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J. LEE WARREN JR.
REGISTER OF DEEDS
CUMBERLAND CO., N.C.

Prepared by and mail to: Steven J. O'Connor
McCoy Weaver Wiggins Cleveland Rose Ray PLLC
P.O. Box 87009
Fayetteville, NC 28304-7009

**DECLARATION OF PLANNED
COMMUNITY OF "RIVERBLUFF"**

**NORTH CAROLINA
CUMBERLAND COUNTY**

THIS DECLARATION OF PLANNED COMMUNITY ("Declaration") is made this 30th day of April, 2007 by River Bluff Partners, LLC, a North Carolina limited liability company (hereinafter "Declarant"), H. Dolph Berry, Trustee (hereinafter "Trustee Berry"), Middle Road Properties, LLC, a North Carolina limited liability company (hereinafter "Middle Road"), Nancy Manno, Trustee (hereinafter "Trustee Manno") and Sundust LLC, a North Carolina limited liability company (hereinafter "Sundust") ;

W I T N E S S E T H:

WHEREAS, Declarant is the owner of that certain parcel of real estate located near the City of Fayetteville, Cumberland County, North Carolina, as more particularly described on Exhibit A attached hereto and incorporated herein by reference (hereinafter the "Property"); and

WHEREAS, Trustee Berry and Middle Road are executing this Declaration to acknowledge their consent to this Declaration as mortgage holders of the Property under the deeds of trust recorded in Deed Book 7427, Page 867 and Deed Book 7427, Page 878, Cumberland County Registry, and Trustee Manno and Sundust are executing this Declaration to acknowledge their consent to this Declaration as mortgage holders of the Property under the deed of trust recorded in Deed Book 7427, Page 882, Cumberland County Registry.

NOW THEREFORE, Declarant hereby declares that all of the Property described above shall be held, sold and conveyed as part of a Planned Community under Chapter 47F of the North Carolina General Statutes known as "RiverBluff " subject to the following easements, restrictions, covenants, and conditions, which shall run with the Property and be binding on all parties having any right, title or interest in the described Property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE 1

DEFINITIONS

Section 1.1 "Association" means RiverBluff Planned Community Homeowners Association, Inc., a corporation organized and existing under the Nonprofit Corporation Act of the State of North Carolina, its successors and assigns. Copies of the Articles of Incorporation and Bylaws are attached hereto, respectively, as Exhibits "C" and "D."

Section 1.2 "Common Area" means all property owned by the Association for the common use and enjoyment of the Owners. The Common Area to be owned by the Association at the time of the conveyance of the first Lot or Unit, if any, is described as follows:

All that area shown as "Common Area " or the "Cubhouse Tract" on that certain map of "River Bluff Development, Phase I" which is recorded in the Office of the Register of Deeds of Cumberland County, North Carolina.

Section 1.3 "Declarant" means River Bluff Partners, LLC, a North Carolina limited liability company, its successors and assigns.

Section 1.4 "Executive Board" means the governing body from time to time of the Association as constituted in accordance with this Declaration, the Articles of Incorporation of the Association, and the By-Laws.

Section 1.5 "Lot" means any numbered lot of land shown upon any subdivision map of the Property now or hereafter recorded (with the exception of the Common Area).

Section 1.6 "Mortgage" means a mortgage or deed of trust constituting a lien on a Lot.

Section 1.7 "Mortgagee" means the owner and holder of a Mortgage, including the aforesaid beneficiaries of the deeds of trust recorded at Deed Book 7427, Page 867, Deed Book 7427, Page 878 and Deed Book 7427, Page 882, Cumberland County Registry.

Section 1.8 "Property" means that certain real property hereinbefore described, including any such additions thereto pursuant to Article XI below, and other such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 1.9 "Owner" means the record owner, whether one or more persons or entities, of a fee simple title to any Lot or Unit which is a part of the Property, including

contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 1.10 "Unit" means the record owner, whether one or more persons or entities, of a fee simple title to any condominium Unit which is located on or within any Lot which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

ARTICLE II

PROPERTY RIGHTS

Section 2.1 Owner's Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot and Unit and shall be preserved to the perpetual benefit of the Association, subject to the following provisions:

(a) the right of the Association to suspend the voting rights of an Owner for any period during which any assessment against his Lot or Unit remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

(b) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of the members agreeing to such dedication or transfer has been recorded.

(c) the right of the Association to impose regulations for the use and enjoyment of the Common Area and improvements thereof, which regulations may further restrict the use of the Common Area.

Section 2.2 Delegation of Use. Any Owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers, subject to the further restrictions of this Declaration.

Section 2.3 Conversion to Condominium. The Declarant shall have the right to convert any Lot and building situated thereon that it owns to a Condominium pursuant to

Chapter 47C of the North Carolina General Statutes. In that event, this Declaration shall be resubmitted for approval, if so required, and the Declaration of Condominium shall be submitted for approval in accordance with Chapter 27 of the Fayetteville City Code.

Section 2.4. Ownership of Common Area Required At Time of Conveyance. At the time of conveyance by Declarant, or any subsequent grantee of Declarant, of a Lot(s) or Unit(s), as defined herein, there shall be a conveyance by Declarant, or any subsequent grantee(s) of Declarant, to the Association or its successor(s), of that portion(s) of the Common Area, as shown on the recorded plat of the Property, as amended from time to time by any subsequently recorded plat of the Property, necessary to provide in the Common Area all rights to the grantee(s) of the lot(s) as an Owner defined herein.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 3.1 Every owner of a Lot or Unit which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot or Unit which is subject to assessment.

Section 3.2 The Association shall have two (2) classes of voting membership:

Class A: Class A members shall be all Owners of Lots and Units, with the exception of the Declarant, and shall be entitled to votes allocated one to each Lot or Unit. When more than one person holds an interest in any Lot or Unit, all such persons shall be members and the one vote for each such Lot or Unit shall be exercised by a majority in interest of the persons holding an interest in the Lot or Unit. The Declarant reserves the irrevocable right, power and authority for as long as there exists a Class B membership to amend this Declaration to reflect the addition or creation of any Lots, Units or Common Area or the withdrawal of any Lot or Unit and the changes necessitated thereby to include changes in the expense responsibilities of each Lot or Unit Owner in and for said Common Area and voting rights in the Association of each Lot or Unit Owner; provided, however, that such changes in the voting rights shall be based upon the aforesaid ratio based upon one (1) vote for each Lot or Unit.

Class B: The Class B member shall be the Declarant and shall be entitled to one vote allotted to each Lot or Unit owned by the 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 Lot or Unit in RiverBluff Community, or

(b) on January 1, 2025.

ARTICLE IV

COVENANTS FOR ASSESSMENTS

Section 4.1 Creation of the Lien and Personal Obligation of Assessment. The Declarant for each Lot or Unit owned within the Property, hereby covenants, and each Owner of any Lot or Unit by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association.

- (a) monthly assessments or charges, and
- (b) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided.

The monthly and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Lot or Unit against which each 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 Lot or Unit at the time when the assessment fell due. The personal obligations for delinquent assessments shall pass to his successors in title.

Section 4.2 Purpose of Monthly Assessments. The assessments levied by the Association shall be used exclusively for the following services and amenities which may upon vote of the Association be provided by the Association to Lot and Unit Owners:

- (a) providing hazard insurance for the Association;
- (b) providing liability insurance for the Association of;
- (c) payment of ad valorem real and personal property taxes of the Association;
- (d) payment for provision of and service for all utilities for the Association;
- (e) Common Area maintenance;
- (f) providing guards for the entrance gate at such times as shall be determined from time to time and contracted for by the Association.

(g) providing special homeowners' membership to Lot and Unit Owners to The River Club, a club providing recreation services as described below;

(h) providing social and recreational activity programs to Lot and Unit Owners;

(i) providing professional management and administrative staff;

(j) providing trash service to Lot and Unit Owners;

(k) maintenance of recreation and other facilities located in or on the Common Areas, including, without limitation, a 3,000 square foot clubhouse with exercise room, library, kitchenette, community social area, changing rooms, a 30,000 gallon swimming pool, 2 tennis courts, play yard and outdoor picnic areas.

(l) payment for public and private capital expenditures made to or for the benefit of the Common Areas located within the Property;

(m) improvement, replacement, repair and maintenance of the Common Area, including, but not limited to payment of administrative costs, liability and fire insurance, ad valorem property taxes on the Common Area and replacement, repair and maintenance of the fences, private streets, guardhouse and gates, parking lots, street lighting, landscaping and exterior painting and roofing; and

(n) providing any other services or amenities authorized by the Executive Board, including the formation of an affiliate or subsidiary catering service for the purpose of serving alcoholic beverages for sale in the lounge and/or dining room, if so authorized by the Executive Board.

