

Potential Annexation Of Kinderton Village

Questions and Answers

1. What is being proposed?

The Kinderton Village Board of Directors is proposing that Kinderton Village residents request voluntary annexation by Bermuda Run.

2. Why is the Board of Directors making this proposal?

By North Carolina law, every town has the legal right to extend its jurisdiction 1 mile in every direction beyond its town limits. This area is known as the Extra Territorial Jurisdiction (ETJ). Kinderton Village is already part of the Bermuda Run ETJ, and KV residents are required to abide by all ordinances passed by the Bermuda Run Town Council. However, Kinderton Village is not entitled to representation on the Bermuda Run Town Council.

Voluntary annexation affords the greatest amount of mutual benefit for both the Town of Bermuda Run and Kinderton Village. Kinderton Village currently has a unique opportunity to request voluntary annexation. Annexation may not be possible in the future, say when the streets in Kinderton Village need repaving or repair. Bermuda Run has already certified that our streets, in their current condition, are acceptable.

3. What are the benefits of annexation?

If Kinderton Village is annexed, Bermuda Run would be required to provide the same services to Kinderton Village that it provides to the current Bermuda Run town residents. Specifically, Bermuda Run would assume responsibility for:

- Street maintenance and repair
- Street and decorative lighting
- Common area maintenance
- Snow plowing
- Garbage pickup (in the Bermuda Run budget for 2011)
- Any other services they provide, or will provide, for current Bermuda Run residents

In addition, Kinderton Village would have the right of representation on the Bermuda Run Town Council, and Kinderton Village residents would avoid a significant increase in HOA dues necessary to establish a street maintenance fund to cover repaving costs in 7 to 10 years. Current estimates show that HOA dues would need to be increased between \$19 and \$26 per month to ensure that Kinderton Village is able to repave its streets.

4. How much do these services currently cost Kinderton Village?

Expense	Annual Cost	Comments
Landscaping	\$60,000	Budgeted amount for 2010
Irrigation - Maintenance	\$5,000	Budgeted amount for 2010
Irrigation - Water	\$7,000	Budgeted amount for 2010
Street/decorative Lighting	\$32,000	Actual cost for first quarter 2010 x 4
Trash (Single Family)	\$205	Not included in HOA dues (\$17.05/mo)
Trash (Condos/Quads)	\$7,500	Budgeted amount for 2010
Total	\$111,500	Does not include Single Family trash

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5. How much will it cost to repave our streets?

An estimate to pave all of the streets in Kinderton Village was provided by Pure Seal from Burlington, NC. The estimate did not include the clubhouse parking lot or the alleys behind single family homes and town homes. In our opinion, this is a low estimate, since it did not include striping the streets and raising manhole covers, both of which will be needed when new asphalt is added. However, it does give us a reference point to gauge the cost.

2010 Estimate	Number of Homes	Assessment per Household
\$643,985 *	359	\$1794

* At a 2.5% inflation rate, the cost in 2020 is projected to be \$826,309

6. What obligations to Bermuda Run would Kinderton Village residents have?

Kinderton Village residents would be required to pay an ad valorem (property) tax to the Town of Bermuda Run. This tax is currently 15¢ per \$100 of assessed property value, and would be included in the yearly Davie County property tax. Some examples of the impact of this tax are below:

Assessed Property Value	\$90,000	\$100,000	\$200,000	\$300,000	\$350,000
Additional Annual Tax *	\$135	\$150	\$300	\$450	\$525

* additional annual tax = (assessed property value / 100) x \$0.15
for example, (\$200,000 / 100) x \$0.15 = \$300

7. Will my HOA dues be reduced to cover the additional Bermuda Run property tax?

If Kinderton Village is annexed, HOA dues will be reduced by \$15 per month. The following table reflects examples of savings based on dues reduction and savings from trash pickup.

Resident	Home Value	Annual Bermuda Run Tax	Annual Savings From Trash	Annual Savings From HOA Dues Reduction *	Annual Savings After Bermuda Run Tax
Single Family	\$200,000	\$300	\$205	\$180	\$85
Quad	\$120,000	\$180	Included in dues	\$180	\$0
Condo	\$90,000	\$135	Included in dues	\$180	\$45
Town Home	\$200,000	\$300	\$205	\$180	\$85

* HOA dues will be reduced \$15 per month for all residents. **Also note that property taxes are tax-deductible while HOA dues are not.**

8. What is Bermuda Run's financial posture?

Financially, Bermuda Run is in sound shape as evidenced by the fact that its reserves, as a percentage of its budget, are twice that which is required by the state of North Carolina. The Town of Bermuda Run is not affected by the financial problems of the golf course, since the golf course and club house are independently owned and operated.

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9. Would the Bermuda Run Town Council replace our Board of Directors?

No. There would be no change to Kinderton Village's Board of Directors governance process. If annexed, Kinderton Village would retain the current board structure (Master, Single Family, Quad/Condo, Town homes). In addition, Kinderton Village will remain a **covenant community** under the current Articles of Incorporation, By-Laws and Declaration of Covenants, Conditions and Restrictions. We would continue to govern ourselves as we do now.

10. Would Bermuda Run assume responsibility for the alleys behind single family homes and town homes?

No. Kinderton Village would continue to be responsible for the alleys.

11. Would Bermuda Run manage our pool, or assume any responsibility for it?

No. The pool and clubhouse will continue to be the responsibility of, and managed by, Kinderton Village.

12. Will my address change?

No. Addresses in Kinderton Village would not change (i.e. they would still be in Advance, NC 27006).

13. Will Kinderton Village become a gated community?

No. There are no plans to enclose Kinderton Village with a fence and gate.

14. Will our tax money be used by Bermuda Run for their fence, guard house, gate, or golf course?

No. The Bermuda Run fence, gate, guard house, and guard are funded through a special assessment levied on residents within the gated area. **The golf course and club house are independently owned and operated and are not funded in any way through tax dollars.**

15. Will Bermuda Run maintain the area between the street and sidewalk?

Yes. This is a common area and Bermuda Run will maintain all common areas after annexation.

16. If we are annexed, will the Davie County Sheriff's department patrol Kinderton Village streets and have the authority to issue speeding tickets and enforce No Parking zones and other infractions of the law?

Yes. The Sheriff's department will have this authority after annexation.

17. How do we request annexation?

Kinderton Village residents must present a petition to the Bermuda Run Town Clerk asking for annexation. This petition must be signed by a majority of Kinderton Village residents..

18. What happens next?

After the petition is presented to the Bermuda Run Town Clerk, the process is as follows:

- The Town Clerk investigates the sufficiency of the petition and certifies its sufficiency to the Town Council.
- The Town Council calls a public hearing on the proposed annexation.
- At the hearing, the public comments upon the sufficiency of the petition and the desirability of the annexation.
- After the public hearing, the Town Council, if it approves, adopts an ordinance annexing the property included in the petition.
- The annexation is then recorded at the Register of Deeds and reported to the Secretary of State.

19. What if I have more questions, concerns, or need clarification about annexation?

To submit your questions and comments to the Kinderton Village Board Of Directors, use the **SpeakUp!** feature on the HOA website, or send an email to annexation@kindertonvillage.org.