

47.00 For Amendment refer to bk. 924 Page 171-6-2-89 m m T

BOOK 649 PAGE 843

STATE OF NORTH CAROLINA  
COUNTY OF ONSLOW

DECLARATION OF COVENANTS,  
RESTRICTIONS AND EASEMENTS  
OF RIVER REACH SUBDIVISION  
PHASE I

THIS DECLARATION, made this the 19th day of April, 1983, by RIVER REACH DEVELOPMENT CORPORATION, a North Carolina corporation with its principal place of business in Carteret County, North Carolina, hereinafter called "Declarant":

BACKGROUND STATEMENT

The Declarant, River Reach Development Corporation, is the owner of certain real property situated in Onslow County, North Carolina. This tract of land is shown on that plat appended hereto as Exhibit A and is described in Exhibit B, which are appended hereto and incorporated herein by reference, and is called the "development area". Declarant has created a subdivision of single-family lots located within the development area, which subdivision is named "River Reach - Phase I". A plat of the said subdivision, consisting of twenty-two (22) consecutively numbered single-family lots, is appended hereto as Exhibit C. By this Declaration, the Declarant desires to assure development of River Reach - Phase I in a manner such as to preserve the value of the investment of owners therein, and further so as to protect the land and its vegetation from damage which would detract from its beauty or increase its vulnerability to damage by natural forces. Further, Declarant reserves the right to further subdivide and sell additional real estate interests within the development area. Further development may be subsequent phases of River Reach Subdivision, consisting of additional single-family lots, in which event the size and layout of such lots shall be similar to and compatible with the design of Phase I of River Reach Subdivision and Declarant may, by recording of a separate instrument incorporating the terms and conditions of this Declaration, extend the scope of these covenants, restrictions, and easements to such additional single-family lots. However, Declarant also reserves the right to further develop, within the development area, other forms of real estate ownership including, but not by way of limitation, multi-occupancy types of housing such as condominiums, townhouses, or patio homes.

With the initial development of River Reach - Phase I, Declarant has constructed access roads named "River Reach Drive" and "River Reach Court", interconnecting with State Road 144). In addition Declarant has constructed a waste treatment facility to provide service to the lots in River Reach Subdivision, which facility is located as shown on the plat of the development area attached hereto as Exhibit A. For the provision of access to the waters of the White Oak River, Declarant has further reserved

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an accessway and a waterfront common area as shown on the plat of River Reach - Phase I (Exhibit C). The said roads, waste treatment facility and common area are intended for the common use of the initial purchasers of lots in River Reach - Phase I, as well as the use of subsequent owners of property within the development area. Declarant may (but is under no obligation to do so) furnish additional common facilities or amenities for the use of persons owning property within the development area, including the owners of lots in River Reach - Phase I. In order to provide for continuity of management of such common properties and to permit collective actions by owners within River Reach Subdivision, and further to enforce these covenants, Declarant has caused to be chartered a non-profit corporation under the provisions of Chapter 55A of the North Carolina General Statutes, called "River Reach Owners' Association, Inc."

NOW, THEREFORE, Declarant does publish and declare that all of the property described in Exhibit C hereto is held and shall be held, conveyed, and improved, subject to the following covenants, restrictions, easements, uses and obligations, all of which are agreed to be in furtherance of a uniform plan of subdivision, and shall be deemed to run with the land and to be a burden and a benefit to Declarant, their successors and assigns, and any persons acquiring an interest in River Reach Subdivision, their grantees, successors, heirs, executors, administrators, devisees and assigns.

#### ARTICLE I

##### DEFINITIONS:

The following words or phrases, as used in this instrument and any amendment hereto shall have the following meanings, unless the context shall prohibit:

1. Development area: That property platted on Exhibit A hereto and described in Exhibit B hereto.
2. River Reach - Phase I: That property as shown on Exhibit C hereto.
3. Single-family: A residential structure intended and constructed for collective use by one or more persons but excluding structures containing two or more separable areas each of which contains separate living, sleeping, bath and food preparation areas for occupancy by unrelated persons or groups of persons.
4. Association: The River Reach Owners' Association, Inc.
5. CAMA set-back line: That line shown and so designated on the plat or plats of River Reach Subdivision, representing the

closest point to the ordinary highwater mark of the White Oak River at which any improvements, under the regulations of the Coastal Resources Commission, may be erected. The location of this line is subject to change by statute or by regulations promulgated by the Coastal Resources Commission or adopted by any other governmental agency having land-use planning authority.

6. Owner: The record owner, whether one or more persons or entities, of fee simple title to any lot in the subdivision.

7. Common area: An area dedicated to the use of all owners in River Reach - Phase I, and subject to dedication to the use of other property owners within the development area at the election of the Declarant.

## ARTICLE II

### BUILDING USE:

Lots in River Reach - Phase I may be used solely for single-family residential purposes, and no business or commercial activity shall be permitted. This restriction shall not apply to those activities of the Declarant or its agents which are reasonably required in connection with its marketing activities, as long as unsold lots remain in the subdivision.

## ARTICLE III

### BUILDING RESTRICTIONS:

1. Set-back requirements: The lots in River Reach Subdivision numbered 1 through 22, inclusive, and designated as Phase I, are platted on Exhibit C hereto, so as to show, as to each lot, the area within which a residence may be constructed. The Declarant may cause to be recorded subsequent plats which shall delineate additional lots in subsequent phases of River Reach Subdivision, also showing thereon the areas within which buildings may be placed. No part of any structure of any kind shall be erected or permitted to remain on any lot other than within the areas so defined, but provided, however, that movement of the CAMA Set-back Line may necessitate re-location of the north and/or south limits of the building area in the instance of those lots having 80 feet of frontage on the White Oak River. Declarant recognizes, however, that conditions of contours, vegetation, location of surrounding improvements, soil conditions and the like may necessitate minor variations from the designated building areas as shown on the plat. In such instances, the Architectural Control Committee may approve construction outside of the designated building area should such approval be required by re-location of the CAMA Set-back Line, or in the event that such a variation may be needed to enable an owner to make proper use of

his lot without any impairment of the value of the properties of other owners within the subdivision.

No structure (other than walkways, uncovered decks, or pumphouses as provided hereinafter) shall be erected on lots 8 through 22, inclusive, between the residence erected on such lots and the ordinary highwater mark of the White Oak River.

2. Foreshore area: Owners may (subject to limitations imposed by governmental agencies) clear, grade, or otherwise prepare an accessway within the area between the ordinary high water mark of the White Oak River and the CAMA Set-back Line, for the purpose of access to the river. Such accessways shall not exceed ten (10) feet in width and shall be located no closer than ten (10) feet to side lot lines. Except for such accessway, or walkways as provided below, the said area shall be allowed to remain in its natural state.

3. Building size: All residences in River Reach Subdivision shall contain a minimum of 1300 square feet of enclosed, heated area if consisting of a single-story or one and one-half stories, or a minimum of 1,000 square feet at the first-floor level if consisting of two stories. In addition, an enclosed, attached single car garage must be provided with each residence, and garage space, if enclosed, may be provided for as many as three (3) vehicles. No open carports shall be permitted.

4. Walkways: Owners may erect wooden walkways on the area of each lot between the building area and the ordinary highwater mark of the White Oak River, and may further erect an open uncovered deck having an area not to exceed 144 square feet of surface area. Such walkways and open decks shall conform to the following requirements:

- (a) Walkways shall not exceed a width of four (4) feet nor an elevation of two (2) feet above grade to the walking surface or to the deck. Handrails of the standard height shall be permitted.
- (b) Walkways shall be located so as to minimize damage to natural vegetation, particularly within the CAMA set-back area.
- (c) The continuation of walkways within the CAMA set-back zone will be subject to such permitting requirements as may be imposed by the Coastal Resources Commission.
- (d) No walkway or deck shall be located closer than ten (10) feet to any side lot line.