In the event that the need for maintenance, repair or replacement is caused through the willful, or negligent act of the Owner, his family, guests or invitees, the cost of such maintenance, replacement or repairs, shall be added to and become a part of the assessment to which such Lot or Unit is subject. The Association shall also assess at the beginning of each year for any shortfall between the budget as adopted by the Association at the previous annual meeting and the actual expenses incurred as certified by the Executive Board. The Association shall then proceed to collect such expenditures and shall be empowered to levy assessments against the Owners of Lots and Units as provided for in this Article.

The following services shall not be provided by the Association, and shall be the sole and exclusive responsibility and expense of the individual Lot and Unit Owners, except as otherwise set out herein:

- (i.) Interior and exterior maintenance and repair of all structures on Lots or in Units; maintenance and repair of household appliances;

- (ii.) major maintenance and repair of electrical, plumbing and other mechanical systems in Lots or Units;
- (iii.) maintenance and repair of doors and furniture; and
- (iv.) parts, equipment and materials necessary to effect any and all maintenance and repairs located within a Lot or Unit.

The Association shall contract with River Bluff Partners, LLC, or its designee, for the management of the Association. Such contract shall be a one year contract renewable automatically for thirty (30) years unless River Bluff Partners, LLC gives thirty (30) days written notice of nonrenewal, and may be terminated by the Association upon one-hundred eighty (180) days written notice of nonrenewal to River Bluff Partners, LLC.

Section 4.3 Initial Monthly Assessment. Until January 1 of the year immediately following the conveyance of the first Lot or Unit to a bona fide purchaser for value and recordation of the deed, the maximum monthly assessment for Owners of all Lots and Units shall be \$65.00 per Lot or Unit, subject to the other provisions of this Declaration.

Section 4.4 Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy in any assessment year a special assessment applicable to that year only for the purpose of defraying, in whole or in part, any construction, reconstruction, repair or replacement of public and private improvements upon the Common Area or as required in accordance with the assessments as set forth in Section 4.2 above, including fixtures and personalty thereto, provided that any such assessment shall have the assent of a simple majority of votes of Class A and Class B members who are voting in person or meeting duly called for this purpose.

Section 4.5 Liability Insurance.

a. General Liability. It shall be the duty of the Association to maintain in effect liability insurance in reasonable amounts, covering all occurrences commonly insured against death, bodily injury and property damage arising out of or in connection with the use, ownership or maintenance of the Common Area.

b. Provisions of Policies. The Executive Board shall insure that said insurance policies provide for the following:

(1) A waiver of subrogation by the insurer as to any claims against the Association, any officer, director, agent or employee of the Association, the Lot and Unit Owners and their employees, agents, tenants and invitees.

(2) Coverage may not be canceled or substantially modified (including

cancellation for nonpayment of premium) without at least thirty (30) days prior written notice, to the named insured and all mortgagees.

(3) Coverage will not be prejudiced by act or neglect of the Lot or Unit Owners when said act or neglect is not within the control of the Association or by failure of the Association to comply with any warranty or condition regarding any portion of the property over which the Association has no control.

(4) The master policy on the Common Area cannot be canceled, invalidated or suspended on account of the conduct of any one or more individual Lot or Unit Owners.

(5) The master policy on the Common Area cannot be canceled, invalidated or suspended on account of the conduct of any officer or employee of the Executive Board without prior demand in writing that the Executive Board cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, any Lot or Unit owner or any mortgagee.

c. Officers and Executive Board Liability Insurance. It shall be the duty of the Association to maintain in effect liability insurance in reasonable amounts covering the officers and Executive Board members of the Association, the Declarant and agents and employees of the contracted management company of the Association, against any mistake of judgment, negligence, actions or failure to act, or otherwise, except for their own individual willful misconduct or bad faith. Such insurance shall further insure each such officer, director and person against all contractual liability to others arising out of contracts made by them on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of this Declaration or of the By-Laws.

d. Premiums. All insurance policy premiums on the property for the benefit of the Association purchased by the Executive Board or its designee and any deductibles payable by the Association upon loss shall be a common expense and the Association shall levy against the Owners equally as part of the monthly assessment under Section 4.2 above.

e. Policies. All insurance policies purchased by the Executive Board shall be with a company or companies permitted to do business in the State of North Carolina and holding a rating of "A" or better by the current issue of Best's Insurance Reports. All insurance policies shall be written for the benefit of the Executive Board and the Lot Owners and their Mortgagees as their respective interests may appear.

Section 4.6 Rate of Assessment. Special assessments for all Lots or Units may be collected on an annual or monthly basis as determined by the Executive Board. Monthly assessments for all Lots or Units shall be collected on a monthly basis. All assessments shall be assessed based upon each Lot or Unit being assessed equally, plus the cost of any

services, amenities, or other charges to a particular Lot or Unit.

Section 4.7 Date of Commencement of Monthly Assessments Due Dates. The written assessments provided for herein shall commence as to all Lots and Units on the first day of the month following the conveyance of the first Lot or Unit to a bonafide purchaser for value and the recordation of the deed. Prorated assessments from the date of conveyance to the first day of the month following the conveyance shall be due and payable at the date of conveyance. The Executive Board shall redetermine the amount of the monthly assessment against such Lot or Unit at least sixty (60) days in advance of the anniversary date of the commencement of the assessment period. Written notice of the new monthly assessment shall be sent to every Owner subject thereto. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot or Unit have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot or Unit is binding upon the Association as of the date of its issuance.

Section 4.8 Effect of Nonpayment of Assessments; Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of twelve (12) percent per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Lot or Unit. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot or Unit. The Association shall have the right to impose a late fee on any assessment that is fifteen (15) days past due in an amount up to ten percent (10%) of the late payment or \$20.00, whichever is greater. Fees including reasonable attorneys fees, charges, late charges, fines and interest are also enforceable as assessments. After notice and opportunity for hearing, the Executive Board, without the vote or written consent of the members, may levy a special assessment against an Owner as a remedy to reimburse the Association for costs (including attorneys' fee) incurred in bringing the Owner, his or her Lot or Unit or his or her residence into compliance with the provisions of this Declaration, the By-Laws or rules and regulations adopted by the Executive Board.

Section 4.9 Non-Subordination of the Lien to Mortgages. No sale or transfer shall relieve any Lot or Unit from liability for any assessment or from the lien thereof

Section 4.10 Notice and Quorum for Any Action Authorized Under this Section. Written notice of any meeting called for the purpose of taking any action authorized under this Section shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast a simple majority of the cumulative votes of Class A and Class B members shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (½) of the required quorum at the preceding meeting.

Any other provision herein notwithstanding, however, action taken under Sections 4.2, 4.3 and/or 4.5 may be taken without the requisite formality of a meeting so long as a simple majority of the cumulative votes of Class A and Class B members have executed a consent thereto.

Section 4.11 Payment of Ad Valorem Taxes or Assessment for Public Improvements. Upon default by the Association in the payment to the governmental authority entitled thereto of any ad valorem taxes levied against the Common Area or assessments for public improvements to the Common Area, which default shall continue for a period of six (6) months, each Owner of a Lot or Unit shall become personally obligated to pay to the tax assessing governmental authority a portion of such taxes or assessments in an amount determined by allocating a portion of the total taxes and/or assessments due based upon each Lot or Unit being assessed equally. If such sum is not paid by the Owners within thirty (30) days following receipt of notice of the amount due, then such sum shall become a continuing lien on the Lot or Unit of the then Owners, their heirs, devisees, personal representatives and assigns, and the taxing or assessing governmental authority may either bring an action at law against each Owner personally obligated to pay the same or may elect to foreclose the lien against the Lot or Unit of the Owner.

Section 4.12 Working Capital Assessment. Upon the execution of this Declaration and at the time title is conveyed to an Owner, each Owner, with the exception of the Declarant, shall contribute to the Association as a working capital reserve an amount equal to three (3) months monthly assessments. Such funds shall be used solely for initial operating and capital expenses of the Association, such as prepaid insurance, supplies and the Common Area, and equipment, etc. Amounts paid into the working capital fund are not to be considered as advance payment of regular assessments. Any working capital funds remaining at the end of the first full operating year shall be transferred to and become part of the general funds of the Association, in the discretion of the Executive Board. If the Association needs additional funds to carry out its obligations hereunder, the Association may borrow such funds from any lender or the Declarant, but the Declarant shall have no duty to make any such loans and shall have sole and unfettered discretion to grant or deny loan requests by the Association.

Section 4.13 Assessment of Declarant. Notwithstanding anything contained herein to the contrary, Declarant shall be assessed for each Lot or Unit that it owns that is vacant or is not then in use, the sum of \$50.00 per year.

Section 4.14 Assessment of Builders. Notwithstanding anything contained herein to the contrary, any Lot that has been purchased by a builder for the purpose of constructing a residence thereon and resale to a residential end user, shall not be assessed until the Lot is conveyed to the residential end user, provided that during such period the builder shall have no rights to any use of the Common Areas.

