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MASTER DECLARATION

OF

COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS

FOR

THE PRESERVE



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Master Declaration of Covenants, Conditions, Restrictions and Easements for THE PRESERVE

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**Master Declaration of
Covenants, Conditions, Restrictions and Easements
for The Preserve**

¹⁵ THIS MASTER DECLARATION is made and executed on February 6, 2014 by **PRESERVE HOLDINGS, LLC**, a North Carolina limited liability company (the "Declarant"), and **THE PRESERVE CONDOMINIUM ASSOCIATION, INC.**, a North Carolina non-profit corporation (the "Condominium Association").

WITNESSETH:

WHEREAS, Declarant is developing certain and has heretofore developed real property located in the Town of Oak Island, Brunswick County, North Carolina, and more particularly described in Exhibit "A" attached hereto and incorporated herein by reference, as part of a planned community accommodating a mix of condominium and single-family residential homesites and recreational uses;

WHEREAS, Condominium Association exists for purposes of management of The Preserve Condominium (the "Condominium") pursuant to The Declaration of Condominium recorded in Book 2406 at Page 897, as amended in Book 2583 at Page 185 and further amended in Book 2854 at Page 905, and as the same may be hereafter amended from time to time (the "Condominium Declaration"), said Condominium property being more fully described in Exhibit "B" attached hereto and incorporated herein by reference;

WHEREAS, Declarant is the owner and holder of all "Development Rights", and all "Special Declarant Rights", as the same are defined in Sections 1.12 and 1.22, respectively, of the Condominium Declaration;

WHEREAS, included within Declarant's Development Rights is the right to withdraw real estate not heretofore annexed as part of the Preserve Condominium, and Declarant has exercised this right of withdrawal as to all real estate described on the attached Exhibit "C", except for easements, as reasonably necessary to provide ingress, egress, utility connections and services and drainage facilities to the Condominium property;

WHEREAS, Declarant intends to create a residential subdivision on the withdrawn property comprised of single-family residences to be known as "Preserve Homesites", as more fully described on the attached Exhibit "C", subject to all applicable zoning ordinances of the Town of Oak Island and to be governed by its own declaration of restrictive covenants and property owners' association;



WHEREAS, by necessity, the owners of Units in the Condominium and the owners of Homesites will share in common certain facilities, including, but not limited to, roadways, entranceways, landscaping, lighting, the clubhouse, dock and other recreational areas and facilities serving both the Condominium and Homesites;

WHEREAS, it is reasonable, necessary and proper that an orderly means be established to govern the use, maintenance and upkeep of said common facilities;

WHEREAS, the unit owners at a duly called meeting of members of the Condominium Association have approved the creation of The Preserve Master Association, Inc. and this Master Declaration, as certified in Exhibit D, attached hereto;

NOW, THEREFORE, Declarant and Condominium Association, acting pursuant to the authority granted by the affirmative vote of at least sixty seven (67%) of its members at a meeting duly called for the purpose of acting upon the adoption of this Master Declaration, hereby declare that all of the property described in Exhibit "A" and in Exhibit "B" attached hereto, shall be subject to the covenants, condition, restrictions and easements set forth herein, as specifically made applicable by the provisions hereof. Such covenants, conditions, restrictions and easements are hereby imposed for the purpose of protecting the value and desirability of these lands, and shall run with the title to the real property subjected to this Master Declaration, including all Condominium Units heretofore or hereafter declared as such which now or hereafter comprise portions of the property described in Exhibit "B" and all Homesites now or hereafter declared and subdivided as such comprising portions of the property described in Exhibit "C". These covenants, conditions and restrictions set forth herein shall run with the title to the real property subjected to this Master Declaration, and shall be binding on and inure to the benefit of all parties having any right, title or interest in such property or any portion thereof.

ARTICLE I

DEFINITIONS AND GENERAL PROVISIONS

Section I. Definitions. As used in this Master Declaration, the following terms with initial capital letters shall have the following meanings and, as required by context, these definitions shall apply to both the singular and plural forms of such terms:

(a) "Articles of Incorporation" shall mean the Articles of Incorporation of the Association filed in the office of the Secretary of State of North Carolina, as the same may be amended from time to time.

(b) "Assessment" shall mean an Owner's share of the Common Expenses and other charges from time to time assessed against an Owner by the Association as provided for herein, including Annual Assessments, Special Assessments, Segment Assessments, and all fees, late charges, fines, interest



and other charges (including costs of collection and reasonable attorneys' fees) imposed or authorized to be collected by the Association pursuant to this Master Declaration, the Bylaws, rules and regulations of the Association, or applicable law.

(c) "Association" shall mean The Preserve Master Association, Inc., a North Carolina nonprofit corporation, its successors and assigns.

(d) "Authorized User" shall mean a family member, guest, invitee, licensee, lessee, tenant, contractor or agent of an Owner. With respect to an Owner that is a corporation, limited liability company, partnership, association, trust or other entity, the Authorized Users shall include the owners, officers, directors, members, managers and/or beneficiaries of the Owner, provided that the Association may establish a reasonable limit on the number of Authorized Users for each property and the Association may require the Owner to designate its Authorized Users in writing.

(e) "Bylaws" shall mean the Bylaws of the Association, as the same may be amended from time to time.

(f) "Common Elements" shall mean any real property or real property interest owned by or leased to the Association. Common Elements shall include Limited Common Elements. Common Elements do not include Common Elements or Limited Common Elements assigned to condominium units under the Declaration of Condominium for the Preserve Condominium.

(g) "Common Expenses" shall mean expenditures made by or financial liabilities of the Association, together with any allocations to reserves. Common Expenses shall include General Common Expenses and Limited Common Expenses.

(h) "Declarant" shall mean, collectively: (i) Preserve Holdings, LLC, a North Carolina limited liability company; (ii) successors of Preserve Holdings, LLC or another Declarant by operation of law; and (iii) any Persons who are (A) assignees of any or all of a Declarant's rights, (B) hold title to any portion of the Development, and (C) are designated as a Declarant in a written instrument executed by the assignor Declarant and recorded in the Brunswick County Registry.

(i) "Development" shall mean those tracts or parcels of land described on Exhibits "A", "B" and "C".

(j) "Executive Board" shall mean the Executive Board of the Association, as provided for in the Articles of Incorporation and the Bylaws.

(k) "General Common Expenses" shall mean Common Expenses other than Limited Common Expenses.

(l) "Limited Common Element" shall mean a portion of the Common Elements designated for the primary or exclusive use of one or more but fewer than



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all of the Owners pursuant to a plat of any portion of the Development or pursuant to any amendment hereto or supplemental declaration referring to this Master Declaration, made in accordance with the provisions hereof and recorded in the Brunswick County Registry. Limited Common Elements may be designated as Single Family Sections Limited Common Elements. Limited Common Elements do not include Limited Common Elements assigned to condominium units under the Declaration of Condominium for The Preserve Condominium.

