

Prepared by and mail to: Steve
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ARTICLES OF INCORPORATION
OF
RIVERBLUFF CONDOMINIUM ASSOCIATION, INC.

I, the undersigned, being a natural person of full age, make these Articles of Incorporation for the purpose of forming a nonprofit corporation pursuant to the provisions of Chapter 55A of the North Carolina General Statutes.

ARTICLE I
NAME

The name of the corporation is RiverBluff Condominium Association, Inc.

ARTICLE II
DURATION

The period of duration of the corporation shall be perpetual.

ARTICLE III
PURPOSES

The purposes for which the corporation is organized are:

- a. To provide for the management, maintenance, preservation, administration and operation of RiverBluff Condominiums, a condominium organized pursuant to Chapter 47C of the North Carolina General Statutes, the North Carolina Condominium Act, and as set forth in that certain Declaration of Condominium to be recorded in the Office of the Register of Deeds for Cumberland County, North Carolina (the "Declaration").
- b. To promote the health, safety and welfare of the "Owners" (as defined in the Declaration) within the jurisdiction of this corporation.
- c. To engage in any and all lawful activities incidental to the foregoing purposes, except as restricted herein.

ARTICLE IV
POWERS

In order to carry out the purposes for which this corporation has been formed, the corporation shall have all of the powers set forth in Chapter 55A and Chapter 47C of the North Carolina General Statutes including, but not by way of limitation, the power:

a. To exercise all of the privileges and powers and to perform all of the duties and obligations of the corporation as set forth in the Declaration and the Bylaws attached thereto;

b. To fix, levy, collect and enforce payment by any lawful means of all charges or assessments pursuant to the terms of the Declaration and Chapter 47C of the North Carolina General Statutes, the North Carolina Condominium Act; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the corporation, including all licenses, taxes or governmental charges levied or imposed against the property of the corporation;

c. To acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the corporation;

d. To borrow money, and with the consent of eighty percent (80%) of the allocated interest of the membership, to mortgage, pledge, grant a deed of trust or hypothecate any or all of the Common Elements as security for money borrowed or debts incurred subject to the property rights of the members of the corporation as provided in the Declaration and the Bylaws attached thereto;

e. To dedicate, sell or transfer all or any part of the Common Elements (as defined in the Declaration) to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed upon by the members of the corporation as provided in the Declaration and the Bylaws attached thereto.

ARTICLE V NO PECUNIARY GAIN

This corporation is a nonprofit corporation, and no part of the net earnings (if any) of the corporation shall inure to the pecuniary benefit of its members, officers or directors.

ARTICLE VI MEMBERSHIP AND VOTING RIGHTS

Membership in the corporation shall be limited to the owners of fee simple interests (the "Owners") of condominium units (the "Units") in RiverBluff Condominiums, and every Owner of a Unit shall automatically be a member of the corporation. Members shall not include persons or entities who hold an interest merely as security for the payment of performance of an obligation. Membership in the corporation shall be appurtenant to and may not be separated from Unit ownership.

The corporation shall have two (2) classes of voting membership:

Class A: Class A members shall be all Owners of Units, with the exception of River Bluff Partners, LLC, a North Carolina limited liability company (the "Declarant"), and shall be entitled to votes allocated to Unit as set out below. The votes allotted to each Unit have been determined by ratio of one (1) vote for every one heated square foot of each Unit. The square footage of each Unit has been or shall be determined by Declarant, and this determination shall be binding upon all Units and Owners. When more than one person holds an interest in any Unit, all such persons shall be members and the votes for each such Unit shall be exercised as they determine, but in no event shall such votes exceed the total number of votes allocated to each Unit. The Declarant reserves the irrevocable right, power and authority for as long as there exists a Class B membership to amend the Declaration to reflect the addition or creation of any Units or Common Elements or the withdrawal of any Unit and the changes necessitated thereby to include changes in the expense responsibilities of each Unit Owner in and for said Common Elements and voting rights in the corporation of each Unit Owner; provided, however that such changes shall be based upon the aforesaid ratio based upon one (1) vote for every one heated square foot of each Unit.

Class B: Class B member shall be the Declarant and shall be entitled to the votes allotted to each Unit owned by the Declarant as are determined by a ratio based upon one (1) vote for every one heated square foot of each Unit owned by Declarant. The Class B membership shall cease and be converted to a Class A membership respectively upon the happening of either on the following events, whichever occurs earlier:

- (a) Declarant no longer owns a Unit in RiverBluff Condominiums; or
- (b) on January 1, 2025.

If the fee simple title to any Unit is owned of record by two or more persons or entities (whether individually or in a fiduciary capacity), the votes with respect to any such jointly owned Unit may be cast by any one of the joint Owners in person or by proxy, except that the holder or holders of a life estate in a Unit shall have the sole right to cast the votes allocated to the Unit. If more than one of the joint Owners vote or more than one life estate holder in a Unit vote, the unanimous action of all joint Owners or joint life estate holders voting shall be necessary to effectively cast the votes allocated to the particular Unit. Such unanimous action shall be conclusively presumed if any one of such multiple Owners casts the votes allocated to that Unit without protest being made promptly to the person presiding over the meeting by any of the other of such joint Owners.