ARTICLE V

FIDELITY BONDS

Section 5.1 General. The Association shall maintain blanket fidelity bonds for all officers, Executive Board members, employees and all other persons handling or responsible for funds of the Association, including persons or entities entering into management agreements with the Association. If the Association shall delegate some or all the responsibility for the handling of its funds to a management agent, such fidelity bonds shall be maintained by such management agent for its officers, employees and agents handling or responsible for funds of or administered on behalf of the Association.

Section 5.2 Amount of Coverage. The total amount of fidelity bond coverage required shall be based upon best business judgment and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Association or the management agent, as the case may be, at any given time during the term of each bond. However, in no event may the aggregate amount of such bonds be less than a sum equal to three (3) months aggregate assessments on all Lots and Units plus reserve funds.

Section 5.3 Other requirements. Fidelity bonds required herein must meet the following requirements:

- a. Fidelity bonds shall name the Association as an obligee.
- b. The bonds shall contain waivers by the insurers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees", or similar terms or expressions.
- c. The bonds shall provide that they may not be canceled or substantially modified (including cancellation for non-payment of premium) without at least ten (10) days prior written notice to the Association, to any insurance trustee and each Eligible Mortgage Holder.

ARTICLE VI

RESTRICTIONS

Section 6.1 Lot and Unit Use: All Lots, subject to a condominium being declared for a Lot- in which case only one single family residence may be constructed per Unit, with the exception of the Common Area, shall be used for single family residences and for no other use, except that Declarant may use a Lot or Unit for administrative or sales space. No residential structure containing less than 1,700 heated square feet of living area shall be permitted on any Lot, subject to a condominium being declared for a Lot - in which case the

minimum size, for a condominium Unit shall be 1354 heated square feet of living space. No modular, single or double-wide mobile home may be located, kept or erected on any Lot.

Section 6.2 Nuisance: No obnoxious, offensive or unlawful activity shall be conducted within any Lot or Unit or within any building conducted thereon, nor shall anything be done thereon or therein which may be or which may become an annoyance or nuisance to the other Owners, or that unreasonably interferes with the quiet enjoyment of occupants of Lots and Units.

Section 6.3 Temporary Structures; Satellite Dishes. No structure of a temporary character, trailer, basement, irrigation well, tent, shack, garage, barn or other outbuilding shall be used on any Lot at any time either temporarily or permanently, including structures for housing golf carts and/or bicycles, except as may be permitted under Article VII hereunder, provided, however, that this paragraph shall not be deemed or construed to prevent the use of a temporary construction shed or trailer during the period of actual construction of any structure on such Property, nor the use of adequate sanitary toilet facilities for workmen which shall be provided during such construction. No satellite dishes or television antennas shall be used or attached to any Lot or Unit.

Section 6.4 Signs and Curtains: No Owner shall place on or about any window any metallic foil or other coating, substance or material which similarly acts as a reflector of light nor shall and Owner place newspapers or bed sheets in any window. No Owner shall display, hang, store or exhibit any signs outside of the dwelling on any Lot or Unit or in any dwelling so as to be visible from outside the Lot or Unit, other than as may be permitted by rules and regulations adopted by the Executive Board. Notwithstanding the foregoing, one sign of customary and reasonable dimensions, conforming to such reasonable standard as may be adopted by the Board, advertising a Lot for sale or rent may be placed by the Owner on his or her Lot in such manner that it will be visible from outside the Lot. The prohibitions in this Section shall not apply to Declarant or its agents, who may erect such signs as Declarant deems desirable to promote the sale of Lots or Units.

Section 6.5 Dismantled Automobiles. No automobile or motor vehicle may be dismantled or stored on said Property; and no mechanically defective automobile, motor vehicle, mechanical machine or machinery shall be placed or allowed to remain on said Property for over thirty (30) days.

Section 6.6 Prohibitions on Use of Common Area: The Common Area shall not be used for storage of supplies, personal property or trash or refuse of any kind except common trash receptacles placed at the discretion of the Executive Board. Stairs, entrances, sidewalks, yards, driveways, and parking areas shall not be obstructed in any way. In general, no activity shall be carried on nor conditions maintained by any Owner either upon his Lot or Unit or upon the Common Area which despoils the appearance of the Property.

Any portion of the Common Area designated by the Declarant or the Executive Board as an administrative area shall be subject to the right of the Declarant or the Executive Board to restrict access only to employees or agents of the Declarant or Executive Board.

Section 6.7 Parking: No truck, semitrailer, truck-tractor, road tractor, or van with a rated capacity of more than 2 1/2 tons may be parked or stood upon any street or public way within the Property except for the purpose of loading and unloading goods, merchandise and other articles to and from such vehicles, and only for the period during which such operation is being carried out. In connection therewith, any violation of any ordinance of the City of Fayetteville governing parking or operation of motor vehicles in a residential district shall be deemed a violation of this Declaration, and shall subject the responsible Owner to all available remedies of the Association under the Declaration. Unless otherwise permitted by rules and regulations adopted by the Executive Board no boat, trailer, recreational vehicle, camper, camper truck or commercial vehicle shall be parked stored or left (a) on any part of the Common Area, (b) in any driveway, or (c) on any other part of a Lot or Unit unless the same is fully enclosed within the garage located on the Lot or Unit or is kept behind the front line of the house on the Lot and behind a fence no less than six (6) feet in height and which screens it from the view of the Public. Any non-commercial automobile, motorcycle or truck shall be parked, stored or left wholly within the garage located upon the Lot or Unit, except to the extent a garage is already occupied to capacity, in which case such vehicle may be parked temporarily in the driveway but for no more than 24 consecutive hours. This restriction shall not apply to sales trailers, construction trailers, or other vehicles which may be used by Declarant and its agents and contractors in the conduct of their business prior to completion of sales. No boat, truck trailer, camper, recreational vehicle or tent shall be used as a living or dwelling area within the Property. No repairs to or maintenance of any automobile or other vehicle shall be made or performed on any driveway within the Property, except in the case of emergency and except as may be permitted by rules and regulations adopted by the Executive Board.

Section 6.8 Antennas. Except as may be permitted under Article VII, no Owner shall construct, install, erect or maintain any television or radio pole, antenna, aerial, receiving or sending signal including, but not limited to any ham radio, satellite dish, tower or support thereof, upon any Lot or Unit or improvement thereon.

Section 6.9 Laundry. No laundry or wash shall be hung to dry (or for any other purpose) at any place visible from outside such Lot or Unit.

Section 6.10 Fences. No fence or wall shall be erected on any Lot closer to the street than the front building setback line or the side street setback line of the Lot. Perimeter fencing and privacy fencing around patios, decks, or pools may not exceed six (6) feet in height. Perimeter fencing, unless constructed of brick or stone masonry, shall not have more than eight percent (80%) of any of its surface closed as viewed from a point on

a line of sight perpendicular to the line formed by the line of the fence. Chain link fencing is expressly prohibited, except that 2" x 4" mesh may be used with split rail fencing to contain animals within the yard.

Section 6.11 Regulations. Reasonable regulations governing the use of the Property may be made and amended from time to time by the Executive Board.

Section 6.12 Leases: Any lease of a Lot or Unit or a portion of a Lot or Unit shall be in writing, shall provide that the terms of the lease shall be subject in all respects to the Declaration and the prior approval of the Declarant and the Executive Board, shall be on a form acceptable to the Executive Board, and shall provide that any failure by the lessee to comply with all the terms of the Declaration shall constitute a default under the lease.

Section 6.13 Hazardous Activities: Nothing shall be done or kept upon any Lot or Unit or in the Common Area which will increase the rate of insurance on the Common Area.

Section 6.14 Flags. No signs, flags or banners of any kind shall be displayed to the public view from any Lot or Unit or from the Common Area without the prior written consent of the Executive Committee, provided that an Owner may display one flag of the United States or North Carolina, of a size no greater than four feet by six feet, which is displayed in accordance with or in a manner consistent with the patriotic customs set forth in 4 U.S.C. §§ 5-10, as amended, governing the display and use of the flag of the United States.

Section 6.15 Exterior Lights and Decorations. A reasonable number of holiday and religious lights and decorations may be displayed on a Lot or Unit for up to 30 days prior to a publicly observed holiday or religious observance and up to 15 days thereafter without prior approval, subject to the right of the Association or Declarant to require removal or modification of any such lights and/or decorations which it deems to: (i) be excessive in number, size, or brightness, relative to other Lots or Units in the area; (ii) draw excessive attention or traffic; (iii) unreasonably interfere with the use and enjoyment of neighboring properties; or (iv) cause a dangerous condition to exist. The Association shall have the right, upon five (5) days prior written notice, to enter upon any Lot or Unit and summarily remove exterior lights or decorations displayed in violation of this provision. The Association and the individuals removing the lights and decorations shall not be liable to the Lot or Unit Owner for trespass, conversion, or damages of any kind except intentional misdeeds and gross negligence.

