost (exclusive of land, foundation, excavation and other normally excluded items) as determined annually by the Board of Directors with the assistance of the insurance company providing coverage. The Board of Directors at least annually shall review the insurance coverage required herein and determine 100% of the current replacement cost of such improvements and fixtures and personal property and supplies. Such coverage shall provide protection against loss or damage by fire or other hazards covered by a standard extended coverage endorsement, windstorm and water damage, explosion and boiler damage, vandalism and malicious damage and all perils covered by a standard "all risk" endorsement. All such policies shall provide that adjustment of loss shall be made by the Board of Directors. In addition to the provisions and endorsements set forth in Section 3 of this Article, the fire and casualty insurance described herein shall contain the following provisions:

(i) a waiver by the insurer of its right to repair and reconstruct instead of paying cash;

(ii) standard "Agreed Amount" and "Inflation Guard" endorsements;

(iii) construction code endorsements if the Recreational Area becomes subject to a construction code provision which would require changes to undamaged portions of any building thereby imposing significant costs in the event of partial destruction of such building by an insured peril;

(iv) a waiver of subrogation by the insurer as to any claims against the Master Association, any officer, director, agent or employee of the Master Association, the Owners and their employees, agents, tenants and invitees;

(v) a provision that the coverage will not be prejudiced by act or neglect of one or more Owners when said act or neglect is not within the control of the Master Association or by any failure of the Master Association to comply with any warranty or condition regarding any portion of the Community over which the Master Association has no control; and

The fire and casualty insurance policy shall not contain (and the insurance shall not be placed with companies whose charters or bylaws contain) provisions whereby: (1) contributions or assessments may be made against the Master Association, the Owners or the Mortgagees; (2) loss payments are contingent upon action by the carrier's directors, policy holders or members; and (3) there are limiting clauses (other than insurance conditions) which could prevent Owners or Mortgagees from collecting the proceeds.

(b) Public Liability. The Board of Directors shall also be required to obtain, to the extent obtainable, and maintain public liability insurance in such limits as the Board of Directors may, from time to time, determine to be customary for projects similar in construction, location and use as the Recreational Area, covering each member of the Board of Directors, the managing agent, if any, and each Owner with respect to his liability arising out of the ownership, maintenance, or repair of the Recreational Area against liability for bodily injury, including death resulting therefrom, and damage to property, including loss of use thereof, occurring upon, in or about, or arising from or relating to, the Recreational Area or any portion thereof. Such insurance shall also protect against legal liability arising out of law suits related to employment contracts of the Master Association. Such insurance shall include endorsements covering cross liability claims of one insured against another, including the liability of the Owners as a group to a single Owner. The Board of Directors shall review such limits annually. Until the first meeting of the Board of Directors following the initial meeting of the Board, such public liability insurance shall be in an amount of not less than \$1,000,000 combined single limit coverage for claims for bodily injury and property damage.

(c) Fidelity Coverage. The Board of Directors shall also be required to obtain fidelity coverage against dishonest acts on the part of all persons, whether officers, directors, trustees, employees, agents or independent contractors, responsible for handling funds belonging to or administered by the Master Association. The fidelity insurance policy shall be written in an amount sufficient to provide protection which is in no event less than one and one-half times the Master Association's estimated annual operating expenses and reserves. An appropriate endorsement to the policy to cover any persons who serve without compensation shall be added if the policy would not otherwise cover volunteers.

(d) Flood Insurance. In the event it is determined, by survey or otherwise, that the Recreational Area is located within an area having special flood hazards and if flood insurance has been made available under the National Flood Insurance Program ("NFIP"), the Master Association shall obtain and pay, as a common expense, the premiums upon a policy of flood insurance on the Recreational Area in such amount as may from time to time be deemed appropriate by the Board of Directors; provided, however, that such coverage shall not be less than the lesser of: (i) the maximum coverage available under the NFIP for that portion of the Recreational Area within a designated flood hazard area or (2) 100% of the current "replacement cost" of such portion of the Recreational Area.

(e) Other. Such other insurance coverages, including workmen's compensation, as the Board of Directors shall determine from time to time desirable.

Section 2. Premium Expense. Premiums upon insurance policies purchased by the Board of Directors shall be paid by the Board of Directors and charged as a common expense to be collected from the Owners, pursuant to Article V hereof.

Section 3. Special Endorsements. The Board of Directors shall make diligent effort to secure insurance policies that will provide for the following:

(a) recognition of any insurance trust agreement entered into by the Master Association;

(b) coverage that may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least thirty (30) days' prior written notice to the named insured, any Insurance Trustee and all Mortgagees; and

(c) coverage that cannot be cancelled, invalidated or suspended on account of the conduct of any officer or employee of the Board of Directors without prior demand in writing that the Board of Directors cure the effect and the allowance of a reasonable time thereafter within which the defect may be cured by the Master Association, any Owner or any Mortgagee.

Section 4. General Guidelines. All insurance policies purchased by the Board of Directors shall be with a company or companies licensed to do business in the State of North Carolina and holding a rating of "AAA" or better in the current issue of Best's Insurance Reports. All insurance policies shall be written for the benefit of the Master Association and shall be issued in the name of and provide that all proceeds thereof shall be payable to the Master Association. Notwithstanding any of the foregoing provisions and requirements relating to insurance, there may be named as an insured, on behalf of the Master Association, the Master Association's authorized representative, who shall have exclusive authority to negotiate losses under any policy providing such insurance.

ARTICLE X

RIGHTS OF MORTGAGEES

Section 1. Approval of Mortgagees. Unless at least seventy-five percent (75%) of the Mortgagees holding Mortgages or Units located within the Community then subject to the full application of this Declaration have given their prior written approval, the Master Association shall not:

(a) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer any real estate or improvements thereon which are owned, directly or indirectly, by the Master Association (provided that the granting of easements for utilities or other purposes shall not be deemed a transfer within the meaning of this clause);

(b) change the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner;

(c) fail to maintain fire and extended coverage insurance on insurable improvements in the Recreational Area as set forth in Article IX; or

(d) use the proceeds of any hazard insurance policy covering losses to any part of the Recreational Area for other than the repair, replacement or reconstruction of the damaged portions of, or facilities within, the Recreational Area.