(m) "Limited Common Expenses" shall mean Common Expenses (including allocations to reserves) incurred or made for the benefit of fewer than all Owners, such as for the operation, maintenance, repair and replacement of Limited Common Elements, and for administrative costs, security and other services provided for the benefit of fewer than all Owners.

(n) "Master Declaration" shall mean this Master Declaration of Covenants, Conditions, Restrictions and Easements for The Preserve, and all amendments hereto and supplemental declarations made in accordance with the provisions hereof and recorded in the Brunswick County Registry.

(o) "Member" shall mean an Owner who is a Member of the Association as provided in the Articles of Incorporation and in Article II hereof.

(p) "Mortgage" shall mean a mortgage, deed of trust or other similar security instrument granting, creating or conveying a lien upon any tract or parcel of land in the Development.

(q) "Mortgagee" shall mean the holder of a Mortgage.

(r) "Multi-Family Project" shall mean The Preserve Condominium.

(s) "Multi-Family Unit" shall mean a physical portion of a Multi-Family Project designated for separate ownership or occupancy.

(t) "Owner" shall mean the owner as shown on the real estate records of Brunswick County, North Carolina, whether it be one or more Persons, of fee simple title to any Single Family Lot, Multi-Family Unit or Unimproved Tract within the Development, but shall not include a Person having an interest in any such property solely as security for an obligation.

(u) "Person" shall mean a natural person or a corporation, limited liability company, partnership, association, trust or other legal entity.

(v) "Single Family Lot" or "Homesite" shall mean any lot or parcel of land located within the Development that is designated or restricted for use as a site for a detached single family dwelling pursuant to any amendment hereto or supplemental declaration referring to this Master Declaration, made in accordance with the provisions hereof and recorded in the Brunswick County Registry.



(w) "Single Family Sections Limited Common Elements" shall mean Limited Common Elements designated for the primary or exclusive use of Owners and Authorized Users of Single Family Lots pursuant to a plat of any portion of the Development or pursuant to any amendment hereto or supplemental declaration referring to this Master Declaration, made in accordance with the provisions hereof and recorded in the Brunswick County Registry.

(x) "Sub-Association" shall mean and refer to a nonprofit corporation whose members are comprised entirely of Owners of property in any Multi-Family Project or other planned community or planned unit development within but including less than all of the Development.

(y) "Sub-Association Common Elements" shall mean any real property or real property interests owned or leased by a Sub-Association.

(z) "Sub-Association Declaration" shall mean any instrument or document, and any amendment or supplement thereto, recorded in the Brunswick County Registry that creates a Multi-Family Project or other planned community or planned unit development within but including less than all of the Development.

(aa) "Unimproved Tract" shall mean an unimproved tract or parcel of land located within the Development and designated for use as a site for Single Family Lots or a Multi-Family Project pursuant to an amendment hereto or a supplemental declaration referring to this Master Declaration, made in accordance with the provisions hereof and recorded in the Brunswick County Registry; provided that any such tract or parcel shall no longer be an Unimproved Tract after it has been subdivided into Single Family Lots or Multi-Family Units.

Section 2. Applicability of Master Declaration. The covenants, conditions, restrictions and easements set forth in this Master Declaration shall only apply to the Development. Each and every grantee of any interest in any property within the Development, by acceptance of a deed or other conveyance of such interest, agrees to and shall be bound by the provisions of this Master Declaration.

Section 3. Planned Unit Development Master Plan. Declarant is developing the Development pursuant to a Planned Unit Development Master Plan on file with the applicable authorities of the Town of Oak Island and/or Brunswick County, North Carolina. The Master Plan is subject to continuous revision and change by Declarant, in its discretion.

Section 4. Planned Community Act Applicable. The North Carolina Planned Community Act set forth in Chapter 47F of the General Statutes, as it may be amended from time to time, shall apply to the Development and the Association.

Section 5. Permit Requirements. The Development and the use thereof are subject to all applicable permits and approvals, including without limitation Stormwater



Management Permit No. SW8040603, as renewed or modified from time to time, and all applicable laws, ordinances, rules, regulations and other governmental requirements.

ARTICLE II

MEMBERSHIP AND GOVERNANCE OF THE ASSOCIATION

Section 1. Membership. As provided in the Articles of Incorporation, every Owner of a Single Family Lot, Multi Family Unit or Unimproved Tract shall be a voting Member of the Association. Such membership shall be appurtenant to and may not be separated from ownership of the property that is subject to assessment by the Association. The Executive Board may adopt reasonable rules relating to proof of ownership.

Section 2. Voting Rights of Members, As provided in the Articles of Incorporation, the Members shall be entitled to vote on matters for which such a vote is expressly required by the North Carolina Nonprofit Corporation Act, the North Carolina Planned Community Act, the Articles of Incorporation or this Master Declaration. The Association shall have one (1) class of Members with voting rights as follows:

Class "A": Class "A" Members shall be all Owners (with the exception of Declarant) of Single Family Lots, Multi-Family Units, and any Unimproved Tracts. The Owner of each Single Family Lot shall be entitled to one (1) vote. The Owner of each Multi-Family Unit shall be entitled to one (1) vote. The Owner of an Unimproved Tract shall be entitled to one (1) vote per acre for each whole acre in the Unimproved Tract (fractional acres shall not be counted for voting purposes unless the Unimproved Tract consists of less than one acre, in which case such Unimproved Tract shall be deemed to consist of one acre for voting purposes).

Class "B": The Class "B" Member shall be Declarant. The Class "B" Member shall be entitled to one (1) vote(s) for each Single Family Lot, and one (1) votes for each Multi-Family Unit that it owns, and one (1) votes for each vote that it would have if it were a Class "A" Member with respect to each Unimproved Tract that it owns. Class "B" membership shall exist and continue until such time as Declarant has conveyed eighty percent (80%) of total Single Family Lots declared and subdivided from the property described in Exhibit "C" to persons other than a Declarant as defined in Article I Section 1 paragraph h.

Additional provisions consistent with applicable law regarding meetings of Members, proxies and voting by co-owners may be set forth in the Bylaws or adopted by the Executive Board.

Section 3. Executive Board. As provided in the Articles of Incorporation, the affairs of the Association shall be managed by or at the direction of the Executive Board. The number of persons on the Executive Board shall be five (5) Members to be elected annually by the Condominium Association and two (2) Members to be elected by the Preserve Homesites Association.



ARTICLE III

COMMON ELEMENTS

Section 1. Conveyance of Common Elements by Declarant and The Condominium Association. Declarant and The Condominium Association covenant for themselves, their successors and assigns, to convey to the Association by fee simple deed or long term lease, at no cost to the Association, all private streets within the Development that are necessary for access to Single Family Lots, Multi-Family Units or Unimproved Tracts from public roads or highways, the clubhouse and all Common Elements (excluding Sub-Association and Condominium Common Elements) designated as such on a plat of any portion of the Development recorded by or at the direction of Declarant in the Brunswick County Registry. Such properties may be conveyed to the Association at one time or from time to time in the sole discretion of Declarant; provided that said conveyances shall take place on or before December 31, 2017. In addition, Declarant may convey or lease other property, or an interest therein, to the Association for use as Common Elements. The Association shall accept the conveyances and immediately become responsible for all maintenance and operation of all such properties. Any real property leased to the Association shall cease to be Common Elements upon the expiration of the lease term.