5. Height limitations: No structure shall be erected or permitted to remain on any lot, any part of which (excepting chim-

neys or flue stacks, electronics antennae, or vent pipes) shall exceed two living stories or thirty (30) feet in height measured from the lowest grade level of the building foundation or piers upon which the structure is erected.

6. Accessory structures:

- (a) Pumpouses may be erected on any lot, provided the design of the same is approved by the Architectural Control Committee, the structure does not exceed four (4) feet in height, and is located no closer than ten (10) feet to a side lot line.
- (b) Trash container enclosures: The design of enclosures to house trash containers shall be standardized within the subdivision and shall be prescribed by the Declarant.
- (c) Mailboxes: The same shall also be of a standardized design prescribed by the Declarant.
- (d) No separate, free-standing storage sheds or other accessory structures shall be permitted on any lot.

7. Driveways: Driveways shall be located no closer than ten (10) feet to any side lot line, with the exception that driveways on lots eight (8), nine (9), eleven (11), thirteen (13), fifteen (15), seventeen (17), nineteen (19), and twenty-one (21) may be located partially within this ten (10) foot set-back requirement upon written approval of the Architectural Control Committee, for the purpose of the preservation of natural vegetation within the area of said lots having a width of forty (40) feet.

8. Antennae: No separate, free-standing electronics antennae shall be erected or permitted to remain on any lot. Antennae other than satellite dish antennae are permitted if attached to the residence.

ARTICLE IV

ARCHITECTURAL CONTROL COMMITTEE:

1. Composition: An Architectural Control Committee consisting of three (3) persons shall be appointed by the Declarant. Upon activation of the Association or upon the completion of fifteen (15) residences in River Feach Subdivision, whichever shall occur later, these persons shall be replaced by committee members designated by the Association.

2. Responsibility of owners: In the event that any building, fence, wall, walkway, or any other structure is to be erected, modified or altered on any lot, or in the event that any

re-landscaping or site alteration is to take place within the area of any lot lying within the CAMA set-back zone, complete plans and specifications, including site and landscaping plans, must be submitted to the Architectural Control Committee before the commencement of work. In the event of new construction or major alteration or replacement of an existing residence, the submittal shall include a plat prepared by a registered professional engineer or land surveyor. Submittals shall be directed to "River Reach Architectural Control Committee", in care of River Reach Development Corp., Cape Carteret, North Carolina.

3. Scope of architectural review: Within thirty (30) days of the submission of such plans, the Architectural Control Committee shall approve, disapprove, or recommend modifications of the same. In the event action is not taken within thirty (30) days of the date received by the committee, such plans are deemed approved. Factors to be considered by the Architectural Control Committee shall include, but not by way of limitation, the following:

- (a) Preservation of the natural environment.
- (b) Harmony of design with the locale and with existing structures, so as to avoid devaluation of surrounding properties.
- (c) The desirability of minimizing intrusions on the view and the privacy of surrounding properties.
- (d) Design and location of driveway entrances and utilities service equipment.
- (e) Complete compliance with all building restrictions set out in this Declaration.

4. Enforcement of architectural requirements: The Architectural Control Committee is empowered, on behalf of the Association and affected individual owners, to bring an action to enforce the requirements of this Article, including, but not by way of limitation, actions for injunctive relief. In the event that the Architectural Control Committee should prevail in such an action brought to enjoin a violation of this Article or the next preceding Article, the Architectural Control Committee shall be entitled on behalf of the Association to recover reasonable attorney's fees for such action.

#### ARTICLE V

##### GENERAL RESTRICTIONS:

1. No commercial vehicles, mobile homes (including double-wide mobile homes), tents, shacks, barns or any other outbuilding

(with the exception of pumphouses) shall be placed, erected, or permitted to remain on any lot.

2. No animals or poultry of any kind other than customary household pets shall be kept or maintained on any lot.

3. Watercraft of a size which may be lawfully transported by automobile trailer and recreational vehicles may be kept on the property, provided that:

- (a) They are stored or parked within the area defined as "building area" of each lot as shown on the plat thereof.
- (b) There shall be no more than three (3) such per lot.
- (c) Boats, boat trailers, travel trailers, and motor homes shall be stored within a garage or shall be so kept as to be inconspicuous from the access road.
- (d) In no case shall travel trailers, motor homes, or similar vehicles be occupied as living quarters while on the property.

4. No advertising signs, except a "For Rent" or "For Sale" sign not exceeding three (3) square feet in area shall be placed on any lot.

5. No lot in River Reach - Phase I may be subdivided so as to reduce its size. An owner may combine two (2) or more lots for the construction of a single residence; in which event the Architectural Control Committee shall prescribe the building area in the lot created by such combination.

6. No exposed fuel oil or propane gas tanks shall be permitted.

7. Unimproved lots shall be kept free of trash, unsightly debris, and stored materials and vehicles.

8. For such time as private or public waste treatment facilities are available, no individual septic tank or other waste treatment equipment shall be permitted.

9. No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

10. All clothes lines, if any, shall be confined to a drying yard suitably screened from view.

ARTICLE VI

EASEMENTS:

Each lot in River Reach Subdivision is burdened by or benefitted by certain easements in perpetuity, running with the land, as follows:

1. Each lot in River Reach Subdivision is subject to a utilities easement for underground service to other lots within the subdivision as the same is shown on Exhibit C hereto.

2. Drainage easements: Certain lots are subject to drainage easements, as the same are shown on Exhibit C hereto.

3. General utilities easements: In addition to the foregoing, each lot in River Reach Subdivision is subject to a general easement granted, or to be granted, by the Declarant to the furnishers of utilities to individual lots within the subdivision, for the purpose of providing utilities services to the individual lots.

4. Waste treatment services: Each lot in River Reach Subdivision is benefitted by a non-exclusive easement appurtenant to each such lot, in and to the waste treatment facility being erected within the development area by the Declarant, as the same is more fully set out in Article VII of this Declaration. The easement area is shown as "Sewage Disposal Area" on the plat in Exhibit A, and is described on page 2. of Exhibit A. The Declarant or, subsequently, the Association shall be entitled to assess and receive reasonable fees for the maintenance and operation of the facility.

5. Access roads: River Reach Drive and River Reach Court, as shown on the plat in Exhibit C, shall be constructed to State secondary road standards, but until such time as these roadways are accepted by the North Carolina Department of Transportation for maintenance, they shall be maintained by Declarant and the Association as more fully provided in Article VIII hereto. Lots 1 through 7 of River Reach are granted an easement appurtenant to the said lots over River Reach Court and River Reach Drive for the purpose of vehicular ingress and egress to the said lots. Lots 8 through 22, inclusive, are granted an easement over River Reach Drive for vehicular ingress and egress to the said lots.

6. Common area easement: Each lot in River Reach Subdivision is afforded an easement to the common area as shown on the aforesaid plat in Exhibit C, for the general use and enjoyment of the said common area, collectively with the owners of other properties within the development area as defined hereinabove.

## ARTICLE VII

RIGHTS AND RESPONSIBILITIES OF DECLARANT:

In the development of River Reach Subdivision and, in particular, in the further development of properties within the development area, the Declarant assumes certain responsibilities and obligations to purchasers of lots within Phase I of River Reach Subdivision as follows:

1. Until such time as the Association is formed, Declarant shall maintain River Reach Drive and River Reach Court.

2. Declarant shall erect a facility for the treatment of liquid waste generated by lots within River Reach - Phase I, and shall dedicate the same to the Association for maintenance and operation until such time as a public sewer system shall be available within River Reach. At such time as public sewer service becomes available, all rights in and to the said treatment facility shall revert to the Declarant, including all rights in the plant and equipment as such and all rights in the easement area, free of the easement in favor of lots in River Reach as defined in subparagraph VI-4. above.