Section 2. Additional Rights. Any Mortgagee shall have the following rights, to-wit:

(a) to be furnished at least one copy of the annual financial statement and report of the Master Association, such annual statement and report to be furnished within ninety (90) days following the end of each fiscal year;

(b) to be given notice by the Master Association of the call of any meeting of the Membership, and to designate a representative to attend all such meetings;

(c) to be given prompt written notice of default under the Master Declaration, the Bylaws or any rules and regulations promulgated by the Master Association by any Owner owning a Unit encumbered by a Mortgage held by the Mortgagee, such notice to be sent to the principal office of such Mortgagee or the place which it may designate in writing;

(d) to be given prompt written notice of any casualty loss or loss by eminent domain or other taking of the Recreational Area;

(e) to be given prompt written notice of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Master Association; and

(f) to be given prompt written notice of any action which requires the consent of all or any portion of the Mortgagees as specified herein.

Whenever any Mortgagee desires the provisions of this Section to be applicable to it, it shall serve or cause to be served written notice of such fact upon the Master Association by certified mail, return receipt requested, addressed to the Master Association and sent to its address stated herein, identifying the Unit or Units upon which any such Mortgagee holds any Mortgage or identifying any Unit owned by it, together with sufficient pertinent facts to identify any Mortgage which may be held by it and which notice shall designate the place to which notices are to be given by the Master Association to such Mortgagee.

Section 3. Books and Records. Any Mortgagee will have the right to examine the books and records of the Master Association during reasonable business hours.

Section 4. Payment of Taxes and Insurance Premiums. The Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge or lien against the Recreational Area and may

pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage upon the lapse of a policy for property owned by the Master Association and the persons, firms or corporations making such payments shall be owed immediate reimbursement therefor from the Master Association.

Section 5. Amendment to Article. Should the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, or the Veterans' Administration subsequently delete any of their respective requirements which necessitate the provisions of this Article or make any such requirements less stringent, the Board, without approval of the Owners, may cause an amendment to this Article to be recorded to reflect such changes.

ARTICLE XI

CONDEMNATION

If part of the Recreational Area shall be taken or condemned by any authority having the power of eminent domain, all compensation and damages for and on account of the taking of the Recreational Area, exclusive of compensation for consequential damages to certain affected Units, shall be paid to the Board of Directors of the Master Association in trust for all Owners according to the loss or damages to their interests (as determined by their pro rata share of the annual assessments.) The Master Association, acting through the Board of Directors, shall have the right to act on behalf of the Owners with respect to the negotiation and litigation of the issues with respect to the taking and compensation affecting the Recreational Area, without limiting the right of the Owners to represent their own interests. Each Owner, by his acceptance of a deed to a Unit, hereby appoints the Master Association as his attorney in fact to negotiate, litigate or settle on his behalf all claims arising from the condemnation of the Recreational Area. Such proceeds shall be used to restore the Recreational Area with the excess, if any, paid to the Owners pro rata. Nothing herein is to prevent Owners whose Units are specifically affected by the taking or condemnation from joining in the condemnation proceedings and petitioning on their own behalf for consequential damages relating to loss of value of the affected Units, or personal improvements therein, exclusive of damages relating to such Recreational Area. In the event that the condemnation award does not allocate consequential damages to specific Owners, but by its terms includes an award for reduction in value of Units without such allocation, the award shall be divided between affected Owners and the Board of Directors as their interest may appear by arbitration in accordance with the rules of the American Arbitration Associates.

ARTICLE XII

GENERAL PROVISIONS

Section 1. Enforcement. The Master Association, any Owners' Association or any Owner, shall have the right to enforce by any proceeding at law or in equity all restrictions, conditions, covenants, reservations, liens

and charges now or hereafter imposed by the provisions of this Master Declaration. Failure by the Master Association, any Owners' Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. Each Owner shall have all appropriate remedies at law or in equity to enforce the provisions of this Master Declaration and the Bylaws and any duly authorized rules and regulations governing the Recreational Area against the Master Association.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Master Declaration may be amended at any time and from time to time by an agreement signed by members having no less than a majority of the votes; provided, however, that such amendment must be consented to by each Declarant so long as such Declarant is the Owner of any Unit. Any such amendment shall not become effective until the instrument evidencing such change has been filed of record. Notwithstanding the foregoing, the consent of the Owners holding 67% of the votes of each Owners' Association and the approval of the Mortgagees holding Mortgages on Units to which at least 67% of the votes of each Owners' Association are appurtenant shall be required to terminate the legal status of the Master Association. The consent of the Owners having at least 67% of the votes in each Owners' Association and the approval of Mortgagees holding Mortgages on Lots to which at least 51% of the votes are appurtenant shall be required to add or amend any material provision of this Master Declaration which establish, provide for, govern or regulate any of the following:

- (a) voting;
- (b) assessments, assessment liens or subordinations of such liens;
- (c) reserves for maintenance, repair and replacement of the Recreational Area;
- (d) insurance or fidelity bonds;
- (e) rights to use of the Recreational Area;
- (f) responsibility for maintenance and repair of the Recreational Area;
- (g) any provisions which are for the express benefit of Mortgagees or insurers or guarantors of Mortgages.

An addition or amendment to the Master Declaration shall not be considered material if it is for the purpose of correcting technical errors or for clarification only. A Mortgagee who receives a request to approve

non-material additions or amendments who does not deliver or post to the requesting party a negative response within thirty (30) days shall be deemed to have approved such request.