Section 2. Owners' Easements in Common Elements. Subject to all of the other provisions of this Master Declaration, the Articles of Incorporation, the Bylaws, any rules and regulations of the Association, and any fees or charges established by the Association, every Owner and every Authorized User shall have a right and easement of enjoyment in and to the Common Elements and such easement shall be appurtenant to and shall pass with the title to every Single Family Lot, Multi-Family Unit or Unimproved Tract.

Section 3. Designation of Limited Common Elements. Declarant reserves the right to designate Limited Common Elements for the primary or exclusive use of Owners and Authorized Users of Single Family Lots (Single Family Sections Limited Common Elements) or other types of property in the Development. Such designation may be made on a plat of any portion of the Development recorded by or at the direction of Declarant, or such designation may be made or more specifically described pursuant to any amendment hereto or supplemental declaration referring to this Master Declaration, made in accordance with the provisions hereof and recorded in the Brunswick County Registry. A designation of Limited Common Elements may be made subject to such conditions, restrictions and reservations as may be specified by Declarant in such amendment or supplemental declaration.

Section 4. Limitations on Owners' Rights in Common Elements. The Common Elements (including Limited Common Elements) shall be subject to the provisions of this Master Declaration, including the rights and reservations of Declarant and all easements, restrictions and rights of way of record at the time of conveyance. Further, the rights and easement of enjoyment of the Owners created hereby shall be subject to the rights of the

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Association to: (a) adopt and enforce reasonable rules and regulations regarding use of the Common Elements; (b) impose and receive any payments, fees or charges for the use, rental or operation of the Common Elements other than streets, and for services provided to Owners; (c) grant or transfer drainage and utility easements on any part of the Common Elements; (d) convey or encumber all or any part of the Common Elements, subject to approval by the Owners as hereinafter provided; and (e) exchange with the Declarant, or with any Owner, any portion of the Common Elements for an approximately equal area of other property to be added to the Common Elements, whereupon the property conveyed by the Association shall cease to be Common Elements and shall no longer to be subject to the provisions of this Master Declaration relating to Common Elements.

Section 5. Streets and Motor Vehicles. The Association shall have authority to adopt and enforce reasonable rules and regulations regarding the private streets within the Development and the use of motor vehicles, bicycles or other conveyances on such streets, including speed limits, noise limitations, and parking restrictions or prohibitions.

Section 6. Easement for Provision of Certain Services. An easement is hereby established over, upon and across the Common Elements for municipal, public and private utilities serving the Development, and for governmental and law enforcement authorities with jurisdiction over the Development, for setting, removing and reading utility meters, maintaining and replacing utility or drainage connections, providing trash collection services, and acting with other purposes consistent with the public safety and welfare, including without limitation police, fire protection and animal control.

Section 7. Conveyance or Encumbrance of Common Elements. Portions of the Common Elements may be conveyed or subjected to a security interest by the Association if Owners entitled to cast at least eighty percent (80%) of the votes of all the Owners agree in writing to that action; provided that all the Owners of property to which any Limited Common Element is allocated shall agree in order to convey that Limited Common Element or subject it to a security interest. Distribution of proceeds of the sale of a Limited Common Element shall be as provided by agreement between the Owners to which it is allocated and the Association. Proceeds of the sale or financing of a Common Element (other than a Limited Common Element) shall be an asset of the Association. Notwithstanding the foregoing, the Association shall not convey, mortgage, encumber or change the use of Common Elements prior to December 31, 2017 without the written consent of Declarant. Further, no conveyance or encumbrance of Common Elements may deprive any Owner of the right of access to such Owner's property located within the Development.

ARTICLE IV

ASSESSMENTS

Section 1. Covenant for Assessments. Declarant covenants, and each Owner, whether or not it shall be so expressed in the deed or other conveyance to such Owner, shall be deemed to covenant and agree to all the terms and provisions of this Master Declaration and to



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pay to the Association (i) Annual Assessments, (ii) Special Assessments, (iii) Segment Assessments, (iv) all costs of collection, including reasonable attorneys' fees, and (v) all other fees, charges, late charges, fines, interest and expenses imposed or authorized to be collected by the Association pursuant to this Master Declaration, the Bylaws, rules and regulations of the Association, or applicable law, all of which shall constitute Assessments. Without limiting the foregoing, if any Common Expense is caused by the negligence or misconduct of any Owner or any Authorized User of an Owner's property, the Association may assess that expense exclusively against that Owner or that Owner's property.

Section 2. Creation of Lien and Personal Obligation for Assessments. Each Assessment shall be a charge and continuing lien on the real property and improvements thereon against which such Assessment is made. The lien of the Association shall further secure such advances for taxes and payments on account of superior mortgages, liens or encumbrances as may be made by the Association in order to preserve and protect its lien, and the Association shall be entitled to interest on any such advances at the rate provided for past due Assessments. All Persons who shall acquire, by whatever means, any interest in any property subject to any Assessment hereunder, or who may be given or acquire a Mortgage, lien or other encumbrance thereon, are hereby placed on notice of the lien rights granted to the Association, and shall acquire such interest expressly subject to such lien rights. Each Assessment shall also be the personal obligation of any Person who was an Owner of such real property at the time the Assessment first became due and payable. In the case of co-ownership, all co-owners shall be jointly and severally liable for the entire amount of each Assessment.

Section 3. Priority of Lien. The lien provided for herein is prior to all other liens and encumbrances, except (i) liens and encumbrances (specifically including, but not limited to, a Mortgage on such property) recorded before the docketing of the claim of lien in the office of the Clerk of Superior Court (as hereinafter provided), and (ii) liens for real estate taxes and other governmental assessments and charges against such property. No sale or transfer shall relieve such property from liability or liens arising from Assessments thereafter becoming due.

Section 4. Commencement of Assessments; Declarant's Option to Fund Deficits.
A Single Family Lot or Unimproved Tract shall become subject to Assessments on the first day of the month following the month in which a plat thereof has been recorded in the Brunswick County Registry and such property has been annexed into the Development pursuant to an amendment hereto or supplemental declaration referring to this Master Declaration, made in accordance with the provisions hereof and recorded in the Brunswick County Registry. A Multi-Family Unit shall become subject to Assessments on the first day of the month following first to occur of (i) completion of construction, or (ii) issuance of a certificate of completion or occupancy by the applicable governmental authority. The Owner of any assessable property that changes from an Unimproved Tract to another category during a fiscal year shall be billed an additional prorated amount for the remainder of such year to reflect the category change. Notwithstanding any other provision of this Master Declaration, for as long as the Class "B" membership shall exist, Declarant may satisfy its obligation for Assessments against its property in the Development for any year by funding any operating deficit of the Association during such year; the operating



deficit being determined by the following formula--the total amount of Assessments collected by the Association on all other property in the Development for such year, plus amounts expended from reserves during such year, minus the total actual expenditures by the Association during such year. Declarant shall be deemed to have elected to fund any operating deficit in such manner until Declarant notifies the Association in writing that it intends to pay Assessments against its property in the same manner as other Owners of property in the development, which notice shall be effective at the beginning of the next fiscal year after the year in which the notice is given. After once giving such notice, unless Declarant otherwise notifies the Association in writing before the beginning of a fiscal year, Declarant shall be deemed to have elected to continue paying Assessments or funding any deficit on the same basis as during the immediately preceding year. Declarant's option to make such election shall terminate at the beginning of the next fiscal year after the year in which the Class "B" membership ceases. (i.e., when Declarant notifies the Association that it intends to pay assessments in the same manner as other owners of Property in the Preserve).