3. Declarant agrees to pay assessments to the association as provided in Article VIII of this Declaration.

4. In the event that Declarant should erect or provide additional common areas and amenities in the development area, the Declarant may, but is not obligated to, make such additional amenities available to the owners of single-family lots within River Reach - Phase I or subsequent phases of the single-family lot subdivision of River Reach. In the event that such amenities are made available to the owners of single-family lots, such owners shall have the right to accept, or to decline to accept, the use of such additional amenities and a share in the cost of the maintenance of the same. To accept such additional amenities and to commit all owners of single-family lots within River Reach to the lien of assessments for the maintenance of the same shall require a vote of two-thirds (2/3) of the members of the Association of single-family lot owners, and Declarant shall not have the right to cast a vote for lots owned by it on such question of acceptance of additional amenities. It is understood that Declarant may construct amenities to be made available to owners of living units within any condominium or townhouse development which may take place subsequently on the development area, without offering the use of the same to the owners of single-family lots.

5. Declarant reserves the right, in the event that there should be future development within the development area in a form of ownership other than single-family lot ownership, to create an additional association or associations of property owners for such

subsequent developments, and to include within or convey to such subsequent associations additional common areas and further, to grant to such associations the right to participate in or make use of the access roads, the common area as shown on the plat in Exhibit C, and the waste treatment facility. Because such subsequent associations, if any, and the association of single-family lot owners as created by this Declaration and the accompanying Articles and By-Laws of the Association shall have common rights and responsibilities with respect to amenities which are available to all persons within the development area, the Declarant reserves the right to create a "master association" for the ownership and/or control of such additional amenities, and the owners and subsequent purchasers of single-family lots within River Reach - Phase I and subsequent phases of the single-family lot subdivision shall be obligated to become members of and to participate in the said master association, for their mutual benefit.

## ARTICLE VIII

RIVER REACH OWNERS' ASSOCIATION, INC.:

All purchasers of lots in River Reach Subdivision shall, and by their acceptance of deeds conveying such lots do, for themselves, their heirs, successors and assigns, agree to become members of the River Reach Owners' Association, Inc., a North Carolina non-profit corporation organized for the purposes set out in the Articles of Incorporation and By-Laws thereof, these being attached hereto as Exhibits D and E, respectively, and incorporated herein by reference.

1. Responsibility of the association: The Association shall assume responsibility for such functions as shall fall within the purposes for which it is chartered, including, but not by way of limitation, the following:

- (a) Maintenance of River Reach Drive and River Reach Court until such time as the same may become the responsibility of the State of North Carolina.
- (b) Maintenance and operation of the waste treatment facility.
- (c) Negotiating and contracting for garbage, trash collection, and such other services as the owners may elect.
- (d) Maintaining any improvements in the common area as shown on the plat in Exhibit C.
- (e) Representing the owners of single-family lots in the River Reach Subdivision, including subsequent phases thereof, in the management of the master association should such be created.

## (f) Enforcement of the provisions of this Declaration.

## 2. Assessments:

- (a) Each owner of a lot or lots in River Reach Subdivision, by acceptance of the deed thereto, whether or not it shall be expressed in such deed, is deemed to, and does thereby, covenant and agree, on behalf of himself, his heirs, successors and assigns, to pay assessments to the Association for the expenses incurred in providing the services and in maintaining the properties which are the responsibility of the Association. The initial assessment shall be \$125. per year for each lot, whether or not improved, and the assessment year shall coincide with the fiscal year of the Association. Each owner shall also pay a sewage "hook-up" fee when his residence is constructed in an amount not to exceed \$150. After a period of one year from the date of this instrument, the Association may establish a reasonable users fee for waste treatment for improved lots, in addition to the base annual assessment set out above. The entire sewage collection treatment and disposal system shall receive the highest priority for expenditures by the Association, except for Federal, State, and local taxes and insurance.
- (b) The Declarant shall also pay assessments at the rate set out herein for all unsold lots in Phase I of River Reach Subdivision, or which shall be shown and platted on supplemental plats of succeeding phases, if any, of River Reach Subdivision.
- (c) Each owner of a lot or lots in River Reach Subdivision, by his acceptance of a deed thereto, further covenants that he shall pay such amounts to be included in the Association assessment as may be required to be paid in turn to a master association, if any, for the maintenance of such amenities and properties as shall subsequently come under the ownership and/or control of the said master association, as set out hereinabove. (But provided, however, that the Association shall have the right to decline to participate in such additional common amenities in accordance with the provisions of paragraph VII-4. above). No individual lot owner within River Reach Subdivision shall be relieved of the obligation to pay assessments for the support of the activities of the master association by his election to decline the use of the same, provided such amenities have been accepted by the requisite vote of the members of the Association.

(d) At closing, each purchaser shall pay a pro-rata portion of the annual assessment from the date of closing to March 31st.

3. Voting rights. The Declarant shall elect the Directors of the Association until such time as the seventeenth lot of Phase I of River Reach shall have been conveyed. Thereafter, all owners of lots in River Reach Subdivision shall be entitled to one (1) vote for each lot, as further provided in the Articles of Incorporation and the By-Laws of the River Reach Owners' Association, Inc.

4. Lien of assessment: The assessments called for hereinabove, together with interest and costs of collection, including court costs and reasonable attorneys fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due. Personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Any assessment not paid within 30 days after the due date shall bear interest from the due date at the rate of nine percent (9%) per annum. The Association may bring an action at law against the owner or owners personally obligated to pay the same or may foreclose the lien against the property, and the Association is hereby granted a power of sale to conduct said foreclosure; any interest, costs and reasonable attorney's fees of the action of foreclosure shall be added to the amount of such assessment. Such foreclosure shall be conducted under the procedure prescribed by statute in North Carolina for sales under a power of sale.

5. Subordination of lien to mortgage: The liens provided for herein shall be subordinate to the lien of any mortgage, mortgages, deed of trust or deeds of trust. Sale or transfer of any lot shall not affect the assessment lien provided for in the preceding section. However, the sale or transfer of any lot which is subject to any mortgage or deed of trust, pursuant to a foreclosure thereof shall extinguish the lien of such assessment as to the payment thereof which became due prior to such sale or transfer, but shall not extinguish the personal liability of the owner at the time the assessment fell due. No such sale or transfer shall relieve such lot from liability for any assessment thereafter becoming due or from the lien thereof, but the liens provided for shall continue to be subordinate to the lien of any mortgage, mortgages, deed of trust or deeds of trust.

## ARTICLE IX

DURATION AND AMENDMENT:

All restrictions and covenants set forth in this Declaration shall run with the land and shall be binding on all parties and persons claiming under them for a period of twenty-five (25) years from the date of recording of this Declaration, after which these restrictions and covenants shall be automatically extended for additional periods of ten (10) years each.

This instrument may be amended by the Declarant until the Declarant shall no longer own unsold lots in River Reach Subdivision, or upon the expiration of seven (7) years from the date hereof, whichever shall occur first, but provided, however, that the Declarant shall not have the power to:

- (a) Alter the voting rights of members other than as provided herein or in the Articles of Incorporation or By-Laws of the Association, nor to create voting rights in the master association, if created other than on the basis of one (1) vote per living unit; or
- (b) Effect any amendment which would alter these covenants and restrictions with respect to any lot in Phase I of River Reach Subdivision as shown on plat attached hereto as Exhibit C, or any lot in any subsequent phases which shall be shown on a subsequently recorded map or plat at the time of such amendment;

without the joinder of seventy-five percent (75%) of the owners of lots, other than the Declarant, in such recorded phases.