Section 4. Duration. The covenants and restrictions of this Declaration shall run with and bind the land until December 31, 2016, after which time they shall be automatically extended for successive periods of ten (10) years.

Section 5. Covered Carports. The Developments within Kings Point Village shall contain no more than thirty-two (32) covered carports, as approved by the Board of Commissioners of the Town of Cornelius, and the use of these covered carports shall be limited to Unit Owners of Developments within Kings Point Village.

IN WITNESS WHEREOF, the Declarant has caused this instrument to be executed by its officers thereunto duly authorized and its corporate seal to be hereunto affixed, all the day and year first above written.

KENNERLY DEVELOPMENT COMPANY

ATTEST:

By: _____
President

Secretary

(CORPORATE SEAL)

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

This ____ day of _____, 1991, personally came before me _____, who, being by me duly sworn, says that he is the _____ President of KENNERLY DEVELOPMENT COMPANY, and that the seal affixed to the foregoing instrument in writing is the corporate seal of said company; that said writing was signed and sealed by him in behalf of said corporation by its authority duly given; and the said _____ acknowledged the said writing to be the act and deed of said corporation.

Notary Public

My Comm. Expires: _____

(NOTARY SEAL)

EXHIBIT A - KINGS POINT VILLAGE

BEGINNING at a point at the northeast corner of that certain 23.795 acre tract of land conveyed to Kings Point Associates, Inc. by deed recorded in Book 6230 Page 900 of the Mecklenburg County Public Registry, being also a corner of the property of North E. Nantz (now or formerly) as described in Deed Book 2678 at page 487; thence from this Beginning Point, with the westerly line of the Nantz property and the Bruce W. Nantz property (now or formerly) as described in Deed Book 4902 at page 201, S 00-30-20 W 315.80 feet to a point, a corner of the William D. Nantz property (now or formerly) as described in Deed Book 5237 at page 973; thence with the northerly line of said William D. Nantz property, N 89-29-45 W 437.30 feet to a point; thence continuing with said Nantz line S 00-38-30 E 275.66 feet to a point; thence S 01-27-35 W 336.51 feet to a point, a corner of the property of John G. Alexander, III (now or formerly) as described in Deed Book 3936 at page 432; thence with two lines of the property of the heirs of John G. Alexander, Jr. (now or formerly) as described in Deed Book 2444 at page 544: (1) S 89-49-00 W 415.45 feet to a point; (2) S 00-17-30 E 78.30 feet to a point; thence the following courses and distances: (1) S 64-16-07 W 35.58 feet; (2) S 79-37-20 W 153.88 feet to a point; (3) S 75-23-39 W 23.66 feet to a point; (4) S 27-33-19 W 9.91 feet to a point; (5) S 63-10-26 W 15.24 feet to a point; (6) N 86-42-28 W 39.51 feet to a point; (7) S 80-45-50 W 40.48 feet to a point; (8) N 82-41-55 W 43.96 feet to a point; (9) N 59-40-35 W 72.33 feet to a point; (10) S 83-45-55 W 16.79 feet to a point; (11) N 59-40-35 W 33.48 feet to a point; (12) N 39-07-36 W 27.30 feet to a point; (13) N 14-16-13 W 20.68 feet to a point; (14) N 43-06-44 W 22.66 feet to a point; (15) N 18-53-00 W 22.62 feet to a point; (16) N 03-18-21 W 45.38 feet to a point; (17) N 53-27-56 E 46.87 feet to a point; (18) N 40-22-54 E 44.17 feet to a point; (19) N 53-27-56 E 16.84 feet to a point; (20) S 88-33-43 E 22.93 feet to a point; (21) S 64-22-40 E 3.94 feet to a point; (22) S 74-36-08 E 185.25 feet to a point; (23) N 81-29-24 E 113.09 feet to a point; (24) N 29-28-45 E 24.31 feet to a point; (25) N 00-52-01 W 17.24 feet to a point; (26) N 60-06-58 W 37.58 feet to a point; (27) N 70-42-40 W 59.55 feet to a point; (28) N 81-33-52 W 92.43 feet to a point; (29) N 79-03-10 W 80.70 feet to a point; (30) N 87-39-20 W 14.63 feet to a point; (31) N 86-15-24 W 63.15 feet to a point; (32) N 81-48-41 W 52.50 feet to a point; (33) N 89-48-02 W 25.34 feet to a point; (34) N 79-39-48 W 13.3 feet to a point; (35) N 56-24-53 W 43.07 feet to a point; (36) N 45-26-53 W 20.91 feet to a point; (37) N 13-29-21 W 23.05 feet to a point; (38) N 00-22-13 E 27.74 feet to a point; (39) N 14-58-29 E 23.46 feet to a point; (40) N 42-20-11 E 65.70 feet to a point; (41) N 58-11-36 E 29.89 feet to a point; (42) N 72-52-18 E 24.30 feet to a point; (43) N 72-22-24 E 33.79 feet to a point; (44) S 77-16-55 E 18.97 feet to a point; (45) N 75-08-40 E 20.11 feet to a point; (46) N 59-05-05 E 28.25 feet to a point; thence S 56-05-39 E 84.06 feet to a point; thence N 35-13-36 E 54.08 feet to a point; thence S 88-27-39 E 417.92 feet to a point; thence N 14-05-14 E 259.07 feet to a point; thence N 00-22-23 E 240.20 feet to a point; thence N 38-11-19 W 77.55 feet to a point in the line of the property of Admirals Quarters, Ltd. (Now or Formerly); thence with the line of said Admirals Quarters, Ltd., (1) S 89-37-37 E 298.19 feet to a point; and (2) S 89-40-23 E 441.21 feet to the point and place of the Beginning, as per survey of Don Allen Surveyors, Inc., dated May 9, 1991, revised July 3, 1991, SAVE AND EXCEPT the following described tract: Beginning at a point located the following three (3) courses and distances from the beginning point of the above described tract: (1) S 00-30-20 W 315.80 feet to a point; (2) N 89-29-45 W 437.30 feet to a point; (3) S 12-13-51 W 44.89 feet to the beginning point; thence, from this place of beginning S 89-51-21 E 10.0 feet to a point on the line of William D. Nantz (now or formerly); thence with said Nantz line S 00-38-30 E 142.01 feet to a point; thence N 89-51-21 W 97.27 feet to a point; thence N 00-38-30 W 142.01 feet to a point; thence S 89-51-21 E 87.27 feet to the point and place of the Beginning.