Section 5. Prorated Assessments and Initial Capital Contributions. For the fiscal year in which a property first becomes subject to Assessments hereunder, the amount of the Assessments payable for such year shall be prorated as of the first day of the month following the month in which such property becomes subject to Assessments, and shall be due only for the remainder of that fiscal year. In addition to the prorated Assessments, except as limited below, the purchaser of each Single Family Lot and Multi-Family Unit shall pay a capital contribution to the Association in the amount of \$150.00 for each Single Family Lot and each Multi-Family Unit upon conveyance or re-conveyance thereof after the date of execution of this Declaration. Provided, that the capital contribution shall only apply to a conveyance or re-conveyance to a Single Family Lot owner who, for this purpose, shall not include the Declarant or initial builder of a residence home on a Single Family Lot.

Section 6. Due Dates; Late Charges and Interest. The Association shall have authority to establish the due date(s) of the any Assessment, or installments thereof. The Association may establish a late fee that shall be charged to Owners who have not paid an Assessment, or an installment thereof, by the due date, and the Association may provide that such late fee shall be charged on each subsequent due date until all Assessments are current. Any past due Assessment or installment thereof shall bear interest at the rate of eighteen percent (18%) per annum or such other rate as established by the Association, not to exceed the maximum rate allowed by law. The Association shall, upon demand at any time, furnish to any Owner liable for Assessments a certificate in writing signed by an officer of the Association, setting forth whether said Assessments have been paid. As to all but the Owner, such certificate shall be conclusive evidence of payment of any Assessment therein stated to have been paid.

Section 7. Annual Assessments. The Association shall levy Annual Assessments for the payment of Common Expenses for the operation, maintenance, repair and replacement



of the Common Elements, for the provision of services that the Association is authorized to provide, and for reserves. The Association may allocate portions of the Annual Assessments to fund a reasonable operating expense surplus, and to establish reserves for contingencies, emergencies, and/or for major maintenance, repairs and replacement of Common Elements. Common Expenses shall be assessed as follows:

- (a) General Common Expenses shall be assessed against all Single Family Lots, Multi-Family Units and Unimproved Tracts.
- (b) Limited Common Expenses associated with Single Family Sections Limited Common Elements shall be assessed only against Single Family Lots and shall be allocated equally among all Single Family Lots with each Single Family Lot being assessed the same amount.
- (c) Limited Common Expenses associated with other Limited Common Elements, if any, shall be assessed only against the property within the Development for which such Limited Common Elements are designated for use, and in such proportions as provided in the declaration or documents designating such Limited Common Elements.

Subject to the provisions set forth below regarding the Maximum Annual Assessment, the Executive Board shall fix the amount of the Annual Assessment against each type of property as hereinabove provided, whereupon a list of the properties and Annual Assessments applicable thereto shall be prepared and shall be open to inspection by any Owner. Written notice of the Annual Assessments shall thereupon be sent to every Owner subject thereto.

Section 8. Maximum Annual Assessment. The Maximum Annual Assessment, as set forth in subsection (a) below, and as may be increased pursuant to the provisions of subsections (b) and (c) below, shall be levied by the Association; provided that if the Executive Board determines that the important and essential functions of the Association may be properly funded by an Annual Assessments less than the Maximum Annual Assessment, it may levy such lesser Annual Assessment. The levy of an Annual Assessment less than the Maximum Annual Assessment in any year shall not affect the Executive Board's right to levy the Maximum Annual Assessment in subsequent years. If the Executive Board shall levy less than the Maximum Annual Assessment for any year and thereafter, during such year, determine that the important and essential functions of the Association cannot be funded by such lesser assessment, the Executive Board may levy a supplemental Annual Assessment. In no event shall the sum of the initial Annual Assessment and supplemental Annual Assessment for that year exceed the applicable Maximum Annual Assessment.

- (a) The initial Maximum Annual Assessment during 2015 shall be \$1,000.00 per Single Family Lot, Multi Family Unit or each acre in an Unimproved Tract for General Common Expenses;
- (b) From and after January 1, 2016, the Executive Board may increase the Maximum Annual Assessment for any year by up to twenty percent (20%) over



the Maximum Annual Assessment for the previous year. The Maximum Annual Assessment for General Common Expenses and/or Limited Common Expenses may be increased by more than twenty percent (20%) over the previous year only upon an affirmative vote of at least sixty seven percent (67%) of the votes cast by the Owners of each type of property affected by the increase, by written ballot or at a meeting duly called for that purpose. For an increase of more than twenty percent (20%) for Limited Common Expenses, only the Owners affected by the increase shall be entitled to vote.

- (c) Notwithstanding the limitations set forth in subsection (b) above, in the event that Declarant conveys to the Association or the Association otherwise acquires amenities such as a clubhouse, dock, swimming pool, bathhouse and/or tennis court as Common Elements, Single Family Sections Limited Common Elements or other Limited Common Elements, or in the event that the Association begins providing significant additional services for the benefit of some or all Owners, the Executive Board may increase the Maximum Annual Assessment for the Owners who are entitled to use such amenities or receive such services by an amount necessary to cover the operating and maintenance costs for such amenities or services, without a vote of the Members.

Section 9. Special Assessments. In addition to Annual Assessments as authorized in this Article, the Association may levy Special Assessments: (a) to construct, repair or replace capital improvements upon, or to make additions to, the Common Elements (excluding Limited Common Elements); (b) to provide for the necessary facilities and equipment to offer the services authorized herein; (c) to repay any loan made to the Association to enable it to perform the duties and functions authorized herein; and (d) for any other purpose deemed necessary or desirable by the Executive Board, A Special Assessment, before being charged, must be approved by an affirmative vote of at least sixty seven percent (67%) of the votes cast by each Class of Members by written ballot or at a meeting duly called for that purpose. Subject to such approval, the Association may make one or more Special Assessments in any one year. The fact that the Association has made an Annual Assessment for an amount up to the permitted Maximum Annual Assessment shall not affect its right to make Special Assessments during the year. The amount of each Special Assessment to be paid by the Owners of the various types of assessable property shall be in the same proportion as the payment of Annual Assessments. Special Assessments shall be due and payable thirty (30) days from the date written notice thereof is sent to an Owner, provided that the Executive Board may allow installment payments.