This instrument may be amended at any time after the Declarant shall no longer own any lot or lots in River Reach Subdivision, or upon the expiration of seven (7) years from the date hereof, whichever shall occur first, by an affirmative vote of seventy-five percent (75%) of the then owners of lots in River Reach Subdivision, including the owners of subsequent phases of River Reach Subdivision.

## ARTICLE X

ENFORCEMENT:

In the event of a violation or breach of any of the covenants and restrictions herein by any owner or agent thereof, the owners of other lots, jointly or severally, or the Board of Directors of the Association acting on behalf of such owner or owners, shall have the right to bring an action to compel compliance or to

enjoin such violation or breach. In the event the enforcement action should result in a judgment in favor of the owner(s) bringing the same, or in favor of the Association, reasonable attorneys' fees shall be recovered in such action.

ARTICLE XI

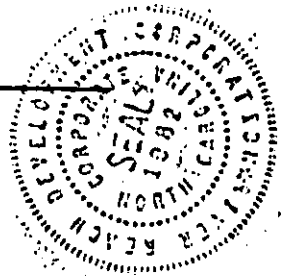
SEVERABILITY:

The invalidation by any court of any restrictions or obligations contained in this Declaration shall in no way affect any other provisions hereof, which shall remain in full force and effect.

IN WITNESS WHEREOF, the Declarant has caused this instrument to be executed in its corporate name by its duly authorized officers, and its corporate seal to be hereunto affixed by authority of its Board of Directors, the day and year first above written.

RIVER REACH DEVELOPMENT CORPORATION

by: Robert L. Koraly  
President



ATTEST:

John L. Fudenburg  
Secretary

STATE OF NORTH CAROLINA  
COUNTY OF CARTERET

I, a Notary Public of the County and State aforesaid, certify that John L. Fudenburg personally came before me this day and acknowledged that he is the Secretary of River Reach Development Corporation, a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by        as its Secretary.

WITNESS my hand and official stamp or seal, this the 19th day of April, 1983.

Naida N. Koraly  
Notary Public



My Commission Expires: 9-14-87

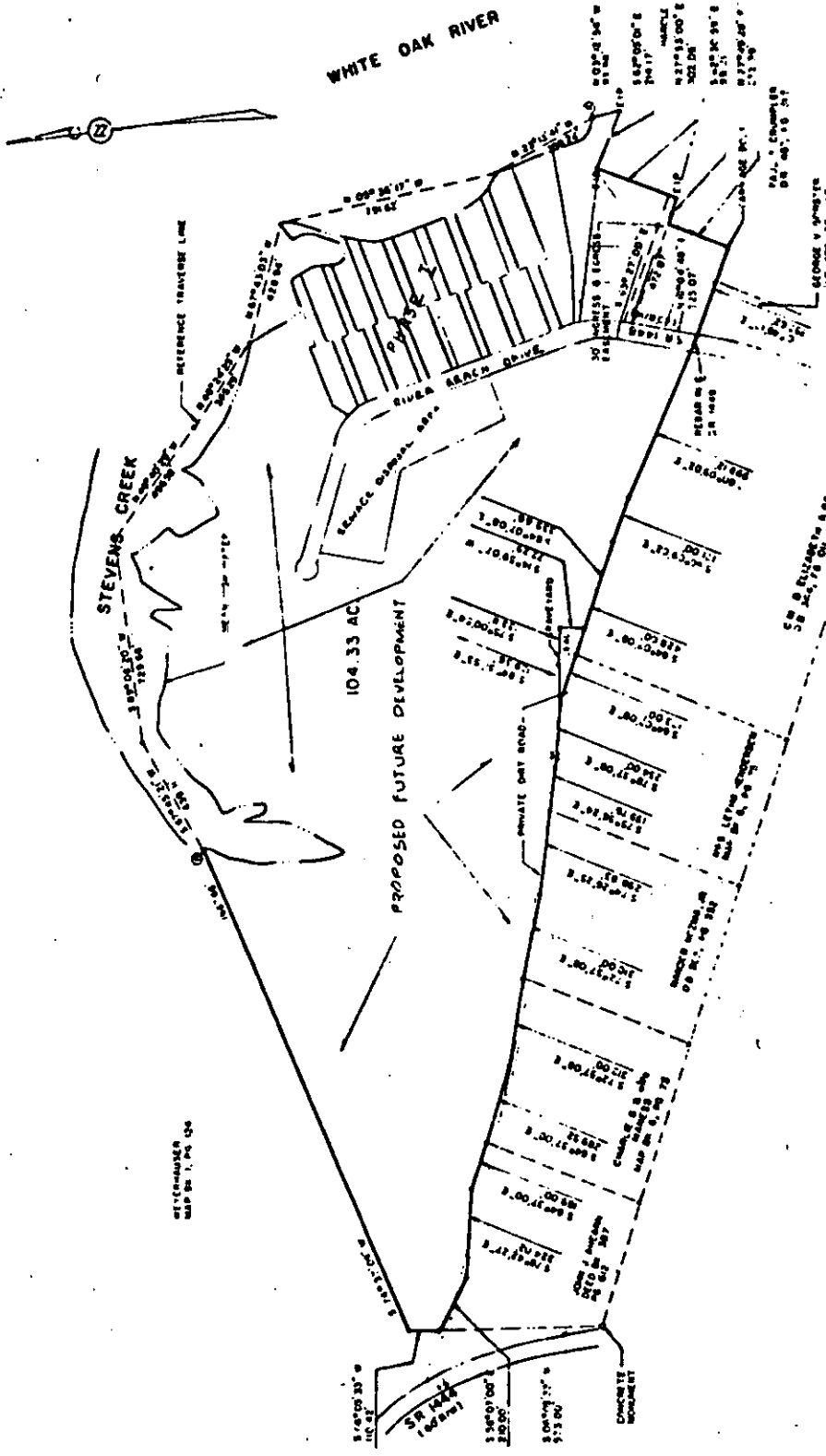
NORTH CAROLINA, ONSLOW COUNTY.

The foregoing certificate of Naida N. Koraly is/are certified to be correct. This instrument was presented for registration and recorded in this office in Book 649, Page 843.

This 21 day of April, 1983 at 12:07 o'clock P. M.

Mildred M. Thomas  
Mildred M. Thomas, Register of Deeds.

EXHIBIT "A"



I, JAMES L. GIBBS, Surveyor, do hereby certify that the above described plat was lawfully filed with me on this 15th day of August, 1958, and that the same is a true and correct copy of the original as filed with me. Witness my hand and the seal of my office at St. Louis, Missouri, this 15th day of August, 1958.

JAMES L. GIBBS  
Surveyor

SETTS & SQUARE FEET FROM A-B  
ACROSS MAIN WATER

STATION	SETTS	SQUARE FEET
1	100.00	100.00
2	100.00	100.00
3	100.00	100.00
4	100.00	100.00
5	100.00	100.00
6	100.00	100.00
7	100.00	100.00
8	100.00	100.00
9	100.00	100.00
10	100.00	100.00
11	100.00	100.00
12	100.00	100.00
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66	100.00	100.00
67	100.00	100.00
68	100.00	100.00
69	100.00	100.00
70	100.00	100.00
71	100.00	100.00
72	100.00	100.00
73	100.00	100.00
74	100.00	100.00
75	100.00	100.00
76	100.00	100.00
77	100.00	100.00
78	100.00	100.00
79	100.00	100.00
80	100.00	100.00
81	100.00	100.00
82	100.00	100.00
83	100.00	100.00
84	100.00	100.00
85	100.00	100.00
86	100.00	100.00
87	100.00	100.00
88	100.00	100.00
89	100.00	100.00
90	100.00	100.00
91	100.00	100.00
92	100.00	100.00
93	100.00	100.00
94	100.00	100.00
95	100.00	100.00
96	100.00	100.00
97	100.00	100.00
98	100.00	100.00
99	100.00	100.00
100	100.00	100.00