EXHIBIT B - BAYSHORE CONDOMINIUMS

BEGINNING at a point located the following four (4) courses and distances as measured from the northeast corner of that certain 23.795 acre tract of land conveyed to Kings Point Associates, Inc. by deed recorded in Book 6230 Page 900 of the Mecklenburg County Public Registry, said corner also being a corner of the property of North E. Nantz (now or formerly) as described in Deed Book 2678 at page 487: (1) with the westerly line of the Nantz property and the Bruce W. Nantz property (now or formerly) as described in Deed Book 4902 at page 201, S 00-30-20 W 315.80 feet to a point, a corner of the William D. Nantz property (now or formerly) as described in Deed Book 5237 at page 973; (2) thence with the northerly line of said William D. Nantz property, N 89-29-45 W 437.30 feet to a point; (3) thence continuing with said Nantz line S 00-38-30 E 275.66 feet to a point; (4) thence S 01-27-35 W 336.51 feet to a point, a corner of the property of John G. Alexander, III (now or formerly) as described in Deed Book 3936 at page 432; thence from this Beginning Point, with a line of the property of the heirs of John G. Alexander, Jr. (now or formerly) as described in Deed Book 2444 at page 544, S 89-49-00 W 371.33 feet to a point; thence N 01-37-23 W 107.09 feet to a point; thence N 31-02-02 E 156.64 feet to a point; thence N 51-11-57 E 99.22 feet to a point; thence S 59-49-03 E 255.33 feet to a point in the line of the John G. Alexander, III property; thence along said Alexander line S 01-27-35 W 173.94 feet to the point and place of the Beginning.

EXHIBIT C - MASTER AMENITIES TRACT

BEGINNING at a point at the northeast corner of that certain 23.795 acre tract of land conveyed to Kings Point Associates, Inc. by deed recorded in Book 6230 Page 900 of the Mecklenburg County Public Registry, being also a corner of the property of North E. Nantz (now or formerly) as described in Deed Book 2678 at page 487; thence from this Beginning Point, with the westerly line of the Nantz property and the Bruce W. Nantz property (now or formerly) as described in Deed Book 4902 at page 201, S 00-30-20 W 315.80 feet to a point, a corner of the William D. Nantz property (now or formerly) as described in Deed Book 5237 at page 973; thence with the northerly line of said William D. Nantz property, N 89-29-45 W 437.30 feet to a point; thence continuing with said Nantz line S 00-38-30 E 275.66 feet to a point; thence S 01-27-35 W 162.57 feet to a point; thence twelve (12) new lines: (1) N 59-49-03 W 255.33 feet to a point; (2) S 51-11-57 W 99.22 feet to a point; (3) S 31-02-02 W 156.64 feet to a point; (4) S 76-15-39 W 37.71 feet to a point; (5) with the arc of a circular curve to the left having a radius of 141.50 feet, a distance of 14.76 feet (chord=N 34-01-21 E, 14.75 feet); (6) N 31-02-02 E 84.56 feet to a point; (7) N 58-57-58 W 81.16 feet to a point; (8) N 32-45-46 E 5.83 feet to a point; (9) N 57-14-14 W 115.86 feet to a point; (10) N 32-45-46 E 56.15 feet to a point; (11) S 88-21-48 E 14.82 feet to a point; (12) with the arc of a circular curve to the right having a radius of 63.00 feet, a distance of 78.61 feet (chord=N 52-37-00 W, 73.61 feet); thence S 88-27-39 E 279.41 feet to a point; thence N 14-05-14 E 259.07 feet to a point; thence N 00-22-23 E 240.20 feet to a point; thence N 38-11-19 W 77.55 feet to a point in the line of the property of Admirals Quarters, Ltd. (Now or Formerly); thence with the line of said Admirals Quarters, Ltd., (1) S 89-37-37 E 274.24 feet to a point; and (2) S 89-40-23 E 441.21 feet to the point and place of the Beginning, containing 8.06 acres, as per survey of Don Allen Surveyors, Inc., dated May 9, 1991, revised July 3, 1991, SAVE AND EXCEPT the following described tract: Beginning at a point located the following three (3) courses and distances from the beginning point of the above described tract: (1) S 00-30-20 W 315.80 feet to a point; (2) N 89-29-45 W 437.30 feet to a point; (3) S 12-13-51 W 44.89 feet to the beginning point; thence, from this place of beginning S 89-51-21 E 10.0 feet to a point on the line of William D. Nantz (now or formerly); thence with said Nantz line S 00-38-30 E 142.01 feet to a point; thence N 89-51-21 W 97.27 feet to a point; thence N 00-38-30 W 142.01 feet to a point; thence S 89-51-21 E 87.27 feet to the point and place of the Beginning.

EXHIBIT D

ARTICLES OF INCORPORATION
OF
KINGS POINT VILLAGE ASSOCIATION, INC.
A NON-PROFIT CORPORATION

The undersigned natural person of the age of eighteen (18) years or more hereby forms a non-profit corporation under the laws of the State of North Carolina, as contained in Chapter 55A of the General Statutes of North Carolina, entitled "Non-Profit Corporation Act," and the several amendments thereto, and to that end does hereby set forth:

1. The name of the Corporation is KINGS POINT VILLAGE ASSOCIATION, INC. (hereinafter referred to as the "Master Association.")