Section 10. Segment Assessments. In addition to Annual Assessments and Special Assessments as authorized in this Article, the Association may levy Segment Assessments to be used for the benefit of a particular portion or segment of the Development (such as improvements or additions to Limited Common Elements or services provided only for certain Owners), the payment of which shall be borne by the Owners within such segment, subject to the following provisions:

- (a) Declarant shall have the right to establish a continuing Segment Assessment applicable to designated property in the Development by including



provisions for such Segment Assessment in the amendment hereto or supplemental declaration annexing such property.

(b) Except for Segment Assessments established by Declarant as aforesaid, a Segment Assessment must be approved by an affirmative vote of at least sixty-seven percent (67%) of the votes cast by the Owners of the property that would be subject thereto by written ballot or at a meeting called for that purpose. The amount of each Segment Assessment to be paid by the affected Owners of the various types of assessable property shall be in the same proportion as the payment of Annual Assessments by such Owners. If such a Segment Assessment is made for an improvement or addition that requires a continuing Segment Assessment for operating and/or maintenance costs, then the Owners of property subject to the Segment Assessment may discontinue such Segment Assessment by an affirmative vote of a majority of the votes cast by such Owners by written ballot or at a meeting called for that purpose. Should any costs result from the removal of any addition or improvement where a particular Segment Assessment is discontinued, such costs shall be funded by the Segment Assessment before its discontinuance.

Segment Assessments shall be due and payable thirty (30) days from the date written notice thereof is sent to an Owner, provided that the Executive Board may allow installment payments.

Section 11. Remedies of Association for Nonpayment of Assessments. In addition to any other available remedies, the Association shall have the following remedies for nonpayment of any Assessment:

(a) The lien of the Association for nonpayment of any Assessment shall be enforceable from and after the time that a claim of lien is filed of record in the office of the Clerk of Superior Court of Brunswick County, North Carolina, which claim shall state the name and address of the Association, the name of the record owner of the property as the time the claim of lien is filed, a description of the property and the amount of the lien claimed. The claim of lien may be filed when any Assessment or installment thereof remains unpaid for a period of thirty (30) days or longer, and the lien shall continue in effect until all sums secured thereby have been paid in full. The Association may foreclose the lien in like manner as a mortgage or deed of trust on real estate, including but not limited to, under power of sale under Article 2A of Chapter 45 of the North Carolina General Statutes. Upon full payment of all sums secured by such lien, the same shall be satisfied or released of record.

(b) The Association may bring an action at law against any Owner obligated to pay any past due Assessment. Institution of such an action shall not be deemed to be an election by the Association which shall prevent it from thereafter seeking enforcement of the collection of any sums remaining owing to it by foreclosure action or power of sale, nor shall proceeding by foreclosure or power of sale for such purpose be deemed an election precluding the institution of a suit at law to collect any sum owing to Association.



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(c) The Association shall have authority, after notice and an opportunity to be heard, to suspend privileges or services provided by the Association (except rights of access to an Owner's property in the Development) during any period that any Assessment remains unpaid for a period of thirty (30) days or longer. The procedures for suspension of privileges or services shall be as set forth in the Bylaws or as required by law.

Section 12. Exempt Property. The following interests in real property subject to this Master Declaration shall not be subject to any Assessment or lien provided for herein, solely by virtue of such interest: (a) Common Elements; (b) drainage or utility easements; and (c) any portion of the Development dedicated to and accepted by a public authority. No land or improvements in the Development devoted to use for residential or commercial use shall be exempt. No Owner of any property subject to Assessments may become exempt from liability for any Assessment by waiver of the use or enjoyment of any of the Common Elements, or by abandonment of such property, or in any other way.

ARTICLE V

FUNCTIONS OF ASSOCIATION

Section 1. Maintenance of Common Elements. The Association, subject to the rights of Owners as set forth in this Master Declaration, shall be responsible for the management and control of the Common Elements (including furnishings and equipment used in connection therewith), and shall maintain them in good order, condition and repair, pursuant to the terms and conditions hereof. These responsibilities shall include, but not be limited to, the operation, maintenance, repair and replacement, subject to any insurance then in effect, of all landscaping, structures, stormwater facilities and other improvements located within the Common Elements.

Section 2. Management Contracts. The Association may employ or contract for the services of a manager and delegate to such manager any or all of the powers and duties of the Association, except those that are required by this Master Declaration or by law to have approval of the Executive Board or the Owners.

Section 3. Rules and Regulations. The Association shall have authority to adopt and enforce rules and regulations regarding the Development or the use of the Common Elements. Such rules and regulations may include, without limitation, restrictions on the types and sizes of vehicles that may be used on the streets in the Development, the maximum noise levels of vehicles, maximum and minimum speeds, and any other traffic or parking regulations (the fact that any such rules or regulations shall be more restrictive than the laws of the State of North Carolina or any other public authority shall not make such restrictions unreasonable).

Section 4. Sanctions for Violations. The Association shall have authority, after notice and an opportunity to be heard, to impose reasonable fines or suspend privileges or services provided by the Association (except rights of access to an Owner's property in the



Development) for reasonable periods for violations of this Master Declaration, the Bylaws, or any rules and regulations of the Association. The procedures for imposition of fines or suspension of privileges or services shall be as set forth in the Bylaws or as required by law.

Section 5. Services. The Association shall have authority, but shall not be required, to provide any or all of the following services: (a) security and traffic control, including but not limited to maintenance of restricted entries and/or security gates, employment of police or security guards, and maintenance of electronic or other security devices; (b) lighting of entrances, streets, sidewalks and paths; (c) stormwater drainage; (d) water, sewer and any necessary utilities not provided by a public authority or private utility; (e) common antenna or cable service; (f) cleanup and maintenance of public properties located within or in such reasonable proximity to the Development as to affect the appearance of the Development; (g) provision and/or operation of recreation or other facilities or programs of any nature serving the Owners; (g) communications informing Owners of activities or meetings; (h) provision of any of the services listed above to a Sub-Association by contract with such Association; and (i) such other services as may be necessary or desirable in the judgment of the Executive Board to carry out the Association's functions under this Master Declaration. The Association may contract for any such services. The Association shall be authorized, but not required, to own or lease such equipment, furnishings and improvements as necessary to provide any of such services.

Section 6. Property and Liability Insurance. The Association shall obtain and maintain insurance coverage as hereinafter provided.

(a) Commencing not later than the time of the first conveyance of a Single Family Lot or Multi-Family Unit to a Person other than Declarant, the Association shall maintain, to the extent reasonably available:

(i) Property insurance on the Common Elements insuring against all risks of direct physical loss commonly insured against including fire and extended coverage perils. The total amount of insurance after application of any deductibles shall be not less than eighty percent (80%) of the replacement cost of the insured property at the time the insurance is purchased and at each renewal date, exclusive of land, excavations, foundations, and other items normally excluded from property policies.