RECORDED PLAT OF...  
MICHELE DE GILLO

SCALE 1" = 100'

BOOK 649 PAGE 858

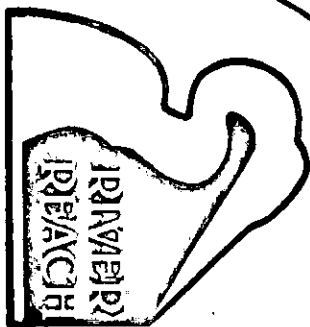
PAGE 2 OF EXHIBIT "A"  
LEGAL DESCRIPTION OF SEWAGE DISPOSAL AREA

Beginning at a point on the east side of River Reach Drive, said point being located S 76° 04' 46" W 60.00' from the north west corner of lot 13 as shown on a plat of River Reach Phase I; thence S 76° 04' 46" W 150.00' to a point; thence N 21° 06' 04" W 400.00' to a point; thence N 74° 54' 11" W 350.00' to a point; thence N 15° 05' 49" E 289.70' to a point in the R/W line of River Reach Drive; thence along the R/W line of River Reach Drive S 74° 54' 11" E 75.68' to a point; thence along said R/W line with a curve having a radius of 581.369' an arc distance of 618.78' to a point; thence S 13° 55' 14" E 274.87' to the point and place of beginning.

## EXHIBIT "B"

IN SWANSBORO TOWNSHIP, ONSLOW COUNTY, STATE OF NORTH CAROLINA, and BEGINNING at an existing iron pipe at the northwestern corner of a 1.94 acre tract conveyed by Paul T. Crumpler, et al, to Harold Weeks, et al, by deed recorded in Book 509, Page 768, Onslow County Registry, said BEGINNING corner being located South 63 degrees 37 minutes East, 472.0 feet from a point in the southeastern right of way line of NCSR 144b, said latter point being located as measured in a southwestwardly direction along the right of way line of said Secondary Road 34 feet from the southeastern terminus of said right of way; running thence from said BEGINNING point along the northernmost line of the Weeks property North 27 degrees 53 minutes 00 seconds East, 302.06 feet to an existing iron pipe; cornering and running thence South 62 degrees 05 minutes 01 seconds East, 214.17 feet to an existing iron pipe; thence North 3 degrees 12 minutes 54 seconds West, 93.98 feet to a point in the mean high water mark of the White Oak River, said point being designated as Point A on the map hereinafter referred to; thence along and with the mean high water line of the White Oak River the following traverse line: North 23 degrees 13 minutes 41 seconds West, 398.22 feet; North 05 degrees 36 minutes 17 seconds West, 791.62 feet; North 67 degrees 45 minutes 03 seconds West, 428.94 feet; North 48 degrees 24 minutes 25 seconds West, 366.29 feet; North 46 degrees 40 minutes 29 seconds West, 496.58 feet; South 89 degrees 08 minutes 20 seconds West, 729.66 feet; and South 67 degrees 45 minutes 21 seconds West, 439.11 feet to Point B as shown on the map hereinafter referred to; running thence along the dividing line between the Crumpler lands and the Weyerhaeuser Property lands as shown in Map Book 1, Page 124, Onslow County Registry, South 74 degrees 37 minutes 08 seconds West, 1,867.66 feet to a point; thence South 6 degrees 05 minutes 33 seconds West, 110.42 feet to a point; thence South 56 degrees 07 minutes 00 seconds East, 210 feet; thence South 78 degrees 42 minutes 27 seconds East, 324.02 feet; thence South 64 degrees 37 minutes 00 seconds East, 169 feet; thence South 64 degrees 37 minutes 00 seconds East, 239.52 feet; thence South 72 degrees 57 minutes 08 seconds East, 622 feet; thence South 74 degrees 26 minutes 25 seconds East, 298.83 feet; thence South 75 degrees 56 minutes 24 seconds East, 155.76 feet; thence South 78 degrees 37 minutes 08 seconds East, 234 feet; thence South 64 degrees 07 minutes 08 seconds East, 601 feet; thence South 60 degrees 09 minutes 02 seconds East, 770.12 feet to a rebar in the centerline of NCSR 1448; thence South 61 degrees 48 minutes 17 seconds East, 357.62 feet to a carriage bolt marking a corner in the Lands of Paul T. Crumpler as described in deed recorded in Book 467, Page 305, Onslow County Registry; thence with the Paul Crumpler line North 27 degrees 49 minutes 28 seconds East, 232.39 feet to a point; thence South 62 degrees 30 minutes 59 seconds East, 99.21 feet to the point and place of BEGINNING, containing 104.33 acres, more or less, according to survey by Charles Rawls, Registered Surveyor, (L-2491), on September 22, 1982.