2. The period of duration of the Master Association shall be perpetual.

3. The purposes for which the Master Association is organized are:

(a) To manage, maintain, operate, care for the recreational areas of and to administer Kings Point Village (the "Community") as shall be described in a Master Declaration of Covenants, Conditions and Restrictions, by KENNERLY DEVELOPMENT COMPANY, INC., a North Carolina corporation (the "Declarant"), which said Master Declaration shall be recorded in the Office of the Register of Deeds for Mecklenburg County, North Carolina (such Master Declaration as the same may be amended from time to time being hereinafter referred to as the "Master Declaration"); to enforce the covenants, restrictions, easements, charges and liens provided in the Master Declaration to be enforced by the Master Association; to fix, levy, assess, collect, enforce and disburse the charges and assessments created under the Master Declaration, all in the manner set forth in and subject to the provisions of the Master Declaration; and to exercise all power and privileges and to perform all duties and obligations of the Master Association under the Declaration;

(b) To do any and all other lawful things and acts that the Master Association from time to time, in its discretion, may deem to be for the benefit of the Community and the owners and inhabitants thereof or advisable, proper or convenient for the promotion of the peace, health, comfort, safety and general welfare of the owners and inhabitants thereof; and

(c) To exercise all powers provided in Chapter 55A of the General Statutes of North Carolina in furtherance of the above-stated purposes.

4. The Master Association is not organized for pecuniary profit, nor shall it have any power to issue certificates of stock or pay dividends, and no part of the net earnings or assets of the Master Association shall be distributed, upon dissolution or otherwise, to any member, director or officer of the Master Association.

5. Provisions relating to the members of the Master Association are:

(a) Members of the Master Association shall be every Owners' Association as defined in the Master Declaration and the Declarant, so long as the Declarant owns any Unit as defined in the Master Declaration, and no other person or entity shall be entitled to membership.

(b) The voting rights of the Membership shall be appurtenant to the number of Units (as defined in the Master Declaration) owned by members of each Owners' Association and by Declarant. There shall be two classes of Units with respect to voting rights:

(1) Class A Units. Class A Units shall be all Units except Class B Units, as defined below. The condominium owners' associations shall be entitled to one vote for each Class A Unit (as defined in the Master Declaration).

(2) Class B Units. Class B Units shall be all Units owned by Declarant which have not been conveyed to Purchasers who are not affiliated with the Declarant. The Declarant shall be entitled to three (3) votes for each Class B Unit.

(c) Notwithstanding the provisions of subparagraph (b) above, upon such time as the first of the following events occurs:

(1) the expiration of five (5) full years after the registration of this Declaration; or

(2) one hundred twenty (120) days after the date as of which seventy-five percent (75%) of the Units shall have been conveyed by the Declarant,

the Declarant shall thereupon be entitled to no more than the aggregate number of all votes cast by the other Members minus one (1) vote.

(d) The members of the Master Association shall have the right to vote for the election and removal of directors and upon such other matters with respect to which the right to vote is given to members under the Master Declaration or under the provisions of Chapter 55A of the General Statutes of North Carolina, the voting rights of the members being more particularly described in the Master Declaration and the Bylaws attached thereto.

6. The address of the initial registered office of the Master Association is 208-A South Main Street, Davidson, Mecklenburg County, North Carolina 28036, and the initial registered agent of the Master Association at such address is RONALD D. KENNERLY.

7. The business and conduct of the Master Association shall be regulated by a Board of Directors who shall be elected in the manner and for the terms provided in the Bylaws. The number of directors constituting the initial Board of Directors shall be three, and the names and addresses of the persons who are to serve as the initial directors are:

<u>Name</u>	<u>Address</u>
Ronald D. Kennerly	208-A South Main Street Davidson, North Carolina 28036
John Maxwell	208-A South Main Street Davidson, North Carolina 28036
John C. Kennerly	208-A South Main Street Davidson, North Carolina 28036

8. The incorporator of this Master Association is Ralph C. Harris, Jr. and his address is 1329 E. Morehead Street, Charlotte, Mecklenburg County, North Carolina 28204.

IN TESTIMONY WHEREOF, the undersigned has set his hand and affixed his seal, this _____ day of _____, 1991.

Ralph C. Harris, Jr. (SEAL)

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

I, a Notary Public in and for said County and State aforesaid, do hereby certify that RALPH C. HARRIS, JR. personally appeared before me this day and duly acknowledged the execution of the foregoing instrument.

WITNESS my hand and Notarial seal, this _____ day of _____, 1991.

Notary Public

My Comm. Expires: _____

(NOTARIAL SEAL)

EXHIBIT E

BYLAWS

OF

KINGS POINT VILLAGE ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

Section 1. Name. The name of the corporation is KINGS POINT VILLAGE ASSOCIATION, INC., hereinafter referred to as the "Master Association."

Section 2. Location. The principal office of the corporation shall be located in Mecklenburg County, North Carolina. The registered office of the Master Association may be, but need not be, identical with the principal office.

ARTICLE II

DEFINITIONS

Section 1. "Common Area" shall mean any area or amenity designed as "Common areas and facilities" in any Declaration.

Section 2. "Declarant" shall mean and refer to KENNERLY DEVELOPMENT COMPANY, INC., its successors and assigns.

Section 3. "Declaration or Declarations" shall mean and refer to any Declaration of Covenants, Conditions and Restrictions (except this Master Declaration) or any Declaration of Condominium filed by Declarant which imposes on any part of the Community covenants, conditions and restrictions governing the occupancy and use thereof, or which creates on any portion of the Community a condominium regime in accordance with the provisions of the North Carolina General Statutes.

Section 4. "Developments" shall mean and refer to any condominium developments created by Declarant pursuant to any Declaration on the Property.

Section 5. "Maps" shall mean and refer to the maps of the Development which may be recorded by Declarant in the Mecklenburg County, North Carolina, Public Registry, including any surveys and plans recorded with respect to the Developments.