(ii) Liability insurance in reasonable amounts, covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the Common Elements.

(b) If the insurance described in subsection (a) of this section is not reasonably available, the Association promptly shall cause notice of that fact to be



hand-delivered or sent prepaid by United States mail to all Owners. The Association may carry any other insurance it deems appropriate to protect the Association or the Owners.

(c) Insurance policies carried pursuant to subsection (a) of this section shall provide that:

(i) Each Owner is an insured person under the policy to the extent of the Owner's insurable interest;

(ii) The insurer waives its right to subrogation under the policy against any Owner or member of an Owner's household;

(iii) No act or omission by any Owner, unless acting within the scope of the Owner's authority on behalf of the Association, will preclude recovery under the policy; and

(iv) If, at the time of a loss under the policy, there is other insurance in the name of an Owner covering the same risk covered by the policy, the Association's policy provides primary insurance.

(d) Any loss covered by the property policy under subdivision (a)(1) of this section shall be adjusted with the Association, but the insurance proceeds for that loss are payable to any insurance trustee designated for that purpose, or otherwise to the Association, and not to any mortgagee or beneficiary under a deed of trust. The insurance trustee or the Association shall hold any insurance proceeds in trust for Owners and lienholders as their interests may appear. Subject to the provisions of subsection (k) of this Section, the proceeds shall be disbursed first for the repair or restoration of the damaged property, and Owners and lienholders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the property has been completely repaired or restored, or the Association is dissolved.

(e) An insurance policy issued to the Association does not prevent an Owner from obtaining insurance for the Owner's own benefit.

(f) An insurer that has issued an insurance policy under this Section shall issue certificates or memoranda of insurance to the Association and, upon written request, to any Owner, mortgagee or beneficiary under a deed of trust. The insurer issuing the policy may not cancel or refuse to renew it until thirty (30) days after notice of the proposed cancellation or nonrenewal has been mailed to the Association, and to each Owner, mortgagee or beneficiary under a deed of trust to whom certificates or memoranda of insurance have been issued at their respective last known addresses.

(g) Any portion of the Development for which insurance is required under subsection (a)(1) of this section which is damaged or destroyed shall be repaired or replaced promptly by the Association unless (i) the Association has been dissolved, (ii) repair or



replacement would be illegal under any State or local health or safety statute or ordinance, or (iii) the Owners decide not to rebuild by an eighty percent (80%) vote, including one hundred percent (100%) approval of Owners assigned to any Limited Common Elements not to be rebuilt. The cost of repair or replacement in excess of insurance proceeds and reserves is a Common Expense. If any portion of the Common Elements is not repaired or replaced, (i) the insurance proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the remainder of the Development, (ii) the insurance proceeds attributable to Limited Common Elements which are not rebuilt shall be distributed to the Owners to which those Limited Common Elements were allocated, or to lienholders, as their interests may appear, and (iii) the remainder of the proceeds shall be distributed to all the Owners or lienholders, as their interests may appear, in proportion to their Common Expense liabilities. Notwithstanding the provisions of this subsection, Section 47F-2-118 of the North Carolina General Statutes governs the distribution of insurance proceeds if the planned community is terminated.

Section 7. Other Insurance,

(a) The Association shall maintain fidelity coverage against dishonest acts by the Association's officers, employees and others who are responsible for handling funds of the Association. If the Association contracts with another Person to receive and disburse the monies of the Association, then such Person shall have adequate fidelity coverage against dishonest acts and the existence of such coverage shall satisfy the requirement of this paragraph. Any such fidelity coverage shall name the Association as an obligee, shall be written in such amount as the Executive Board shall deem appropriate, and shall contain waivers of any defense based on the exclusion of persons who serve without compensation from any definition of "employee" or similar term.

(b) To the extent obtainable at reasonable cost, the Association shall maintain appropriate insurance to protect the Executive Board and officers of the Association from personal liability arising in connection with their duties and responsibilities in such capacities on behalf of the Association.

(c) The Association shall maintain workers compensation with respect to its employees, if any, as required by law.

(d) The Association may obtain insurance against such other risks as the Executive Board shall deem appropriate.

Section 8. Maintenance Easement. The Association, its agents and representatives, shall have an easement upon, across, over, in and under all property located within the Development as may be necessary or appropriate to make emergency repairs or to perform the duties and functions which the Association is obligated or permitted to perform pursuant to this Master Declaration or by law. The Association shall not unreasonably interfere with the rights of the Owners in the exercise of this easement.

Section 9. Borrowing by the Association. The Association, upon approval by the Executive Board, shall have the power and authority to borrow funds for use by the



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Association in performing its authorized functions; provided that the Common Elements shall not be mortgaged to secure any such loans without approval of the Owners as provided herein. Declarant may make loans to the Association on terms and conditions determined by Declarant in its sole discretion. Notwithstanding anything in this Master Declaration to the contrary, the Association shall not reduce the amount of the Annual Assessment at any time when any amounts are due to Declarant as repayment of any loans made by Declarant to the Association.

Section 10. Obligations of the Association. The Association shall not be obligated to carry out or offer any functions or services except as required by the provisions of this Master Declaration or by law. The functions and services carried out or offered by the Association at any particular time shall be determined by the Executive Board after taking into consideration the funds available to the Association and the needs of the Owners.

ARTICLE VI

RIGHTS AND RESERVATIONS OF DECLARANT

Section 1. Reservation of Rights. Declarant shall have, and Declarant hereby retains and reserves, certain rights as set forth in this Master Declaration with respect to the Association and the Common Elements. The rights and reservations set forth in this Master Declaration shall be deemed excepted and reserved in each conveyance of property by Declarant to the Association and in each deed or other instrument by which any property within the Development is conveyed by Declarant to any Person, whether or not specifically stated therein. The rights, reservations and easements set forth in this Master Declaration shall be prior and superior to any other provisions of this Master Declaration and may not, without Declarant's prior written consent, be modified, amended, rescinded or affected by any amendment of this Master Declaration, including any amendment of this Section.

Section 2. Declarant's Rights to Use Common Elements. Declarant shall have and hereby reserves the right to reasonable use of the Common Elements (including Limited Common Elements) and of services offered by the Association in connection with the development, construction, promotion, marketing, sale and leasing of properties within the boundaries of the Development. Without limiting the generality of the foregoing, Declarant may: (a) erect and maintain on any part of the Common Elements such signs, temporary buildings and other structures as Declarant may reasonably deem necessary or proper; (b) use a portion of any clubhouse or other structure constituting Common Elements for office space for administrative, development, construction, sales and/or leasing purposes; (c) use vehicles and equipment on the Common Elements for development, construction and promotional purposes; (d) permit prospective purchasers of properties within such boundaries, who are not Owners, to use or enter the Common Elements at reasonable times and in reasonable numbers; and (e) refer to the Association and to the Common Elements and services offered by the Association in connection with the development, construction, promotion, marketing, sale and leasing of properties within such boundaries.