Section 6.16 Underground Electric Service. Declarant reserves the right to subject the Property to a contract with the provider of electrical service for the installation of underground electric cables and/or the installation of street lighting, either or both, of which may require an initial payment and/or a continuing monthly payment to the provider of electric service by the Owner of each Lot and Unit.

Section 6.17 Declarant's Use of Lots, Units and Buildings Constructed Thereon.

Declarant shall have the exclusive right to utilize any building or buildings upon any Lot or Unit owned by it as administrative space or as a model building or sale office, and to erect and maintain a sign or signs on the Property for the purpose of advertising Lots or Units owned or to be constructed by it for sale or lease. Declarant shall have the right to exclusive use of storage spaces for storing materials and supplies.

Section 6.18 Pets.

(a) No animals shall be raised, bred or kept on any Lot, Unit or the Common Area, except that dogs, cats, or other household pets, under 20 pounds each, may be kept or maintained provided that they are not kept or maintained for commercial purposes. The number of household pets generally considered to be outdoor pets, such as dogs, cats, et cetera, shall not exceed two (2) in number. No animal shall be allowed if such animal constitutes an unreasonable annoyance, inconvenience or nuisance to any other Owner. Notwithstanding anything to the contrary herein, no Rottweiler, Pit Bulls, Dobermans, Chows, German Shepards or any other dangerous or vicious breed of dog may be kept on or in any Lot, Unit, or structure thereon. Pets may not be left outside at night after 10:00 p.m. and no outside pet houses are permitted. If the Executive Board receives any complaint that an animal constitutes an unreasonable annoyance, inconvenience or nuisance, the Executive Board shall afford the Owner of such animal notice and opportunity for hearing, and if the Executive Board finds that such animal constitutes an unreasonable annoyance, inconvenience or nuisance, the Executive board may require that such animal be removed from the Property.

(b) The Executive Board may adopt rules and regulations concerning animals which are more restrictive than the provisions of this Declaration, including rules requiring that all animals be kept on a leash when in the Common Area and that animals be restricted to designated areas within the Common Area and that Owners are responsible for cleaning up any mess that a pet creates within the Common Area. The Board may adopt a rule prohibiting certain pets, which is more restrictive than the provisions of this Declaration, except that such rule shall not apply to animals residing in the Property at the time such rule is adopted. In any event, the Board at any time may require that any animal found to be an unreasonable annoyance, inconvenience or nuisance be removed as provided in Section 6.18(a).

Section 6.19 Trash and Vegetation. No trash, rubbish, garbage or other waste material shall be kept or permitted upon an Lot, Unit or the Common Area except in sanitary containers located in an appropriate area screened and concealed from view. No weeds, vegetation, rubbish, debris, garbage, waste materials or materials of any kind whatsoever shall be placed or permitted to accumulate on any Lot or Unit or any portion of the Property which would render it unsanitary, unsightly, offensive, or detrimental to any property in the vicinity thereof or to the occupants of any property in such vicinity. Grass, hedges, shrubs,

vines and mass planting of any type on any Lot or Unit or any portion of the Property shall be kept trimmed and shall at regular intervals be mowed, trimmed and cut so as to appear neat and attractive. Trees, shrubs, vines and plants which die shall be promptly removed.

Section 6.20 Outbuildings, Gazebo, Trampolines and Awnings. Except as may be permitted under Article VII below, no Owner shall construct, install, erect or maintain upon any Lot or Unit any outbuilding, gazebo, trampoline or awning; and in no event shall an approved outbuilding, gazebo, trampoline or awning be placed on any Lot in the front or side yards, as determined by the building lines applicable to the Lot.

Section 6.21 Declarant's Rights. Notwithstanding anything to the contrary contained in this Article or elsewhere in this Declaration, Declarant, its agents, employees and contractors shall not be restricted or prevented by this Declaration from doing, and Declarant, its agents, employees and contractors shall have the right to do such things or take such actions as they deem necessary, advisable or convenient for completion and improvement of the Property as a residential community and for the sale, rental or other disposition of Lots and Units in the Property. The rights of Declarant, its agents, employees and contractors shall include, without limitation:

(a) The right and easement of ingress in, over and upon the Common Area for the purpose of performing on any part or parts of the Property acts deemed necessary, advisable or convenient for the completion and improvement of the Property as a residential community and for the sale, rental or other disposition of Lots or Units;

(b) The right to erect, construct, maintain, demolish or remove structures and other improvements on any Common Area as they deem necessary, advisable or convenient for the completion and improvement of the Property as a residential community and for the sale, rental or other disposition of Lots and Units; and

(c) The right to use Lots and Units and improvements owned by Declarant as models, sales offices and contractor's offices and to construct and display promotional, informational and directional signs and other sales aids on or about any portion of the Property.

The rights reserved under this Section shall terminate when Class B members cease to exist.

Section 6.22 Right to Enter. Any governmental agency, including, but not limited to the City of Fayetteville, County of Cumberland, their agents, and employees, shall have the right of immediate access to the Common Area at all times if necessary for the preservation of public health, safety and welfare.

ARTICLE VII

ARCHITECTURAL AND LANDSCAPING CONTROL

No building, fence, wall or other structure or interior or exterior improvement or landscaping, shrubbery, hedge or other planting shall be commenced, erected, replaced, installed or maintained upon the Property, nor shall any exterior color, exterior addition to or change or alteration therein be made until the plans and specifications showing the color, nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Executive Board and by the Declarant.

ARTICLE VIII

COMMON AREA AND LOT AND UNIT MAINTENANCE

Section 8.01 Maintenance by Association. The Association shall repair and maintain the Common Area and any improvements, utilities and facilities located on the Common Area. The Association may, but shall not be obligated to, provide enhanced landscaping and maintenance to those areas and medians located within the rights-of-way for major streets located within the Property. Any maintenance or enhancement called for herein shall be subject to governmental authorities rules and regulations in Fayetteville, Cumberland County. The Association's maintenance obligations shall arise upon the filing with the Association by Declarant of a notice of completion of Common Area improvements, or any portion thereof, and the commencement of annual assessments against the Owners.

Section 8.02 Maintenance by Owners. The owner of each Lot or Unit shall keep the Lot or Unit and the buildings and other improvements thereon, in good order and repair, and free of debris. Lawns shall be seeded and mowed, shrubbery trimmed, and painted exterior surfaces repainted, all in a manner and with such frequency as is consistent with good property management. In the event the Owner of a Lot or Unit shall fail to maintain the Lot or Unit and the buildings and other improvements thereon as provided herein, the Association, after notice to the Owner and with the approval of the Executive Board, shall have the right to enter upon the Lot or Unit to perform such work as is reasonably required to restore the Lot or Unit and the buildings and other improvements thereon to a condition of good order and repair. All costs incurred by the Association in connection with the restoration shall be reimbursed to the Association by the Owner of the Lot or Unit upon demand. All unreimbursed costs shall be a lien upon the Lot or Unit until reimbursement is made as more particularly set forth in Article IV of this Declaration (including, without limitation, the terms and provisions in favor of mortgagees or beneficiaries under deeds of trust).

EASEMENTS

Section 9.1 Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat. Additionally, easements are reserved as necessary in the Common Area for installation and maintenance of underground utilities, drainage facilities and irrigation system(s). Within these easements no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation and maintenance of utilities, or which may obstruct or change the flow of drainage channels in the easements.

Section 9.2 Easements are also reserved over those portions of the Common Area that may be necessary or required to accommodate overhanging eaves or other cantilevered construction which may encroach upon the Common Area or on the air and light space above such Common Area.

Section 9.3 Declarant shall have a reasonable construction easement across the Common Area for the purpose of constructing improvements on the Lots.

Section 9.4 The Association, acting through its officers, agents, servants, and/or employees, shall have the right of unobstructed access at all reasonable times to all Property as may be reasonably necessary to effect repairs, improvements, replacement or maintenance as provided for in this Declaration.

Section 9.5 Each Lot, Unit and all Common Areas are hereby subjected to an easement for the repair, maintenance, expansion, reduction, inspection, removal, relocation, or other service of or to all gas, electricity, television, telephone, water, plumbing, sewer, utility, drainage, or other Common Area, whether or not the cause of any or all of those activities originates on the Lot or Unit in which the work must be performed.

Section 9.6 Easements over the Common Area for access, ingress and egress from and to public streets and walkways and easements for enjoyment of the Common Area and for parking areas are hereby granted to all Lot and Unit Owners, their guests, families, invitees and lessees, the Association, the Declarant, its successors, and assigns. Declarant hereby reserves an alienable easement over all streets and Common Area as necessary to provide access for future development by Declarant or its successors and assigns of any properties adjoining the Property so long as said additional properties are annexed into the Association.