Section 6. "Master Association" shall mean and refer to the KINGS POINT VILLAGE ASSOCIATION, INC., a North Carolina nonprofit corporation and its successors and assigns.

Section 7. "Master Declaration" shall mean and refer to that certain Master Declaration of Covenants, Conditions and Restrictions of KINGS POINT VILLAGE, made by Declarant, applicable to the Community and recorded in the Mecklenburg County Public Registry.

Section 8. "Member" shall mean the Owners' Association and the Declarant, so long as Declarant owns any Unit.

Section 9. "Mortgage" shall mean any mortgage or deed of trust constituting a first lien on a Unit.

Section 10. "Mortgagee" shall mean the owner and holder of a Mortgage at the time such term is being applied.

Section 11. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Unit, including the Declarant if it owns any Unit, and including contract sellers, but excluding those having such interest merely as security for the performance of any obligation.

Section 12. "Owners" Association(s)" shall mean and refer to the owners' associations to be formed by the owners within each Development pursuant to the terms and provisions of any applicable Declaration.

Section 13. "Property" shall mean and refer to the real property as described in Article II of the Master Declaration.

Section 14. "Recreational Area" shall mean and refer to the area more particularly described in the Master Declaration.

Section 15. "Units" shall mean and refer to all "units" or "condominium units" as defined in Section 47C-1-103 of the North Carolina General Statutes and created by Declarant on any portion of the Property, whether now or hereafter created. For purposes hereof, the number of Units shall be deemed to be 94. For the purposes contained in these Bylaws, such Units shall be deemed to exist, even though appropriate Declarations creating such Units have not yet been filed. Nothing contained herein shall obligate Declarant to build or create any of the Units. In the event that the Declarant, as subsequently filed or amended, shall create a lesser number of Units, then, for the purposes hereof, the number of Units shall be such lesser number. For purposes hereof, Declarant shall be deemed to be the owner of all Units prior to the filing of the applicable Declaration creating such Units.

Section 16. The Waste Water Disposal System and appurtenances thereto are a part of the common elements.

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held within one year from the date of incorporation of the Master Association, and each subsequent regular annual meeting of the Members shall be held on the same day of the same month of each year thereafter, at the hour of 2:00 o'clock, P.M. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. All meetings of the Members shall be held at such place, within Mecklenburg County, North Carolina, as shall be determined by the Board of Directors of the Master Association.

Section 3. Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of the Members who are entitled to vote three-sixteenths (3/16) of all the votes appurtenant to the Units.

Section 4. Notice of Meetings. Written notice of each meeting of the Members shall be given by or at the direction of the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, no less than ten (10) days nor more than fifty (50) days before the date of such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Master Association, or supplied by such Member to the Master Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 5. Classes of Lots and Voting Rights. The voting rights of the Membership shall be appurtenant to the number of Units owned by members of each Owners' Association and by Declarant. There shall be two classes of Units with respect to voting rights.

(a) Class A Units. Class A Units shall be all Units except Class B Units, as defined below. The condominium Owners' Association shall be entitled to one vote for each Class A Unit.

(b) Class B. Units. Class B Units shall be all Units owned by Declarant which have not been conveyed to Purchasers who are not affiliated with the Declarant. The Declarant shall be entitled to three (3) votes for each Class B Unit.

Section 6. Relinquishment of Control. Notwithstanding the provisions of Section 5 above, upon such time as the first of the following events occurs:

(1) the expiration of five (5) full years after the registration of this Declaration; or

(2) one hundred twenty (120) days after the date as of which seventy-five percent (75%) of the Units shall have been conveyed by the Declarant to Owners other than a party constituting the Declarant,

the Declarant shall thereupon be entitled to no more than the aggregate number of all votes cast by the other Members minus one (1) vote.

Section 7. Quorum. The presence at the meeting of Members entitled to cast or of proxies entitled to cast one-tenth (1/10th) of the votes appurtenant to the Units shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Master Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 8. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable.

Section 9. Waiver of Notice. Any Member may, at any time, waive notice of any meeting of the Members in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Member at any meeting of the Members shall constitute a waiver of notice by him of the time and place thereof, except in the event that a Member attends a meeting for the purpose of objecting to the transaction of any business because the meeting was not lawfully created. If all the Members are present at any meeting of the Members, no notice shall be required and any business may be transacted at such meeting.

Section 10. Informal Action by Members. Any action which may be taken at a meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the persons who would be entitled to vote upon such action at a meeting and filed with the Secretary of the Master Association to be kept in the Master Association's minute book.

Section 11. Designation of Representatives. The board of directors of each Owners' Association and the President or any Vice President of the Declarant shall, prior to the first annual meeting at which such Member is to attend, designate in writing to the Board of Directors one (1) person to

represent such Member (the "Representative"). Said Representative shall cast all votes, receive all notices, sign all consents, waivers and other documents to be executed by such Member and take all other action on behalf of said Member until the board of directors of such Owners' Association or the President or any Vice President of the Declarant designates a new Representative in writing to the Board of Directors.

ARTICLE IV

BOARD OF DIRECTORS

Section 1. Number. Until the occurrence of the event described in Section 6 of Article III hereof, the business and affairs of the Master Association shall be managed by a Board of four (4) Directors, consisting of a Director designated by the Declarant and the presidents of the Owners' Association of annexed Developments. Until such time as a Development has been annexed, the Declarant shall designate a Director to serve on the Board in the place of that specified president.

After the occurrence of the event described in Section 6 of Article III hereof, the business and affairs of the Master Association shall be managed by a Board of three (3) Directors, consisting of the presidents of the Owners' Association of all annexed Developments.