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Section 3. Declarant's Rights to Complete Development. No provision of this Master Declaration shall be construed to prevent or limit Declarant's rights, or require Declarant to obtain approval of the Association to: (a) complete the development, construction, promotion, marketing, sale and leasing of the Development and the Additional Property; (b) excavate, cut, fill or grade any property owned by Declarant; (b) construct, alter, remodel, demolish or replace any improvements on any property owned by Declarant; (c) maintain model homes and/or offices for administrative, development, construction, sales and/or leasing purposes or similar facilities on any property owned by Declarant or by the Association; or (d) post signs incidental to the development, construction, promotion, marketing, sale and leasing of property within the Development. Declarant specifically reserves the right to develop, build, complete and market Building Site # 1, as located in the plans and plats of The Preserve, all at the discretion of Declarant as herein defined.

Section 4. Easement for Expansion of Development. Declarant reserves to itself, its successors and assigns, a perpetual, nonexclusive easement over the Common Elements (including Limited Common Elements) for ingress, egress and regress for construction, operation, maintenance and repair of drainage facilities, utilities, streets, paths, walkways, recreation areas and/or parking areas in order to serve the Owners of property within the Development, as the same may be expanded, which nonexclusive easement and rights may be assigned in whole or in part.

ARTICLE VII

AMENDMENTS

Section 1. Amendments by Declarant. Prior to the first conveyance of a Single Family Lot or Unimproved Tract to an Owner other than Declarant, Declarant may unilaterally amend this Master Declaration insofar as it pertains to the Property described in Exhibit C. After such first conveyance, Declarant may unilaterally amend this Master Declaration so long as Declarant still owns any portion of the Development, and so long as the amendment has no material adverse effect upon the substantive rights of any other Owner. No amendment required by any governmental authority, or to correct obvious typographical or drafting errors or inconsistencies, shall be deemed material. Declarant, for so long as it shall retain control of the Executive Board, and thereafter the Executive Board, may amend this Master Declaration as shall be necessary, in its opinion and without the consent of any Owner, in order to qualify the Association for tax exempt status under any applicable laws or regulations.

Section 2. Amendment by Owners. Except as otherwise provided in this Article, this Master Declaration may be amended only by the affirmative vote or written agreement of Owners of property to which at least sixty seven percent (67%) of the votes of all the Owners are allocated; provided that any such amendment must be recorded in the Brunswick County Registry in order to be effective and any amendment prior to December 31, 2017, shall require the written consent of Declarant. If an Owner consents to any amendment to this Master Declaration, it will be conclusively presumed that such Owner has the authority to



give such consent and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment. No amendment may remove, revoke or modify any right or privilege of Declarant or the assignee of such right or privilege. No amendment may impair the validity or priority of the lien of any Mortgage held by a Mortgagee, or impair the rights granted to Mortgagees herein, without the prior written consent of such Mortgagee(s).

Section 3. Execution and Recordation of Amendments.

Declarant may record any amendment or supplemental declaration made by Declarant in accordance with the provisions of this Article. Any other annexation or amendment to this Master Declaration shall, following approval by the Owners (to the extent that such approval is required), be delivered to the Executive Board and the Executive Board shall, within thirty (30) days after receipt thereof: (a) reasonably assure itself that the amendment has been duly approved by the Owners (to the extent required) as provided herein; (b) attach to the amendment a certification as to its validity, which certification shall be duly executed and acknowledged; and (c) cause the amendment to be recorded in the Brunswick County Registry.

Section 4. Effect and Validity of Amendments. In order to be effective, any amendment to this Master Declaration must be recorded in the Brunswick County Registry. All amendments shall be effective from the date of recordation. When any instrument purporting to amend this Master Declaration has been executed by Declarant or certified by the Executive Board, as applicable, and recorded as provided in this Article, it shall be conclusively presumed that such instrument constitutes a valid amendment.

ARTICLE VIII

GENERAL PROVISIONS

Section 1. Limited Liability. Declarant shall not be liable to any Owner or to any other Person on account of any claim, liability, damage or expense suffered or incurred by or threatened against any such Owner or other Person arising out of or related to any reviews, inspections, consents or approvals required by or contemplated under this Master Declaration, whether such reviews, inspections, consents or approvals are given, granted or withheld.

Section 2. Transfer of Declarant's Rights. Declarant shall have the right to assign and transfer any or all of its rights and obligations hereunder to one or more other Person(s), at any time or from time to time, pursuant to a written instrument executed by Declarant and recorded in the Brunswick County Registry.

Section 3. Authorized Action. All actions that the Association is allowed to take under this Master Declaration shall be authorized actions of the Association if approved by the Executive Board in a manner provided for in the Bylaws, unless the terms of this Master Declaration provide otherwise.



Section 4. Enforcement. Except to the extent that a waiver has been duly granted as provided herein, Declarant, the Association, their respective successors and assigns, and any Owner shall have the right to enforce, by a proceeding at law or in equity, all of the covenants, conditions and restrictions set forth herein against any Person or Persons violating or attempting to violate the same, either to restrain the violation or to recover damages. Failure by any such Person to enforce any of the covenants, conditions or restrictions set forth herein shall in no event be deemed a waiver of the right to do so thereafter.

Section 5. Notices. Any notice required to be sent to any Owner under the provisions of this Master Declaration shall be deemed to have been properly sent, and notice thereby given, when mailed, with the proper first class postage affixed, to the address appearing on the Association's membership list. Notice to one of two or more co-owners or co-tenants shall constitute notice to all co-owners. It shall be the obligation of every Owner to immediately notify the Secretary of the Association in writing of any change of address. Any Person who becomes an Owner following the first day in the calendar month in which said notice is mailed shall be deemed to have been given notice if notice was given to the predecessor in title.

Section 6. Rights of Lenders and Insurers of First Mortgages. "Institutional Lender," as the term is used herein, shall mean and refer to banks, mortgage companies, other firms or entities customarily affording loans secured by first liens on real property, and eligible insurers and governmental guarantors. So long as any Institutional Lender shall hold any first lien upon any property within the Development, or shall be an Owner, such Institutional Lender shall have the right to inspect the books and records of the Association during normal business hours and to be furnished with at least one (1) copy of the annual financial statement and report of the Association and, upon written request specifying an address for notice, the right to be given written notice by the Association of: (a) the call of any meeting of the Owners to be held for the purpose of considering any proposed amendment to this Master Declaration, the Articles of Incorporation or Bylaws; (b) any condemnation loss or casualty loss which affects a material portion of the Common Elements; (c) any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; (d) any proposed conveyance, hypothecation or other encumbrance of the Common Elements, other than those specific rights vested in the Association under Article III hereof; or (e) any delinquency in the payment of any Assessment by any Owner of property encumbered by a mortgage held by the Institutional Lender. The Association shall keep a separate register of all Institutional Lenders who have made written request pursuant to this Section.