Section 9.7 An easement is hereby granted to all police, fire protection, ambulance and all similar persons, companies or agencies performing emergency services to enter upon the Lots, Units and Common Area in the performance of their duties.

Section 9.8. In case of any emergency originating in or threatening any Lot, Unit or the Common Areas, regardless of whether the Lot or Unit Owner is present at the time of such emergency, the Executive Board or any other person authorized by it, shall have the right to enter any Lot or Unit for the purpose of remedying or abating the causes of such emergency and making any other necessary repairs not performed by the Owners, and such

right of entry shall be immediate.

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Section 9.9 All easements and rights described herein and shown on the recorded plats of the Property are easements appurtenant, running with the land, and shall inure to the benefit of and be binding on the undersigned, its successors and assigns, and any Owner, purchaser, mortgagee and other person having an interest in said land, or any part or portion thereto, regardless of whether or not reference to said easement is made in the respective deeds of conveyance, or in any mortgage or trust deed or other evidence of obligation, to the easements and rights described in this Declaration.

ARTICLE X

INCORPORATION OF APPLICABLE ORDINANCE

Section 10.1 Zero Lot Line Development. It is the intent of the Developer that some or all of the Properties described herein be developed as a zero lot line development. The applicable provisions of Chapter 27 of the Fayetteville City Code are incorporated by reference.

Section 10.2 Conflicting Provisions. To the extent the provisions of this Declaration conflict with any applicable provisions of the Fayetteville City Code or the North Carolina General Statutes, specifically including, without limitation, Chapter 47F of the North Carolina General Statutes, the conflicting provisions of the City Code and/or North Carolina General Statutes control.

ARTICLE XI

ANNEXATION; SPECIAL DECLARANT RIGHTS

Section 11.1 Annexation. Additional land within the area described on Exhibit B attached hereto and incorporated herein by this reference may be annexed at any time and from time to time by the Declarant without the consent of the members within twenty (20) years from the date of this instrument.

Section 11.2 Special Declarant Rights. Additionally, Declarant reserves the following rights for the entire Property and any additional property which may be annexed, which may be exercisable at any time and from time within twenty (20) years from the date of this instrument:

(a) To create Lots, Units or Common Area within the Property or additional property which may be annexed; to alter the size of any Lot or Unit, combine or merge two or more Lots or Units, to subdivide Lots or Units, or convert Lots or Units into Common Area.

MISCELLANEOUS PROVISIONS

Section 12.1 Invalidity: Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 12.2 Waiver: No provision contained in the Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

Section 12.3 Captions The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Declaration or the intent of any provision hereof.

Section 12.4 Liberal Construction: The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a Planned Community under Chapter 47F of the North Carolina General Statutes. Throughout this Declaration, wherever appropriate, the singular shall include the plural and the masculine gender the feminine or neuter as the context permits or requires.

Section 12.5 Amendment: The covenants and restrictions of this Declaration shall run with and bind the Property for a term of twenty (20) years from the date this Declaration is recorded, after which they shall be automatically extended for successive periods of ten (10) years. The provisions of this Declaration may be amended upon the vote of sixty-seven percent (67%) of the membership qualified and voting in accordance with the Bylaws and subject to Article III, together with the consent of the Declarant, or its successor in interest. Notwithstanding any of the herein stated, the Declarant shall have the unfettered right to amend this Declaration without the consent of the Class A membership so long as Class B membership exists.

Section 12.6 Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration.

Section 12.7 Attorney's Fees. Should the Association employ counsel to enforce any of the foregoing covenants, conditions and reservations, or restrictions, all costs incurred in such enforcement, including reasonable attorney's fees, shall be paid by the Owner of such Lot or Unit and the Association shall have a lien upon such Lot or Unit to secure the payment of all costs and fees.

Section 12.8 Party Walls. The Property as of the date of recording has no party walls. In the event the Property is intended to be improved to include any party wall, this Declaration shall be resubmitted for approval in accordance with Chapter 27 of the Fayetteville City Code.

IN WITNESS WHEREOF, Declarant and mortgage holders have caused this Declaration to be duly signed and sealed the day and year first above written.

DECLARANT:

River Bluff Partners, LLC

By:  (SEAL)
Mark A. Stout, Manager

TRUSTEE BERRY:

 (SEAL)
H. Dolph Berry, Trustee

MIDDLE ROAD:

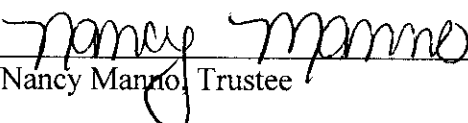
MIDDLE ROAD PROPERTIES, LLC

By:  (SEAL)
James F. Soffe, Member-Manager

By:  (SEAL)
John D. Soffe, Member-Manager

By:  (SEAL)
Anthony M. Cimaglia, Member-Manager

TRUSTEE MANNO:

 (SEAL)
Nancy Manno, Trustee

SUNDUST:

Sundust LLC

By:  (SEAL)
Mark A. Stout, Member-Manager

STATE OF NORTH CAROLINA
COUNTY OF CUMBERLAND

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: Mark A. Stout, Manager River Bluff Partners, L.L.C.

This the 8th day of MARCH, 2007.

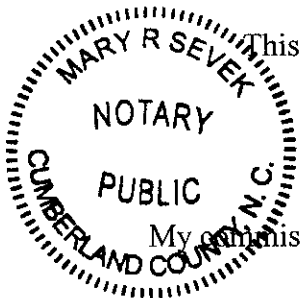
My commission expires: July 7, 2008
[Notarial Seal]

Notary Public Maria Y. De Silva

STATE OF NORTH CAROLINA
COUNTY OF CUMBERLAND

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: H. Dolph Berry, Trustee.

This the 20th day of April, 2007.



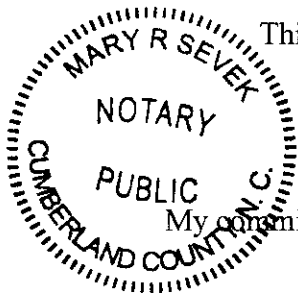
My commission expires: April 8, 2012
[Notarial Seal]

Notary Public Mary R. Sevek

STATE OF NORTH CAROLINA
COUNTY OF CUMBERLAND

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: James F. Soffe, Member-Manager.

This the 20th day of April, 2007.

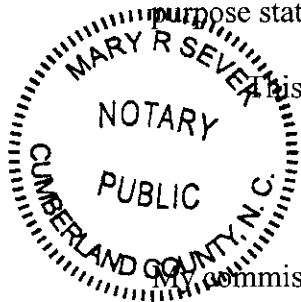


My commission expires: April 8, 2012
[Notarial Seal]

Notary Public Mary R. Sevek

STATE OF NORTH CAROLINA
COUNTY OF CUMBERLAND

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: John D. Soffe, Member-Manager.



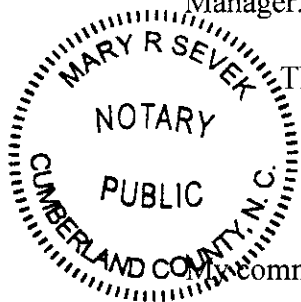
This the 20th day of April, 2007.

My commission expires: April 8, 2012
[Notarial Seal]

Notary Public Mary R. Sevek

STATE OF NORTH CAROLINA
COUNTY OF CUMBERLAND

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: Anthony M. Cimaglia, Member-Manager.



This the 20th day of April, 2007.

My commission expires: April 8, 2012
[Notarial Seal]

Notary Public Mary R. Sevek

STATE OF NORTH CAROLINA
COUNTY OF CUMBERLAND

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: Mark A. Stout, Member-Manager.

This the 8th day of MARCH, 2007.

My commission expires: July 7, 2008
[Notarial Seal]

Notary Public Maura Y. De Silva

STATE OF New Jersey
COUNTY OF Morris

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: Nancy Manno, Trustee.

This the 26th day of April, 2007.

Kathleen Clare

Notary Public _____

My commission expires: _____
[Notarial Seal]

KATHLEEN CLARE
NOTARY PUBLIC OF NEW JERSEY
Commission Expires 8/22/2010

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EXHIBIT "A"

Being all of the property shown on the plat entitled "River Bluff Development, Phase I", including all numbered Lots, Roads, Common Areas 1, 2 and 3 , the Clubhouse Tract, Future Development Areas and the Condominium Tract (Part of a Future Development Area), recorded at Plat Book 119, Page 180, Cumberland County Registry.

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EXHIBIT "B"

Real Estate Subject to Annexation Into
RiverBluff

A. Property owned by Claudia Page Farrell as described in Deed Book 2968, Page 65, Cumberland County Registry, being Cumberland County Tax Parcel Number 0447-44-3729.

B. Property owned by Wayne D. Edwards and Kathy R. Edwards as described in Deed Book 3325, Page 651, Cumberland County Registry, being Cumberland County Tax Parcel Number 0447-45-8122.