In no event may the votes which may be cast with respect to any Unit be divided among joint Owners of the Unit or cast in any manner other than as a whole, it being the intention that there be no "splitting" of votes that may be cast by any Member or Members.

ARTICLE VII
REGISTERED AGENT AND OFFICE

The address of the initial registered office and principal office address in the State of North Carolina is 726 Ramsey Street, Suite 10, Fayetteville, Cumberland County, North Carolina, 28301 and the name of the initial registered agent at such address is Mark A. Stout.

ARTICLE VIII
EXECUTIVE BOARD

The affairs of the corporation shall be managed by an Executive Board of five (5) members who need not be members of the corporation. The number of members of the Executive Board may be changed by amendment of the Bylaws of the corporation. The number of persons constituting the initial Executive Board is five (5) and the names and address of the persons who are to act as initial members of the Executive Board until their successors are elected and qualified are:

<u>Name</u>	<u>Address</u>
Mark A. Stout	726 Ramsey Street, Suite 10 Fayetteville, NC 28301
Menno Pennink	726 Ramsey Street, Suite 10 Fayetteville, NC 28301
James Soffe	726 Ramsey Street, Suite 10 Fayetteville, NC 28301
Richard Soffe	726 Ramsey Street, Suite 10 Fayetteville, NC 28301
Anthony Cimaglia	726 Ramsey Street, Suite 10 Fayetteville, NC 28301

The Executive Board shall be appointed by the Declarant until the earlier of: (i) 120 days after conveyance of seventy-five percent (75%) of the Units, including Units which may be created pursuant to special Declarant rights, to Unit Owners other than Declarant; (ii) two years after the Declarant has ceased to offer Units for sale in the ordinary course of business; or (iii) two years after any development right to add new Units was last exercised. The Declarant may voluntarily surrender the right to appoint and remove officers and members of the Executive Board before termination of that period but in that event, the Declarant may require, for the duration of the period of Declarant control, that specified actions of the Association or Executive Board, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective. Notwithstanding anything contained herein to

the contrary, no later than 60 days after conveyance of twenty-five percent (25%) of the Units, including Units which may be created pursuant to special rights, to Unit Owners other than the Declarant, at least one member and not less than twenty-five percent (25%) of the members of the Executive Board shall be elected by Unit Owners other than the Declarant. Not later than 60 days after conveyance of fifty percent (50%) of the Units, including Units which may be created pursuant to special Declarant rights, to Unit Owners other than the Declarant, not less than thirty-three percent (33%) of the members of the Executive Board shall be elected by Unit Owners other than the Declarant. At the first Annual Membership Meeting after the period of Declarant control, the members of the Board shall be elected or appointed. Each member of the Executive Board elected by the Membership to replace an initial member of the Executive Board upon the expiration of his or her term of office shall serve for a term of office ending with the second Annual Meeting of members following his election or until his successor shall be elected and qualified. After the period of Declarant control, at least a majority of the members of the Executive Board must be Unit Owners. The Executive Board shall elect the officers and the Executive Board members and officers shall take office upon election.

ARTICLE IX AMENDMENTS

These Articles may be amended only by a vote of the Owners of Units to which at least sixty-seven percent (67%) of the ownership of the corporation is allocated. Provided, however, where a larger vote in the corporation is required for the corporation to take or refrain from taking a specific action, as set forth in the Condominium Documents, no amendment of these Articles shall be made unless and until the Owners holding such larger percentage of the vote in the corporation approve said amending instrument. No amendment to these Articles shall be adopted or passed which shall impair or prejudice the rights and priorities of any Mortgagee without the consent of such Mortgagee. No amendment to these Articles shall be adopted or passed which shall impair or prejudice the rights of Declarant provided for in the Condominium Documents, without the consent of Declarant. Notwithstanding anything contained herein to the contrary, the Declarant shall have the unfettered right to amend these Articles without the consent of Class A membership so long as Class B membership exists.

No amendment of these Articles, Bylaws and Declaration shall be effective until prepared, executed and certified on behalf of the corporation by any officer designated for that purpose by the Executive Board or, in the absence of designation, by the President of the corporation, and recorded in the Office of the Register of Deeds of Cumberland County, North Carolina.

ARTICLE X INCORPORATOR

The name and address of the incorporator is Mark A. Stout, 726 Ramsey Street, Suite 10, Fayetteville, Cumberland County, North Carolina 28301.

ARTICLE XI
DISSOLUTION

Upon the dissolution of the corporation, the Executive Board shall, after paying or making provision for the payment of all of the liabilities of the corporation, and the return, transfer or conveyance of all assets held by the corporation upon condition requiring return, transfer or conveyance, which condition occurs by reason of the dissolution, subject to these articles and the bylaws, distribute the remaining assets of the corporation as provided in the plan of dissolution.

IN WITNESS WHEREOF, I, the undersigned incorporator, have hereunto set my hand and seal this 6 day of MAY, 2007.


_____(SEAL)
MARK A. STOUT, Incorporator