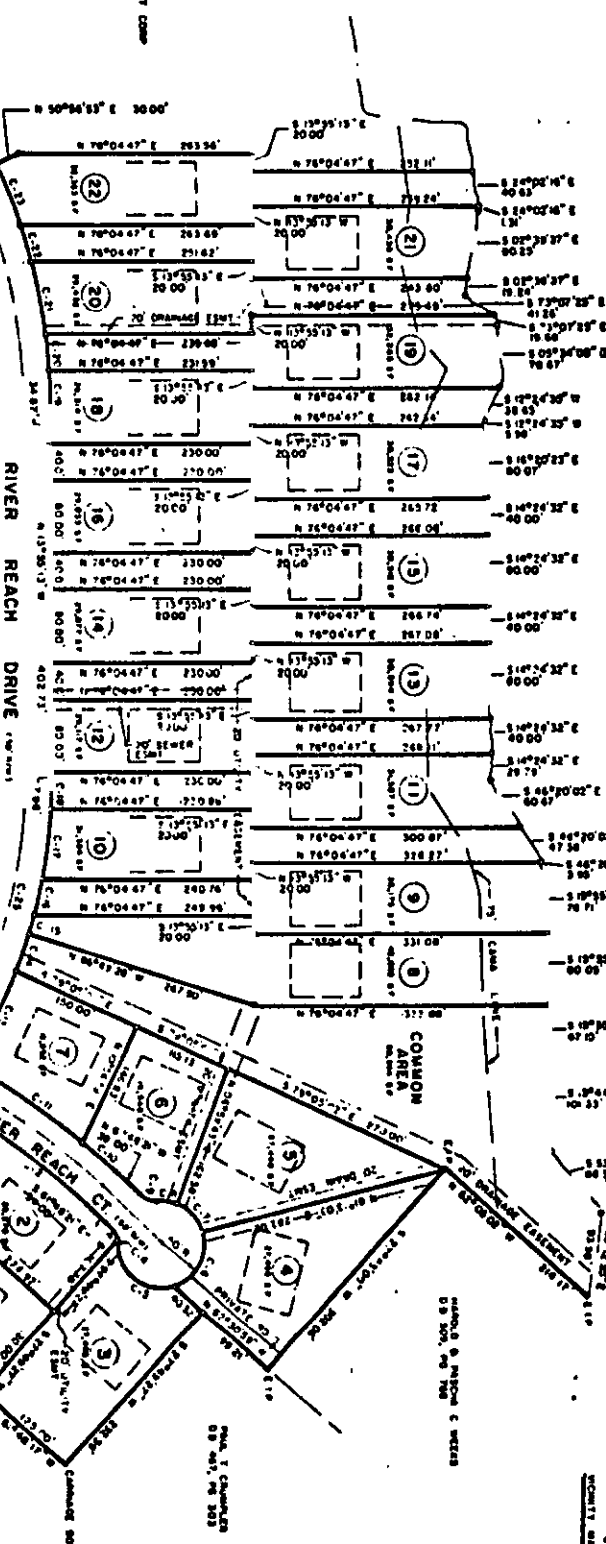
WHITE OAK RIVER



DELTA RIVER REACH DEVELOPMENT CORP.  
BY 624, PM 433

RIVER REACH DEVELOPMENT CORP.  
BY 624, PM 433

CLAVE NO	DELTA	RAT. N/S	ARC	AREA	PERCENT	TOT.
C-1	31,231.97	73.90	39.86	6,679.97	18.13	36,911.94
C-2	10,790.96	917.76	149.37	1,642.03	4.45	36,911.94
C-3	34,763.76	81.07	19.82	1,842.03	4.99	36,911.94
C-4	13,147.07	83.00	3.74	1,827.15	4.95	36,911.94
C-5	107,267.31	50.00	91.99	3,679.26	9.94	36,911.94
C-6	67,767.58	50.00	72.37	4,149.86	11.24	36,911.94
C-7	54,117.18	56.52	47.38	4,305.32	11.66	36,911.94
C-8	48,593.28	50.00	23.00	3,971.97	10.75	36,911.94
C-9	48,117.57	23.00	21.83	1,897.94	5.14	36,911.94
C-10	62,811.97	92.32	14.32	1,477.47	4.00	36,911.94
C-11	67,443.87	92.32	17.49	1,679.31	4.55	36,911.94
C-12	67,217.04	23.00	30.64	1,824.07	4.94	36,911.94
C-13	66,443.48	59.75	50.75	1,112.03	3.01	36,911.94
C-14	66,443.48	42.12	42.12	1,112.03	3.01	36,911.94
C-15	62,811.97	92.32	42.12	1,112.03	3.01	36,911.94
C-16	62,811.97	92.32	42.12	1,112.03	3.01	36,911.94
C-17	62,811.97	92.32	42.12	1,112.03	3.01	36,911.94
C-18	62,811.97	92.32	42.12	1,112.03	3.01	36,911.94
C-19	62,811.97	92.32	42.12	1,112.03	3.01	36,911.94
C-20	62,811.97	92.32	42.12	1,112.03	3.01	36,911.94
C-21	62,811.97	92.32	42.12	1,112.03	3.01	36,911.94
C-22	62,811.97	92.32	42.12	1,112.03	3.01	36,911.94
C-23	62,811.97	92.32	42.12	1,112.03	3.01	36,911.94
C-24	62,811.97	92.32	42.12	1,112.03	3.01	36,911.94
C-25	62,811.97	92.32	42.12	1,112.03	3.01	36,911.94



CERTIFICATE OF APPROVAL BY THE PLANNING BOARD  
THE ONSLOW COUNTY PLANNING BOARD HEREBY APPROVES  
THE FINAL PLAN FOR THE RIVER REACH DEVELOPMENT  
PHASE I.

DATE: 08/11/2009

BY: [Signature]

CERTIFICATE OF ENGINEER & SURVEYOR  
I, [Name], Licensed Professional Engineer and Surveyor,  
do hereby certify that I am the author of the  
plan shown on this page, and that it is a true and  
correct copy of the original as shown to me by  
the owner of the land shown thereon, and that  
I have not been furnished with any information  
which would cause me to believe that the plan  
is not a true and correct copy of the original.  
I hereby certify that the plan is in accordance  
with the laws of the State of North Carolina,  
and that I am a duly Licensed Professional Engineer  
and Surveyor in the State of North Carolina.  
DATE: 08/11/2009

BY: [Signature]



**RIVER REACH - PHASE**  
ONSLOW COUNTY, SWAINSBORO, NORTH CAROLINA

**triangle engineering & surveying, inc.**  
raleigh, greenville, hill devil hills, n.c. • charleston, s.c. • huntsville, al.

STATE OF NORTH CAROLINA  
COUNTY OF CARTERET

ARTICLES OF INCORPORATION  
OF  
RIVER REACH OWNERS' ASSOCIATION, INC.

The undersigned, being of the age of eighteen (18) years or more, does hereby make and acknowledge these Articles of Incorporation for the purpose of forming a non-profit corporation under and by virtue of the laws of the State of North Carolina.

ARTICLE I

1. The name of the corporation is River Reach Owners' Association, Inc.

ARTICLE II

2. The period of duration of the corporation is perpetual.

ARTICLE III

3. The purpose for which the corporation is organized is to provide for the health, safety and welfare of the residents within that property known as River Reach Subdivision. The property which initially comprises River Reach Subdivision - Phase I thereof, is more fully described in that plat recorded in Map Book 21, at Page 219, in the office of the Register of Deeds of Onslow County, which plat is herein incorporated by reference. Additional properties may be incorporated in River Reach Subdivision, such additional properties being more fully described and defined in Exhibits A & B of the Declaration Of Covenants, Restrictions And Easements Of River Reach Subdivision as the same are recorded in Book \_\_\_\_\_, at Page \_\_\_\_\_, in the office of the Register of Deeds of Onslow County, which said plat is also incorporated herein by reference.

And to that end:

(a) To own, acquire, build, operate and maintain park areas, playgrounds, commons, streets, and pedestrian ways; including improvements thereon and personal property incident thereto; hereinafter referred to as "common areas and facilities" of River Reach Subdivision.

(b) To provide such utilities and services as may be necessary to supplement those utilities and services which are available from other sources.

(c) To enforce any and all covenants, restrictions, and agreements applicable to River Reach Subdivision, either individually or in cooperation with one or more owners of parcels within River Reach Subdivision.

(d) To fix and collect assessments to be levied against the members of this association, to the extent that such assessments may be authorized by the Declaration Of Covenants, Restrictions And Easements Of River Reach Subdivision.

(e) To pay taxes, if any, on the common properties and facilities of River Reach Subdivision.

(f) To enforce the lien of assessments, including a power of sale, in accordance with the provisions of the Declaration Of Covenants, Restrictions And Easements Of River Reach Subdivision.

(g) To affiliate with a master association of owners of property within the development area of River Reach for the use of facilities and services utilized and enjoyed by members in common by members of this corporation, and others, and to assess members of this corporation for the costs associated with the same.

(h) To do any other thing that, in the opinion of the Board of Directors or the members, will promote the common benefit and enjoyment of all the residents of River Reach Subdivision; including, but not by way of limitation, all of those powers which are conferred on non-profit corporations by Section 55A-15 of the North Carolina General Statutes.

4. The corporation shall have two (2) classes of members, designated Class A and Class B members. Class A members shall be the record owners of platted lots in River Reach Subdivision, and the Class B member shall be the Declarant as set out in the Declaration Of Covenants, Restrictions And Easements Of River Reach Subdivision. All members shall have one (1) vote for each platted lot owned in River Reach Subdivision, except that the Class B member shall, as more fully set out in the Declaration Of Covenants, Restrictions And Easements Of River Reach Subdivision, be the only member entitled to vote in the election of Directors and in the establishment of the assessment of owners, until such time as there shall be seventeen (17) Class A members.

5. The business of the corporation shall be conducted by its Board of Directors, which shall be no less than three (3) nor more than five (5) in number. The directors shall be elected by the members, as more fully provided in the By-Laws of the corporation. Directors need not be members of the corporation.

6. No fees, bonuses, commissions or any other payments shall be made to or inure to the benefit of any officer, director or member of the Association by virtue of such membership. Upon dissolution of the corporation the assets, both real and personal, of the corporation, shall be dedicated to an appropriate public agency or utility to be devoted to purposes as nearly as practicable the same as those to which they were required to be

devoted by the corporation. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the corporation. No such disposition of Association properties shall be effective to divest or diminish any right of title of any member vested in him under the recorded covenants and deeds applicable to the properties unless made in accordance with the provisions of such covenants and deeds.