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EXHIBIT "C"

SOSID: 906826
Date Filed: 4/2/2007 3:02:00 PM
Elaine F. Marshall
North Carolina Secretary of State
C200707200383

Prepared by and mail to: Steve
McCoy Weaver Wiggins Cleveland Rose Ray PLLC
P.O. Box 87009
Fayetteville, North Carolina 28304-7009

ARTICLES OF INCORPORATION
OF
RIVERBLUFF PLANNED COMMUNITY HOMEOWNERS ASSOCIATION, INC.

The undersigned corporation hereby submits these Articles of Incorporation for the purpose of forming a non-profit corporation pursuant to the provisions of Chapter 55A of the North Carolina General Statutes.

ARTICLE I
NAME

The name of the corporation is RiverBluff Planned Community Homeowners 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 a planned community development known as "RiverBluff", as set forth in that certain Declaration of Covenants, Conditions and Restrictions 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 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 By-Laws 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, 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 Area 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 Area (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.
- f. To exercise all of the privileges and powers as set forth in N.C. General Statute § 47F-3-102.

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") in lots (the "Lots") or duplex or condominium units located on lots (the "Units") in RiverBluff, and every Owner of a Lot or 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 Lot or Unit

ownership.

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

Class A: Class A members shall be all Owners of Lots or Units, with the exception of River Bluff Partners, LLC (the "Declarant"), and shall be entitled to votes allocated one to each Lot and Unit. When more than one person holds an interest in any Lot or Unit, all such persons shall be members and the one vote for each such Lot or Unit shall be exercised by a majority in interest of the persons holding an interest in the Lot or 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 Lots or Units or Common Area or the withdrawal of any Lot or Unit and the changes necessitated thereby to include changes in the expense responsibilities of each Lot or Unit Owner in and for said Common Area and voting rights in the corporation of each Lot or Unit Owner; provided, however, that such changes in the voting rights shall be based upon the aforesaid ratio based upon one (1) vote for each Lot or Unit.

Class B: The Class B member shall be the Declarant and shall be entitled to the vote allotted to each Lot or Unit owned by the 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 Lot or Unit in RiverBluff; or
- (b) on January 1, 2025.

In the event fee simple title to a Lot or Unit is owned of record by more than one person or entity, all such persons or entities shall be Members of the corporation, but the vote with respect to any such jointly owned Lot or Unit shall be cast as hereinabove and hereinafter provided. If the fee simple title or a leasehold interest to any Lot or Unit is owned of record by two or more persons or entities (whether individually or in a fiduciary capacity), the vote with respect to any such jointly owned Lot or 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 Lot or Unit shall have the sole right to cast the vote allocated to the Lot or Unit. If more than one of the joint Owners vote or more than one life estate holder in a Lot or Unit vote, the action of a majority in interest of all joint Owners or joint life estate holders voting shall be necessary to effectively cast the vote allocated to the particular Lot or Unit. Such majority action shall be conclusively presumed if any one of such multiple Owners casts the vote allocated to that Lot or 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 vote which may be cast with respect to any Lot or Unit be divided among joint Owners of the Lot or 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 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. The initial principal office is the same as the initial registered office.

ARTICLE VIII
EXECUTIVE BOARD

The affairs of the corporation shall be managed by an Executive Board of five (5) members at least one of which board members shall be an owner of a Lot and at least one of which board members shall be appointed by the Declarant (subject to the Declarant's right to waive or release this right). The number of members of the Executive Board may be changed by amendment of the By-Laws 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 initial Board shall serve until their successors are elected or appointed at the first Annual Membership Meeting after the Declarant's right to appoint the entire

Executive Board expires as set out below. Each Director elected by the Membership to replace an initial Director upon the expiration of his 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 qualify. The Executive Board shall be appointed by the Declarant until the earlier of (i) the sale of all the Lots and Units; or (ii) the date

upon which Declarant voluntarily surrenders control of the subdivision.

ARTICLE IX AMENDMENTS

These Articles may be amended only by a vote of the Owners of Lots or 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 Declaration, 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 Declaration of Covenants, Conditions and Restrictions of RiverBluff, including all amendments, 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 the 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, 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.

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IN WITNESS WHEREOF, I, the undersigned incorporator, have hereunto set my hand and seal this 8 day of MARCH, 2007.

By:


Mark A. Stout, Incorporator

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**BY-LAWS OF
RIVERBLUFF PLANNED COMMUNITY HOMEOWNERS
ASSOCIATION, INC.
ARTICLE I**

GENERAL

These are the By-Laws of RiverBluff Planned Community Homeowners Association, Inc., hereinafter called "the Association," a nonprofit corporation organized and existing under the laws of the State of North Carolina. The Articles of Incorporation were filed in the office of the Secretary of State on April 2, 2007. The Association has been organized for the purposes of the administration, operation and management, and for such other purposes set forth in the Articles of Incorporation and the Declaration of Covenants, Conditions and Restrictions which are incorporated herein by reference, of a planned community development established in accordance with the laws of the State of North Carolina upon property situated in Cumberland County, North Carolina, and described in the Declaration of Covenants, Conditions and Restrictions (the "Declaration").

A. The provisions of these By-Laws are applicable to the Association and all future phases, if any, and the terms and provisions hereof are expressly subject to the terms, provisions, conditions and authorizations contained in the Articles of Incorporation. The terms and provisions of the Articles of Incorporation and Declaration and/or amendments thereto will be controlling wherever the same may be in conflict herewith.

B. All present or future owners, tenants, future tenants, and their employees, and any other person that might use the Association facilities in any manner are subject to the regulations set forth in these By-Laws and in said Articles of Incorporation and Declaration.

C. The office of the Association will be at 726 Ramsey Street, Suite 10, Fayetteville, Cumberland County, North Carolina.

D. The fiscal year of the Association shall be the calendar year, except that in the initial year of operation the fiscal year shall commence with the date of the filing of the Articles of Incorporation in the office of the Secretary of State.

ARTICLE II

MEMBERSHIP, VOTING QUORUM, PROXIES

A. **QUALIFICATIONS**: The qualification of members, the manner of their admission to membership and termination of such membership, and voting members, shall be as set forth in Article VI of the Articles of Incorporation. The provisions of

Article VI of the Articles of Incorporation are incorporated herein by reference.

B. QUORUM: A quorum at members' meeting shall consist of persons entitled to cast a majority of the votes of the entire membership. The joinder of a member in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such person for the purpose of determining a quorum.

C. VOTING: Each member shall be entitled to vote as set forth in Article VI of the Articles of Incorporation. The provisions of Article VI of the Articles of Incorporation are incorporated herein by reference.

D. PROXIES: Votes may be cast in person or by proxy. Proxies shall be valid only for the particular meeting designated thereon and must be filed with the Secretary before the appointed time of the meeting.

E. BINDING EFFECT: Approval or disapproval of an owner upon any matter, whether or not the subject of an Association meeting, shall be by the same person who would cast the vote of such owner if in an Association meeting. Except where otherwise required under the provisions of the Articles of Incorporation, these By-Laws, the Declaration, or whether the same may otherwise be required by law, the affirmative vote of the persons entitled to cast a majority of the votes at any duly called members' meeting at which a quorum is present shall be binding upon all members.

ARTICLE III

ANNUAL AND SPECIAL MEETINGS OF MEMBERSHIP

A. ANNUAL MEETINGS: A meeting of the Association shall be held at least once each year. The first annual meeting shall held within one year from the date of incorporation of the Association. Prior to the first annual meeting the Association shall be managed and controlled by the initial Executive Board as provided for in Article IV herein. The annual members' meeting shall thereafter be held at a date, hour, and place designated by the Executive Board for the purpose of electing Directors and of transacting any other business authorized to be transacted by the members.

B. SPECIAL MEETINGS: Special members' meetings may be called at any time, by a majority of the Executive Board or upon written request of 20% of the members.

C. NOTICE: Written notice of each meeting shall be given by, or at the direction of, the secretary or person(s) authorized to call the meeting, by hand delivering, facsimile or mailing a copy of such notice, postage prepaid, at least 10 days and not more

than 50 days before such meeting to each member. Unless waived in writing, the notice of meetings shall state the time, place, and purpose for which the meeting is called. If presented personally, receipt of such notice shall be signed by the member indicating the date on which such notice was received by him. If mailed, such notice shall be deemed to be properly given when deposited in the United States mail addressed to the member at his address as it appears on the record of the Association (register of owners) as of the date of mailing. Proof of such mailing or notice by facsimile shall be given by the affidavit of the person giving the notice. Any member may, by signed written waiver of notice, waive such notice. When filed in the records of the Association whether before or after the holding of the meeting, such waiver shall be deemed equivalent to the giving of notice to the member. If any members' meeting cannot be organized because a quorum has not attended, or because the greater percentage of the membership required to constitute a quorum for particular purposes has not attended (wherever the latter percentage of attendance may be required as set forth in the Articles of Incorporation, these By-Laws or the Declaration) the members who are present, either in person or by proxy, may adjourn the meeting until a quorum, or the required percentage of attendance, if greater than a quorum, is present.