Section 7. Term. The covenants, conditions and restrictions set forth herein, as the same may be amended in accordance with the provisions hereof, shall run with the land that is subject hereto, including all land annexed into the Development pursuant to the provisions hereof, and shall be binding on all Owners of such land and all Persons claiming under them until December 31, 2040. Thereafter, said covenants, conditions and restrictions shall be automatically extended for successive periods of ten (10) years, unless and until a termination agreement approved by Owners to which at least eighty percent (80%) of the votes of all the



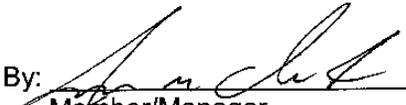
Owners are allocated has been recorded in the Brunswick County Registry. The easements reserved herein shall run with the land subject thereto, including all land annexed into the Development pursuant to the provisions hereof, and shall be binding on all owners of such land and all Persons claiming under them, except to the extent that an easement has been released by the Person or Persons having rights thereto pursuant to a recorded release.

Section 8. Severability. Should any covenant, condition or restriction herein contained be declared to be void, invalid, illegal or unenforceable, for any reason, by the adjudication of any court or other tribunal having jurisdiction over the parties hereto and the subject matter hereof, such judgment shall in no wise affect the other provisions hereof, which are hereby declared to be severable and which shall remain in fall force and effect.

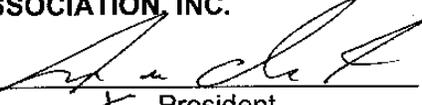
Section 9. Applicable Laws. Notwithstanding anything contained herein to the contrary, all the provisions of these covenants shall be subject to: (a) all applicable zoning, subdivision and other laws, ordinances and regulations of local, state and federal authorities with jurisdiction over the Development, as the same may be amended or modified from time to time; and (b) all conditions imposed on the Development by any such public authorities.

IN WITNESS WHEREOF, Declarant and the Condominium Association have caused this instrument to be executed as of the day and year first above written.

PRESERVE HOLDINGS, LLC

By: 
Member/Manager

THE PRESERVE CONDOMINIUM ASSOCIATION, INC.

By: 
President



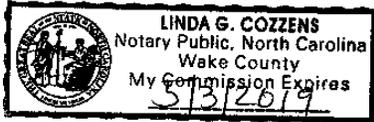
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STATE OF NORTH CAROLINA
COUNTY OF BRUNSWICK *Wake*

I certify that the following person personally appeared before me this day and acknowledged to me that he voluntarily signed the foregoing document for the purposes stated therein and in the capacity indicated: James M. Chirico Jr, as Member/Manager of **PRESERVE HOLDINGS, LLC**, a North Carolina Limited Liability Company ("the Company"), as and for the act of the Company.

Date: Feb. 6, 2015

Linda G. Cozzens
Notary Public's Signature
My Commission Expires: May 3, 2019

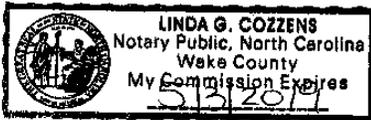


STATE OF NORTH CAROLINA
COUNTY OF BRUNSWICK *Wake*

I, a Notary Public of said County and State, do hereby certify that James M. Chirico Jr personally came before me this day and acknowledged that he is President of **THE PRESERVE CONDOMINIUM ASSOCIATION, INC.**, a North Carolina corporation, and that he, as President, being authorized to do so, executed the foregoing instrument on behalf of the corporation.

Date: Feb. 6, 2015

Linda G. Cozzens
Notary Public's Signature
My Commission Expires: May 3, 2019





Brunswick County, NC Register

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PROF

Exhibit "A"
to
Master Declaration of
Covenants, Conditions, Restrictions and Easements
for The Preserve

Property Currently in Development

Being all of that Property located in the Town of Oak Island, Smithville Township, Brunswick County, North Carolina, as more fully described in a deed dated May 8, 2008, from Trste, Inc., Trustee, as Grantor to Preserve Holdings, LLC, a North Carolina Limited Liability Company, as Grantee, recorded in deed Book 2789 at Page 1008, and in a survey plat dated October 10, 2008, entitled "Plat of The Preserve for Preserve Holdings, LLC," prepared by Martin R. Stoughton, PLS, McKim & Creed, and recorded in Condominium Plat Book 13 at Page 21, in the office of the Register of Deeds for Brunswick County, North Carolina, to which deed and plat reference is made for greater certainty of description.



Exhibit "B"
to
Master Declaration of
Covenants, Conditions, Restrictions and Easements
for The Preserve

Condominium Property

Being all of that Property located in the Town of Oak Island, Smithville Township, Brunswick County, North Carolina, and more fully described as follows:

Being all of Phase I, Building 2, containing 2.69 acres, more or less, Phase 2, Building 3, containing 4.36 acres, more or less and Phase 3, Building 4, as more fully described in a survey plat dated October 10, 2008, entitled "Plat of the Preserve for Preserve Holdings, LLC," prepared by Martin R. Stoughton, PLS, McKim & Creed, and recorded in Condominium Plat Book 13 at Page 21 in the office of the Register of Deeds for Brunswick to which reference is made for greater certainty of description of said property.



Exhibit "C"
To
Master Declaration of
Covenants, Conditions, Restrictions and Easements
For The Preserve
Page 1 of 2 pages

Preserve Homesites

Being all of that tract or parcel designated as "Future Parcel # 1 area = 946,835 +/- SF or 21.73 +/- Ac." in an exhibit map dated 6 August 2014 prepared by Paramounte Engineering, Inc., a copy of which is attached hereto and incorporated herein for greater certainty of description as Page 2 of this Exhibit C, specifically excluding therefrom, nevertheless all of those areas designated as "Future Parcel #2", "Parcel #3", "Parcel #4", "Parcel #5", and all common areas therein contained, including the clubhouse site, access roads, utility and drainage easement and facilities.



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Exhibit "D"
to
Master Declaration of
Covenants, Conditions, Restrictions and Easements
for The Preserve

Certification of Approval

The undersigned Secretary of The Preserve Condominium Association, Inc., hereby certifies that this Master Declaration has been approved by agreement of Owners of property to which at least sixty seven percent (67%) of the votes of all Owners are allocated at a meeting duly called for that purpose held after due notice thereof on October 18, 2014.

This the 16 day of February, 2015.

THE PRESERVE CONDOMINIUM ASSOCIATION, INC.

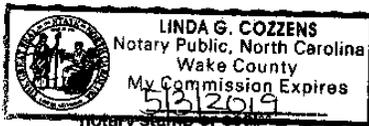
By: James M. Chivico Jr

Title: President

STATE OF NORTH CAROLINA
COUNTY OF ~~BRUNSWICK~~ Wake

I, a Notary Public of said County and State, do hereby certify that James M. Chivico Jr. personally came before me this day and acknowledged that he is President of **THE PRESERVE CONDOMINIUM ASSOCIATION, INC.**, a North Carolina corporation, and that he, as President, being authorized to do so, executed the foregoing instrument on behalf of the corporation.

Date: Feb. 16, 2015



Linda G. Cozzens
Notary Public signature

Notary's Printed Name: Linda G. Cozzens

My Commission Expires: May 3, 2019