7. The address of the initial registered office of the corporation in the State of North Carolina is 1210 Arendell Street, Morehead City, Carteret County, North Carolina 28557, and the name of its initial registered agent at such address is R. D. Darden, Jr.

8. The number of directors constituting the initial Board of Directors shall be three (3); and the names and addresses of the persons who are to serve as the initial directors are:

Robert Lee Koraly	211 Channel Drive Cape Carteret, NC
John L. Fredenburg	751 Main Street Extension Swansboro, NC 28584
Leland Crumpler	Rt. 2, Box 518 Swansboro, NC 28584

9. The name and address of the incorporator is:

R. D. Darden, Jr	1210 Arendell Street Morehead City, NC 28557
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10. These Articles may be amended by the Class B member until such time as there shall be seventeen (17) Class A members. Thereafter, these Articles may be amended by a vote of two-thirds (2/3) of the members, regardless of class. No amendment shall be effective to impair or dilute any rights of members, which are conferred by the Declaration Of Covenants, Restrictions And Easements Of River Reach Subdivision.

IN WITNESS WHEREOF, I have hereunto set my hand and seal, this the \_\_\_\_\_ day of \_\_\_\_\_, 1983.

\_\_\_\_\_  
R. D. Darden, Jr.

(SEAL)

STATE OF NORTH CAROLINA

COUNTY OF CARTERET

I, \_\_\_\_\_, a Notary Public of the aforesaid County and State, do hereby certify that R. D. Darde1, Jr., personally appeared before me this day and acknowledge the due execution of the foregoing Articles of Incorporation.

WITNESS my hand and Notarial Seal, this the \_\_\_\_\_ day of \_\_\_\_\_, 1983.

\_\_\_\_\_  
Notary Public

My Commission Expires:  
\_\_\_\_\_

BY-LAWS  
OF  
RIVER REACH OWNERS' ASSOCIATION, INC.

ARTICLE I  
DEFINITIONS

Section 1. "Development area" shall mean that property shown on Exhibit "A" to these By-Laws.

Section 2. "Phase I" of subdivision shall mean that property as shown on Exhibit "C" to these By-Laws.

Section 3. "Association" shall mean the River Reach Owners' Association, Inc., a non-profit corporation organized and existing under the laws of the State of North Carolina.

ARTICLE II  
OFFICES

Section 1. Principal Office. The principal office of the corporation shall be located in River Reach Subdivision, Onslow County, North Carolina, or at such other place as the directors shall from time to time determine.

Section 2. Registered Office. The registered office shall be located at 1210 Arendell Street, Morehead City, North Carolina 28557, and the initial registered agent at such location shall be R. D. Darden, Jr.

ARTICLE III  
MEMBERSHIP

Section 1. Qualification of Members. There shall be two (2) classes of membership, designated as Class A and Class B. Qualification of members shall be as defined in the corporation Charter and in the Declaration of Covenants filed in the office of the Register of Deeds of Carteret County.

Section 2. Assessments. The assessments applicable to each member's property shall likewise be as provided for in the Declaration of Covenants, Restrictions and Easements of River Reach Subdivision.

ARTICLE IV  
VOTING RIGHTS

The voting rights of members shall be as set out in Article III-4 of the Articles of Incorporation of the Association and in §3 of Article VIII of the Declaration of Covenants, Restrictions and Easements of River Reach Subdivision.

ARTICLE V  
MEETINGS OF MEMBERS

Section 1. Location. All meetings of members shall be at such place within Onslow County, North Carolina, as the Board of Directors shall designate in the notice of meeting.

Section 2. Annual Meetings. The regular annual meeting of members for the election of directors and for the transaction of other business shall be held at such time within the month of June of each year as shall be designated by the Board of Directors.

Section 3. Special Meetings. Special meetings of the members for any purpose may be called at any time by the President, the Vice President, the Secretary or Treasurer, or by any two (2) or more members of the Board of Directors, or upon written request of the members who have a right to vote one-fourth (1/4) of all of the votes of the entire membership or who have a right to vote one-fourth (1/4) of the votes of the Class A membership. The notice of any special meeting shall specifically state the purpose or purposes for which it is called.

Section 4. Notice of Meetings. Notice of any meeting shall be given to the members by the Secretary. Notice may be given to the member either personally, or by sending a copy of the notice through the mail, postage thereon fully prepaid to his address appearing on the books of the corporation. Such notice shall be delivered to each member, or mailed, no less than ten (10) days before the date of the meeting.

Section 5. Quorum. The presence at the meeting of members entitled to cast, including members voting by proxy, one-half (1/2) of the votes of each class of membership shall constitute a quorum for any action governed by these By-Laws. Any action governed by the Articles of Incorporation or by the covenants applicable to the subdivision shall require a quorum as therein provided.

Section 6. Proxies. At all corporate meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. No proxy shall extend beyond a period of eleven (11) months, and every proxy shall automatically cease upon sale by the member of his home or other interest in the subdivision.

ARTICLE VI  
BOARD OF DIRECTORS

Section 1. Board of Directors. The business and affairs of the Association shall be managed by its Board of Directors.

Section 2. Powers of Board. In addition to powers conferred elsewhere in these By-Laws, by the Declaration of Covenants, Restrictions and Easements of River Reach Subdivision and by Chapter 55A of the North Carolina General Statutes, the Board shall also be empowered to:

- (a) Employ and supervise such agents or employees as may be required, prescribe their duties, and fix their compensation.
- (b) Enact such resolutions as may be authorized by law to indemnify directors and officers of the Association for liability to others incurred in the performance of their duties, and to procure insurance coverage accordingly.
- (c) Prescribe reasonable rules and regulations for the use of the common areas in River Reach Subdivision. This power shall transfer to the master association, if created.
- (d) To represent the owners in River Reach Subdivision, by casting the vote thereof and by designating a representative to attend meetings of the master association of property owners as defined in the Declaration of Covenants, Restrictions and Easements of River Reach Subdivision.
- (e) Collect the assessments authorized by the Declaration of Covenants, Restrictions and Easements of River Reach Subdivision, and to enforce the lien of unpaid assessments.

ARTICLE VII  
ELECTION OF DIRECTORS

Section 1. Number. The Board of Directors shall be three (3) in number, until such time as that number shall be increased to five (5) by the vote of a majority of the members entitled to vote in person or by proxy at a regular annual meeting of members or at a duly-called special meeting. Directors are not required to be members of the Association.

Section 2. Term. Directors shall be elected for a term of one (1) year, and no director shall be eligible to serve more than three (3) consecutive terms; but provided, however, that until such time as there shall be seventeen (17) or more Class A members, this limitation as to consecutive terms of office shall not apply.

Section 3. Vacancies. Vacancies in the Board of Directors shall be filled by the majority of remaining directors, any such appointed director to hold office until his successor is elected by the members, who may make such election at the next

annual meeting of the members or at any special meeting duly called for that purpose.

Section 4. Election to Board. Election to the Board of Directors shall be by written ballot. Until such time as there shall be seventeen (17) or more Class A members, only the Class 3 members shall be entitled to vote. Thereafter, all members or their proxies may cast, in respect to each vacancy, one (1) vote for each lot owned in the subdivision. The name or names receiving the largest number of votes shall be elected.

Section 5. Nomination. Nominations for election to the Board of Directors shall be made by a Nominating Committee which shall be one of the standing committees of the Association.

Section 6. Nominating Committee. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two (2) or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each such annual meeting.

Section 7. Number of Nominations. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members as the committee in its discretion shall determine. Nominations from the floor may also be accepted.

Section 8. Regular Meetings. The Board of Directors shall meet at such times and places as a majority of the Board shall, from time to time, determine; but provided, however, that the Board shall meet at least once each calendar year, immediately following the annual meeting of members.