D. NOTICE OF BUDGET: Within 30 days after adoption of any proposed budget for the Association, the Executive Board shall provide a summary of the budget to all the Lot and Unit owners. The budget shall be considered at a meeting of the members.

E. ORDER OF BUSINESS: The order of business at annual members' meetings and, as far as practical, at any other members' meetings shall be:

- a) Calling of the roll and certifying of proxies;
- b) Proof of notice of meeting or waiver of notice;
- c) Reading and disposal of any unapproved minutes;
- d) Reports of officers;
- e) Reports of committees;
- f) Appointment of inspectors of election by Chairman;
- g) Unfinished business;
- h) New business; and
- i) Adjournment.

ARTICLE IV

EXECUTIVE BOARD

A. EXECUTIVE BOARD: The first Executive Board of the Association shall consist of five (5) persons chosen by River Bluff Partners, LLC (the "Declarant") whose terms shall expire on the date set out in Article VIII of the Articles of Incorporation. Each succeeding Board shall consist of five (5) persons.

B. ELECTION OF DIRECTORS: Election of Executive Board members shall be conducted in the following manner:

a) Beginning with the first annual meeting of the Association after the Declarant's right to appoint the entire Executive Board has expired, as set out in the Articles of Incorporation, all members of the Executive Board, with the exception of the member appointed by the Declarant, shall be elected by a plurality of the votes cast at the annual meeting of the members of the Association and shall be elected to serve for a term of two (2) years, or until removed in the manner elsewhere provided or as may be provided by law.

b) Vacancies in the Executive Board may be filled until the date of the next annual meeting by a majority by the remaining Executive Board members.

c) There shall be appurtenant to each Lot and Unit a vote as set out in the Declaration and the Articles of Incorporation. If more than one person or entity owns a unit, the voting shall be in accordance with Article II, paragraph C above.

C. REGULAR MEETING: Regular meetings of the Executive Board shall be held immediately following the regular Meeting of the Members. Notice of regular meetings shall be given to each Executive Board member, personally or by mail, facsimile, telephone or telegraph, at least three (3) days prior to the day named for such meeting, unless notice is waived.

D. SPECIAL MEETING: Special meetings of the Executive Board may be called by the President, and must be called by the Secretary at the written request of one-third (1/3) of the votes of the Board. Not less than three (3) days notice of a meeting shall be given to each member of the Executive Board, personally or by mail, facsimile, telephone or telegram, with the notice stating the time, place, and purpose of the meeting.

E. WAIVER: Any Executive board member may waive notice of a meeting before or after the meeting and such waiver shall be deemed equivalent to the giving notice.

F. QUORUM OF DIRECTORS: A quorum at an Executive Board meeting shall consist of the Board members entitled to cast a majority of the votes of the entire Board. The acts of the Board approved by a majority of the votes cast at a meeting at which a quorum is present shall constitute the acts of the Executive Board, except as specifically otherwise provided in the Articles of Incorporation or these By-Laws or the Declaration. If any Executive Board meeting cannot be organized because a quorum has not attended, or because the greater percentage of the Executive Board members required to constitute a quorum for particular purposes has not attended, wherever the latter

percentage of Attendance may be required as set forth in the Articles of Incorporation, these By-Laws or Declaration, the Board members who are present may adjourn the meeting until a quorum, or the required percentage of attendance is greater than a quorum, is present. At any adjourned meeting, any business that might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a Board member in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Board member for the purpose of determining a quorum.

G. ACTION WITHOUT MEETING: The Executive Board shall have the right to take any action in the absence of a meeting which they could take at a duly held meeting by obtaining the written consent of all the Executive Board members to the action. Any action so approved shall be filed in the corporate books and records and shall have the same effect as though taken at a meeting of the Executive Board.

H. PRESIDING OFFICER: The presiding officer of the Executive Board meetings shall be the chairman of the board, if such an officer has been elected; and if none, then the President of the Association shall preside. In the absence of the presiding officer, the Directors shall designate one of their number to preside.

I. FEES: Executive Board members fees, if any, shall be determined by the members.

J. POWERS AND DUTIES: All the powers and duties of the Association shall be exercised by the Executive Board, including those existing under the common law and statutes, the Articles of Incorporation of the Association, these By-Laws and the Declaration. Such powers and duties shall be exercised in accordance with the Articles of Incorporation, these By-Laws and the Declaration, and shall include, without limiting the generality of the foregoing, the following:

a) To make, levy and collect assessments against members' to defray the costs of the Association, as provided for in Article IV of the Declaration which Article is herein incorporated by reference, and to use the proceeds of said assessments in the exercise of the powers and duties granted unto the Association.

b) To maintain, repair, replace, operate and manage the common areas and facilities wherever the same is required to be done and accomplished by the Association for the benefit of its members; and to approve any expenditures made or to be made for said purposes.

c) To reconstruct any part of the common property after casualty in accordance with Declaration, and to make further improvements to the common property, and to enter into any and all contracts necessary or desirable to accomplish said purposes.

d) To make, amend and enforce regulations governing the use of the common property as a whole so long as such regulations or amendments do not conflict with the restrictions and limitations which may be placed upon the use of such property under the terms of the Articles of Incorporation and Declaration.

e) To acquire, operate, lease, manage, and otherwise trade and deal with the property, real and personal, as may be necessary or convenient in the operation and management of the planned unit development in accomplishing the purposes set forth in the Declaration, provided that the acquisition of real property other than the real property described in the Declaration shall require the approval of the Association.

f) To acquire now or at any time hereafter and to enter into leases and agreements whereby the Association acquires leaseholds, memberships and other possessory or use interests in land or facilities whether or not contiguous to the lands of the condominium to provide enjoyment or other use or benefit to the owners of the Lots and Units.

g) To contract for the management of the Association and to designate to such contractor all of the powers and duties of the Association, except those which may be required by the Declaration and the regulations hereinafter promulgated governing use of the common property in the planned unit development.

h) To enforce by legal means or proceedings the provisions of the Articles of Incorporation and By-Laws of the Association, the Declaration and the regulations hereinafter promulgated governing use of the common property in the planned unit development.

i) To pay all taxes and assessments which are or may become liens against any part of the common property and the appurtenances thereto and to assess the same against the members in amounts equal to their respective ownership interest subject to such liens.

j) To purchase insurance for the protection of the members and the Association against liability and casualty in accordance with the Declaration.

k) To pay all costs of power, water, sewer and other utility services rendered to the Association and not billed to the owners of the separate Lots and Units.

l) To designate and remove personnel necessary for the maintenance, repair, replacement and operation of the common property.

m) To exercise all other powers that may be exercised in this State by legal entities of the same type as the Association;

n) To exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Law of the State of North Carolina by law may now or hereafter have or exercise; and

o) To exercise any other powers necessary and proper for the governance and operation of the Association;

K. INITIAL BOARD: The initial Executive Board of the Association shall be comprised of five (5) persons designated to act and serve as Executive Board members in the Articles of Incorporation, which said persons shall serve until the date set out in Article VIII of the Articles of Incorporation. Should any member of the initial Executive Board be unable to serve for any reason, a majority of the Board shall have the right to select and designate a party to act and serve as Executive Board member until the first annual Meeting of the members of the Association.

L. PRIOR UNDERTAKINGS: The undertakings and contracts authorized by the initial Executive Board shall be binding upon the Association in the same manner as though such undertakings and contracts had been authorized by any Executive Board duly elected by the membership, so long as such undertakings and contracts are within the scope of the powers and duties which may be exercised by the Executive Board of the Association in accordance with all applicable documents.

M. REMOVAL: Any one or more of the members of the Executive Board may be removed, either with or without cause, at any time by a vote of the members owning a majority of the interest in the Association at any special meeting called for such purpose, or at the annual meeting; provided however, that only the Declarant shall have the right to remove an Executive Board member appointed by it.

ARTICLE V

OFFICERS

A. ELECTION: The executive officers of the Association shall be a President, who shall be a an Executive Board member, a Vice-President, and a Secretary-Treasurer, all of whom shall be elected annually by the Executive Board and who may be pre-emptorily removed by a vote of the Executive Board at any meeting. The Executive Board shall, from time to time, elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

B. PRESIDENT: The President shall be the Chief Executive officer of the Association. He shall have all of the powers and duties which are usually vested in the office of the president of any association, including, but not limited to the power to

appoint committees from among the members from as he may in his discretion determine appropriate to assist him in the conduct of the affairs of the Association.

C. VICE-PRESIDENT: The Vice-President shall, in the absence or disability of the President, exercise the powers and perform the duties of President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Directors.