Section 2. Removal. In the event of death, resignation or removal as president of his or her respective Owners' Association, his or her successor shall be the newly elected or appointed president of his or her respective Owners' Association

Section 3. Compensation. No director shall receive compensation for any service he may render to the Master Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

ARTICLE V

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held quarterly without notice, at such time and place as may be fixed from time to time by resolution of the Board. Should said notice fall upon a legal holiday, then the meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Master Association, or by any director, after not less than three (3) days' notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 4. Informal Action by Directors. Action taken by a majority of the directors without a meeting is nevertheless Board action if written consent to the action in question is signed by all of the directors and filed with the minutes of the proceedings of the Board, whether done before or after the action is taken.

Section 5. Chairman. A Chairman of the Board of Directors shall be elected by the directors and shall preside over all Board meetings until the President of the Master Association is elected. Thereafter, the President shall serve as Chairman. In the event there is a vacancy in the office of the Presidency, a Chairman shall be elected by the Board of Directors and serve until a new President is elected.

Section 6. Liability of the Board. The members of the Board of Directors shall not be liable to the Owners or the Owners' Association for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The Owners shall indemnify and hold harmless each of the members of the Board against all contractual liability to others arising out of contracts made by the Board on behalf of the Master Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Master Declaration or these Bylaws. It is intended that the members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Master Association, except to the extent that they are Owner(s).

ARTICLE VI

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

(a) adopt and publish rules and regulations governing the use of the Recreational Area and the personal conduct of the Owners and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights and right to use of the Recreational Area of an Owner during any period in which such Owner shall be in default in the payment of any assessment levied by the Master Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days, for infraction of published rules and regulations;

(c) exercise for the Master Association all powers, duties and authority vested in or delegated to this Master Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation or the Master Declaration;

(d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;

(e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties;

(f) employ attorneys to represent the Master Association when deemed necessary;

(g) grant easements for the installation and maintenance of sewerage, utilities or drainage facilities upon, over, under and across the Recreational Area without the assent of the membership when such easements are requisite for the convenient use and enjoyment of the Property; and

(h) appoint and remove at pleasure all officers, agents and employees of the Master Association, prescribe their duties, fix their compensation and require of them such security or fidelity bond as it may deem expedient.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all of its acts and corporate affairs and to present a statement thereof to the Members at the Annual Meeting of the Members or any special meeting when such statement is requested in writing by at least one-fourth (1/4th) of the votes appurtenant to the Units;

(b) supervise all officers, agents and employees of the Master Association and to see that their duties are properly performed;

(c) as more fully provided in the Master Declaration, to:

(1) fix the amount of the annual assessment against each unit at least thirty (30) days in advance of each annual assessment period;

(2) send written notice of each assessment to every Owner subject thereto at least fifteen (15) days before its due date;

(3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same;

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. (A reasonable charge may be made by the Board for the issuance of these certificates. If any such certificate states that an assessment has been paid, such certificate shall be conclusive evidence of such payment.);

(e) procure and maintain adequate liability insurance covering the Master Association and the directors and officers thereof and adequate hazard insurance on the property owned by the Master Association;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(g) cause the Recreational Area to be maintained; and

(h) fix the amount of any special assessment for the maintenance, repair or reconstruction of the Waste Water Disposal System, as provided in the Declaration.

ARTICLE VII

OFFICERS AND THEIR DUTIES

Section 1. Officers. The officers of the Master Association shall be a President, who shall at all times be a member of the Board of Directors, a Secretary and a Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. Each officer of the Master Association shall be elected annually by the Board and each shall hold office for one (1) year or until his death, resignation, retirement, removal, disqualification, or his successor is elected and qualifies.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Master Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices, except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Compensation. No officer shall receive any compensation from the Association for acting as such.

Section 9. Duties. The duties of the officers are as follows:

President

(a) The President shall be the principal executive officer of the Master Association and, subject to the control of the Board, shall supervise and control the management of the Master Association. The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall cosign all checks and promissory notes.

Secretary

(b) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Master Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the members of the Master Association, together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

(c) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Master Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Master Association; keep proper books of account; cause an annual audit of the Master Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and statement of income and expenditures to be represented to the membership at its regular annual meeting and deliver a copy of each to the Members.

ARTICLE VIII

BOOKS AND RECORDS

The books, records and papers of the Master Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Master Declaration, the Articles of Incorporation and the Bylaws of the Master Association shall be available for inspection by any member at the principal office of the Master Association, where copies may be purchased at reasonable cost.

ARTICLE IX

ASSESSMENTS

As more fully provided in the Master Declaration, each Owner is obligated to pay to the Master Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of twelve percent (12%) per annum, plus such late charge as may be established by the Board of Directors, and the Master Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property; and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of the assessments. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Recreation Area or abandonment of his Unit.

ARTICLE X

CORPORATE SEAL

The Master Association shall have a seal in circular form having within its circumference the words: KINGS POINT VILLAGE ASSOCIATION, INC., NORTH CAROLINA, 1991.

ARTICLE XI

AMENDMENTS

Section 1. These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of a majority of a quorum of Members present in person or by proxy.

Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Master Declaration and these Bylaws, the Master Declaration shall control.

ARTICLE XII

MISCELLANEOUS

The fiscal year of the Master Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

ARTICLE XIII

INDEMNIFICATION OF DIRECTORS, OFFICERS AND OTHERS

The Master Association shall indemnify any director or officer or former director or officer of the Master Association or any person who may have served at the request of the Master Association as a director or officer of another corporation, whether for profit or not for profit, against expenses (including attorneys' fees) or liabilities actually and reasonably incurred by him in connection with the defense of, or as a consequence of, any threatened, pending or completed action, suit or proceeding (whether civil or criminal) in which he is made a party or was (or is threatened to be made) a party by reason of being or having been such director or officer, except in relation to matters as to which he shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of duty.

The indemnification provided herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any statute, bylaw, agreement, vote of members or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

The Master Association may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Master Association, or is or was serving at the request of the Master Association as a

director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in such capacity, or arising out of his status as such, whether or not the Master Association would have the power to indemnify him against such liability.