Section 9. Special Meetings. Special meetings of the Board of Directors may be held at any time, upon waiver of notice. Special meetings of the Board of Directors shall be held when called by any officer of the Association or by any two (2) Directors after not less than three (3) days' notice to each director.

Section 10. Waiver of Notice. The transaction of any business at any meeting of the Board of Directors, however called and noticed, or however held, shall be as valid as though made at a meeting duly held after regular call and

notice if a quorum is present and, if either before or after the meeting, each of the directors not present signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records and made part of the minutes of the meetings.

Section 11. Action Taken Without a Meeting. 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 the directors and filed with the minutes of the proceedings of the Board, whether done before or after the action so taken.

Section 12. Compensation. The directors of the Association shall serve without compensation.

#### ARTICLE VIII OFFICERS

Section 1. Enumeration of Officers. The officers shall be a President, Vice President, a Secretary, and a Treasurer. The President shall be a member of the Board of Directors.

Section 2. Election of Officers. The officers shall be chosen by majority vote of the directors.

Section 3. Term. All officers shall be appointed for a term of one (1) year, and may be re-appointed for consecutive terms without limitation. Any officer may be removed by a majority vote of the directors, with or without cause, and a successor appointed to fill any unexpired term of office.

Section 4. Duties of President. The President shall preside at all meetings of the Board of Directors and at meetings of members, shall see that orders and resolutions of the Board of Directors are carried out and sign all notes, checks (if required), leases, mortgages, deeds and all other written instruments.

Section 5. Duties of Vice President. The Vice President shall perform all the duties of the President in his absence.

Section 6. Duties of Secretary. The Secretary shall be "ex officio" the Secretary of the Board of Directors, shall record the votes and keep the minutes of all proceedings in a book to be kept for that purpose. He shall sign all certificates of membership. He shall keep the records of the Association.

Section 7. Duties of Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of

the Association and shall disburse such funds as directed by resolution of the Board of Directors, provided however, that a resolution of the Board of Directors shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board. The Treasurer shall sign all checks and notes of the Association, provided that such checks and notes shall also be signed by the President or the Vice President, if such checks are in an amount greater than \$200.00.

#### ARTICLE IX COMMITTEES

Section 1. Standing Committees. The standing committees of the Association shall be the Nominating Committee and the Architectural Control Committee. Other committees may, however, from time to time be appointed and become standing committees.

Section 2. Architectural Control Committee. The Architectural Control Committee shall be comprised of three (3) members. The functions and duties of the Architectural Control Committee shall be as provided for in the Declaration of Covenants, Restrictions and Easements of River Reach Subdivision. The members of this committee shall be appointed by the Board of Directors, for terms of one (1) year.

#### ARTICLE X ASSESSMENTS AND FINANCIAL MANAGEMENT

Section 1. Amount of Assessments. The Board of Directors shall fix the amount of assessments which are authorized to be charged to members according to the Declaration of Covenants, Restrictions and Easements of River Reach Subdivision; but provided that the regular assessment may not be increased by more than twenty-five percent (25%) in any single fiscal year without an affirmative vote of two-thirds (2/3) of the members present in a regular annual meeting or in a special meeting called for such purpose.

Section 2. Budget and Financial Reports. A projected budget shall be prepared by the Treasurer, approved by the Board of Directors, and presented to the members at the annual meeting thereof. An annual financial report of receipts and expenditures and a balance sheet of the Association shall also be prepared and presented annually to the members.

#### ARTICLE XI ASSOCIATION RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to the inspection of any member.

-7-

ARTICLE XII  
CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: River Reach Owners' Association, Inc.

ARTICLE XIII  
FISCAL YEAR

The fiscal year of the corporation shall begin April 1, and shall terminate March 31.

ARTICLE XIV  
AMENDMENTS AND CONFLICTS

Section 1. Amendments to By-Laws. These By-Laws may be amended by a vote of two-thirds ( $\frac{2}{3}$ ) of those members present in person or by proxy at a regular annual meeting of members or in a special meeting called for such purpose, unless the Articles of Incorporation or the Declaration of Covenants, Restrictions and Easements of River Reach Subdivision shall require otherwise.

Section 2. Conflicts. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the covenants and restrictions applicable to the properties and these By-Laws, the covenants and restrictions shall control.

1700  
STATE OF NORTH CAROLINA

COUNTY OF ONSLOW

AMENDMENT TO BY-LAWS

RIVER REACH OWNERS' ASSOCIATION, INC.

Whereas, River Reach Owners' Association, Inc. (the "Association") was created pursuant to the Declaration of Covenants, Restrictions and Easements of River Reach Subdivision, Phase I, recorded at Book 649, Page 843 in the Office of the Register of Deeds of Onslow County, North Carolina; and,

Whereas, the original Articles of Incorporation of the Association and the original By-laws of the Association were recorded as exhibits thereto at Book 649, Page 861 and Book 649, Page 865 respectively in the Onslow County Registry; and,

Whereas, the original By-laws of the Association have been made applicable to subsequently developed Phases of River Reach Subdivision; and,

Whereas, the original By-laws, Article V, Section 2 provide that the Association's annual meeting must be held within the month of June each year; and,

Whereas, the Board of Directors of the Association has determined that the Association's annual meeting would better serve the needs of the Board of Directors and members of the Association if the meeting were held in April of each year; and,

Whereas, the Board of Directors (the "Board") recognizes that in the future, changed circumstances may justify holding the annual meeting at some different time of year; and,

Whereas, the members of the Association have met in duly noticed meeting of the Association and have by their vote, a quorum being present, agreed with the recommendation of the Board;

NOW THEREFORE IT IS RESOLVED by the members of the River Reach Owners' Association, Inc., that the By-laws of the corporation should be and the same hereby are amended by deleting Article V, Section 2 there from in its entirety and substituting the following therefore:

Section 2. Annual Meetings. The regular annual meeting of members for the election of directors and for the transaction of other business shall be held at such time within the month of April of each year as shall be designated by the Board of Directors, or at such other time as directed by the Board of Directors with notice to the members of the corporation.

AND IT IS FURTHER RESOLVED all provisions of the By-laws inconsistent herewith shall be deemed to be amended such that they are consistent herewith.

ADOPTED THIS THE 4TH DAY OF JUNE, 2005, at a meeting of the RIVER REACH OWNERS' ASSOCIATION, INC., called according to the By-laws of the Association and upon such notice, quorum and vote as required thereby.

INC. RIVER REACH OWNERS' ASSOCIATION,

BY:   
JAMES A. STRAZZERE, PRESIDENT

NORTH CAROLINA

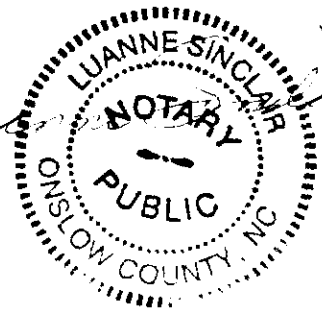
COUNTY OF ONSLOW

I, a Notary Public of the County and State aforesaid, certify that JAMES A. STRAZZERE, personally came before me this day acknowledged that he is President of RIVER REACH OWNERS' ASSOCIATION, INC., a North Carolina Corporation, and that by authority duly given and as the act of the corporation, he signed the foregoing instrument in such capacity.

Witness my hand and official stamp or seal, this 29 day of July, 2005.

My commission expires: Feb. 21, 2006

Notary Public 



NORTH CAROLINA, ONSLOW COUNTY  
The foregoing certificate(s) of

Luanne Sinclair

is/are certified to be correct. This instrument and this certificate are duly registered at the date and time and in the Book and Page shown on the first page hereof.

Andrew M. Thomas Register of Deeds for Onslow County  
Deputy/Assistant-Register of Deeds