D. SECRETARY-TREASURER: The Secretary shall keep the minutes of all proceedings of the Executive Board and the members. He shall attend to the giving and serving of all notices to the members and Executive Board member, and such other notices required by law. He shall have custody of the seal of the Association and affix the same to instruments requiring a seal when duly signed. He shall keep the records of the Association and shall perform all other duties which are usually vested in the office of secretary of an association and as may be required by the Executive board or the President. He shall also have custody of all of the property, securities and evidences of indebtedness. He shall keep, or supervise the keeping of, the assessment rolls and accounts of the members; he shall keep the books of the Association in accordance with good accounting practices; and he shall perform all other duties usually vested in the office of Treasurer.

E. FEES: The compensation of all officers and employees of the Association shall be fixed by the Executive Board. This provision shall not preclude the Executive Board from employing a Executive Board member as an employee of the Association, nor preclude the contracting with an Executive Board member for the management of the development.

F. REMOVAL: All officers shall serve at the pleasure of the Executive Board and any officer may be removed from office at any time, with or without cause, by a majority vote of the Executive Board.

ARTICLE VI

FINANCES AND FISCAL MANAGEMENT

The provisions for fiscal management of the Association set forth in the Declaration and Articles of incorporation shall be supplemented by the following provisions:

A. ASSESSMENTS: An assessment roll shall be maintained in a set of accounting books in which there shall be an account for each Lot or Unit. Such account shall designate the name and address of the Lot or Unit owner or owners, the amount of each assessment against the owners, the dates and amounts in which assessments come

due, the amounts paid upon the unit.

B. BUDGET: The Executive Board shall adopt a budget for each calendar year which shall contain estimates of the cost of performing the functions of the Association, including but not limited to, the following:

a) Common expense budget, which may include, without limiting the generality of the foregoing, the estimated amounts necessary for the maintenance and operation of and capital improvements to the common property including landscaping, street and walkways, office expense, utility services, insurance, administration and reserves (operating and capital improvements replacement); management fees and costs of maintaining memberships, and other possessory or use interest in lands or facilities whether or not contiguous to the lands of the development, to provide for the use or benefit to the lot and unit owners; and

b) Propose assessments for the successful operation of the planned community development as provided in the Declaration. Copies of the proposed budget and proposed assessments shall be transmitted to each member at least 30 days prior to annual meeting of the Membership at which time an annual budget shall be adopted. If the budget is subsequently amended before the assessments are made, a copy of the amended budget shall be furnished each member concerned. Upon request, delivery of a copy of any budget or amended budget to each member shall not affect the liability of any member for any such assessments, nor shall delivery of a copy of such budget or amended budget be considered as a condition precedent to the effectiveness of said budget and assessments levied pursuant thereto, and nothing herein contained shall be construed as restricting the right of the Executive Board, at any time in their sole discretion, to levy any additional assessments in the event that the budget originally adopted shall appear to be insufficient to pay costs and expenses of operation and management, or in the event of emergencies, subject to the terms and provisions of the Declaration.

C. DEPOSITORY: The depository of the Association shall be such bank, banks or other institutions as shall be designated from time to time by the Executive Board and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such persons as are authorized by the Executive Board.

ARTICLE VII

PARLIAMENTARY RULES

Roberts Rules of Order (latest edition) shall govern the conduct of corporate proceedings when not in conflict with the Articles of Incorporation and these By-Laws or

with the Statutes of North Carolina.

ARTICLE VIII

AMENDMENT TO BY-LAWS

Amendments to these By-Laws shall be proposed and adopted in the following manner:

A. Amendments to these By-Laws may be proposed by the Executive Board of the Association acting upon an affirmative vote of a majority of the Board members, or by members of the Association owning a majority of the Lots and Units whether meeting as members or by instrument in writing signed by them.

B. Upon any amendment or amendments to these By-Laws being proposed by said Executive Board or members, such proposed amendment or amendments shall be transmitted to the President of the Association, or other officer of the Association in the absence of the President, who shall thereupon call a special joint meeting of the members of the Executive Board and the membership for a date not sooner than twenty (20) days or later than sixty (60) days from receipt by such officer of the proposed amendment or amendments and it shall be the duty of the Secretary to give to each member written or printed notice of such meeting in the same form and in the same manner as notice of the call of a special meeting of the members is required as herein set forth.

C. In order for such amendment or amendments to become effective, the same must be approved by an affirmative vote of a majority of the entire membership of the Executive Board and by an affirmative vote of the members owning Lots entitled to vote not less than sixty-seven (67%) percent or more of the votes of the Association. Thereupon, such amendment or amendments to these By-Laws shall be transcribed, certified by the President and Secretary of the Association, and a copy thereof shall be placed in the corporate minutes or records of the Association.

D. Upon the approval, the same shall become binding upon all Lot and Unit owners.

E. At any meeting held to consider any amendment or amendments to the By-Laws, the written vote of any member of the Association shall be recognized if such member is not attendant at such meeting or represented there at by proxy, provided such

written vote is delivered to the Secretary of the Association at or prior to such meeting.

ARTICLE IX

COMMITTEES

A. COMMITTEES: The Executive Board may establish by resolution adopted by a majority the Board members of such committees which it deems necessary or desirable to carry out the purposes of the Corporation.

B. COMMITTEE CHAIRMAN AND MEMBERS: The Chairman of all committees shall be appointed by and serve at the pleasure of the Executive Board.

C. COMMITTEE REPORTS: The Chairman of each committee shall make a report to the President in writing of committee meetings and activities.

D. AUTHORITY: Unless specifically authorized in writing by the Executive Board or the President, a committee Chairman or a committee shall have no authority to legally obligate the Corporation or incur any expenditure on behalf of the Corporation.

ARTICLE X

SUSPENSION OF RIGHTS

The Executive Board may suspend, by a majority vote of the Executive Board, the voting rights and right to hold office of a member during any period in which the member shall be in default in the payment of any dues, assessments, penalties or fines, imposed by the Association. Such rights may be suspended, after notice and hearing, for a period not to exceed sixty (60) days for a violation of the Association's Rule and Regulations, these By-Laws, or the Declaration.

ARTICLE XI

ASSETS OF THE ASSOCIATION

The Association shall hold, own, maintain, manage, control, repair, preserve, replace, care for and operate any and all real property, together with appurtenances, fixtures and improvements thereto, all personal property, all fixtures, all rights and

privileges, including all parts of the water, sewer and drainage systems, and other possessory or use interest in land, facilities, and roads and streets which may be conveyed to, or made available for use by the Association, the Declarant, or by any other person, firm, corporation or entity, or belonging to, or made available for, the Association, for the use, enjoyment, health, safety and welfare of the owners of said Lots or Units.

All such real property together with appurtenances, fixtures and improvements thereto, personal property, fixtures, rights and privileges, and other possessory or use interests in land or facilities owned by, belonging to, or made available for, the Association shall be treated, except as otherwise specifically in these By-Laws provided, as common areas and facilities of the "RiverBluff" project for purposes of managing, controlling, repairing, replacing, preserving, caring for, operating and otherwise dealing with for the use, health, safety, and welfare of the owners of those Lots or Units as herein provided.

The cost and expenses of holding, owning, maintaining, managing, controlling, repairing, replacing, preserving, caring for and operating all common areas of "RiverBluff" project shall be "common expenses" and shall be included in the budget for each fiscal year for the Association and all provisions of these By-Laws shall apply thereto.

ARTICLE XII

INDEMNIFICATION OF DIRECTORS, OFFICERS AND OTHERS

The Association shall indemnify any director or officer or former director or officer of the Association or any person who may have served at the request of the Association as an Executive Board member or officer of the Association, against expenses (including attorney's fees) or liabilities actually or reasonably incurred by him in connection with the defense of or as a consequence of any threatened, pending or completed action, suit or proceeding (whether civil or criminal) in which he is made a party or was (or is threatened to be made a party) by reason of being or having been such Executive Board member or officer, except in relation to matters as to which he shall be adjudged in such action, Unit or proceeding to be liable for willful negligence or misconduct in the performance of duty. The indemnification provided herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any statute, by-law, or agreement.

ARTICLE XIII

BOOKS AND RECORDS

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

ARTICLE XIV

CORPORATE SEAL

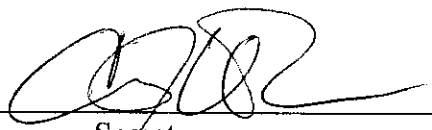
The Association shall have a seal in circular form having within its circumference the words: "RiverBluff Planned Community Homeowners Association, Inc."

CERTIFICATION

I, the undersigned, do hereby certify: That I am the duly elected and acting Secretary of RiverBluff Planned Community Homeowners Association, Inc., a North Carolina corporation; and

That the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted by the Board of Directors thereof, held on the 26th day of April, 2007.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the said Association this 30th day of April, 2007.



Christina Kenon, Secretary