The Master Association's indemnity of any person who is or was a director, officer, employee or agent of the Master Association, or is or was serving at the request of the Master Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall be reduced by any amounts such person may collect as indemnification (i) under any policy of insurance purchased and maintained on his behalf by the Master Association or (ii) from such other corporation, partnership, joint venture, trust or other enterprise.

Nothing contained in this Article XIII or elsewhere in these Bylaws shall operate to indemnify any director or officer if such indemnification is for any reason contrary to any applicable state or federal law.

ARTICLE XIV

WASTE DISPOSAL SYSTEM

Section 1. The Disposal System and appurtenances thereto are a part of the common elements.

Section 2. Recognizing that it would be contrary to the public interest and to the public health, safety, and welfare, the Master Association shall not enter into a voluntary dissolution without having made adequate provision for the continued proper maintenance, repair, and operation of its Disposal System, by first transferring the system and facilities to some person, corporation, or other entity acceptable to and approved by the North Carolina Environmental Management Commission.

Section 3. The Master Association shall not transfer, convey, assign, or otherwise relinquish or release its responsibility for the operation and maintenance of the Disposal System until a permit has been reissued to the Master Association's successor.

ARTICLE XV

ARBITRATION

Any claim which shall be made against one or more members of the Board of Directors shall be settled by arbitration, except as otherwise provided herein in the Master Declaration or under any applicable law, and judgment upon the award may be entered in any court having jurisdiction thereof. Such arbitration shall be commenced upon the delivery of such claim, in writing, to one or more members of the Board; and shall be before one disinterested

arbitrator, if one can be agreed upon; otherwise, before three disinterested arbitrators, one named by the Director(s), one by the Owner(s), and one by the two thus chosen. The arbitrator or arbitrators shall determine the controversy in accordance with the laws of North Carolina as applied to the facts found by him or them. If the Director(s) or the Owners(s) shall refuse or fail to so name an arbitrator within thirty (30) days after written notice from the other party requiring the naming of an arbitrator, then the arbitrator so named by the party not in default hereunder shall have the power to proceed to arbitrate and determine the matters in controversy as if he were an arbitrator appointed by both parties for that purpose, and his award in writing signed by him shall be final. The rules of procedure for the arbitration hearing may be adopted by the arbitrators. All arbitration proceedings hereunder shall be conducted in Charlotte, North Carolina.

The foregoing were adopted as the Bylaws of KINGS POINT VILLAGE ASSOCIATION, INC. at the first meeting of the Board of Directors on

APPROVED:

Secretary

President

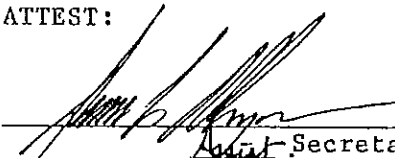
KINGS POINT COMMUNITY
CONSENT OF MORTGAGEE

BRANCH BANKING AND TRUST COMPANY, Beneficiary under that certain Deed of Trust from KENNERLY DEVELOPMENT COMPANY, INC., to David E. Crowder, Jr., Trustee, conveying part of the property described in Exhibit A attached hereto and made a part hereof and recorded in Book 6500, Page 857 in the Mecklenburg County Public Registry, does hereby consent to the recordation of this Master Declaration and the imposing of the provisions hereof to said real property described in Exhibit A, and said Beneficiary does hereby consent and agree that from and after this date, the provisions of this Master Declaration, including all exhibits, attachments and amendments hereto, shall be superior to the lien of said Deed of Trust on part of the property described in Exhibit A. The execution of this Consent of Mortgagee by the Beneficiary shall not be deemed or construed to have the effect of creating between said Beneficiary and Declarant the relationship of partnership or of joint venture, nor shall said Beneficiary be deemed to have accepted in any way nor shall anything contained hereunder be deemed to impose upon said Beneficiary any of the liabilities, duties or obligations of the Declarant under the foregoing Master Declaration. Said Beneficiary executes this Consent of Mortgagee solely for the purposes set forth herein. The said Substitute Trustee also joins in and executes this Consent as Substitute Trustee of said Deed of Trust for the said purposes hereinabove set forth.

IN WITNESS WHEREOF, the undersigned have caused this Consent to be duly executed and sealed as of the 22 day of April, 1991.

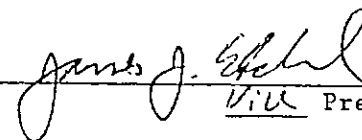
BRANCH BANKING AND TRUST COMPANY,
Beneficiary

ATTEST:

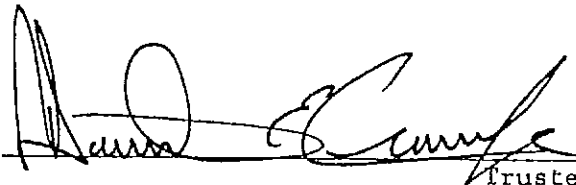


Secretary

(CORPORATE SEAL)

By: 

Vice President



Trustee (SEAL)

STATE OF NORTH CAROLINA, COUNTY OF MECKLENBURG

I, Stutchen L. Wilton, a Notary Public in and for said County and State do hereby certify that DAVID E. CROWDER, JR., Trustee, personally appeared before me this date and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and Notarial Seal, this 22 day of October 1991.

My comm. Expires 9/26/94 Stutchen L. Wilton (SEAL)
Notary Public

STATE OF NORTH CAROLINA, COUNTY OF MECKLENBURG

I, a Notary Public of the County and State aforesaid, certify that Jawa J. Edahl, personally came before me this day, who, being by me duly sworn, says that (s)he is the (Vice) President of BRANCH BANKING AND TRUST COMPANY and that the seal affixed to the foregoing instrument in writing is the corporate seal of said company; said writing was signed and sealed by him in behalf of said corporation by its authority duly given; and the said Assistant Secretary acknowledged the said writing to be the act and deed of said corporation.

(NOTARY SEAL)

Stutchen L. Wilton
Notary Public
My Comm. Expires: 9/26/94