

**BY-LAWS OF
RAINTREE HOMEOWNERS ASSOCIATION, INC.**

**ARTICLE I
NAME AND LOCATION**

The name of the corporation is Raintree Homeowners Association, Inc., hereinafter referred to as "the Association". The principal office of the Association shall be located at 8900 Raintree Lane, Charlotte, North Carolina, 28277 or at such other place as the Board of Directors may deem convenient or the affairs of the Association may require, provided that meetings of members and directors may be held at such place and location in the State of North Carolina as may be agreed upon by the majority of the Board of Directors.

**ARTICLE II
DEFINITIONS**

1. "Association" shall mean and refer to Raintree Homeowners Association, Inc., a nonprofit corporation organized and existing under the laws of the State of North Carolina, its successors and assigns.
2. "Common Area(s)" shall mean and refer to any and all real property owned by the Association, or such other property to which the Association may hold title, whether in fee or for a term of years, for the nonexclusive use, benefit and enjoyment of the members of the Association subject to the provisions of the Declaration, Raintree Country Club Membership Agreement and the lease, if any, between the Association and Developer of the golf course and other recreational or open space land.
3. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions, and Restrictions applicable to the properties which is recorded in the Office of the Register of Deeds for Mecklenburg County, North Carolina.
4. "Developer" shall mean and refer to The Ervin Company, a Delaware corporation having a principal place of business at 4037 East Independence Boulevard, Charlotte, North Carolina, its successors and assigns.
5. "Lot" for the purposes of these By-laws shall either mean and refer to any plot of land to be used for single-family residential purposes and so designated on any subdivision plat or survey of Raintree or any part thereof which shall be of public record, or ownership of any condominium within Raintree under unit ownership arrangement or agreement or any land within Raintree devoted to multi-family rental purposes and subject to the Declaration.
6. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee interest in any lot which is a part of the Village of Raintree, excluding, however, those parties having such interest merely as a security interest for the performance of an obligation.
7. "Properties" shall mean and refer to any and all of that certain real property now or which may hereafter be made subject to the Declaration as part of the subdivision being developed by Developer in Providence Township, Mecklenburg County, North Carolina, which subdivision is and shall be commonly known as the Village of Raintree ("Raintree"), together with such additions as may hereafter be brought within the jurisdiction of the Association.

**ARTICLE III
MEMBERSHIP**

Section 1. Every person or entity who is the Owner of record of a fee interest in any Lot or who is purchasing one or more Lots under a contract or purchase agreement within the Properties shall be a member of the Association, subject to and bound by the Association's Articles of Incorporation, By-Laws, rules and regulations. For this purpose, ownership of a condominium under any unit ownership arrangement or agreement and ownership of any lot upon which multi-family rental units are constructed shall be deemed ownership of a Lot. The foregoing is not intended to include persons or entities who hold

an interest in any Lot merely as security for the performance of an obligation. Ownership of such Lot shall be the sole qualification for membership. When any Lot is owned of record in joint tenancy or tenancy in common or by some other legal entity, or when two or more persons or other legal entity is purchasing one or more Lots under a contract or agreement of purchase, the membership as to such Lot(s) shall be joint and the right of such membership pertaining to voting power arising therefrom shall be exercised only as stipulated in Article V herein below.

Section 2. During any period in which a member shall be in default in the payment of any annual, special or other periodic assessment levied by the Association, the voting rights and right to the use of the Common Areas or any other facilities which the Association may provide may be suspended by the Board of Directors until such assessment is paid. In the event of violation by a member of any rules or regulations established by the Board of Directors, such member's voting and use rights may be suspended by the Board after a hearing at which the general requirements of due process requirements shall be observed. Such hearing shall only be held by the Board (or a committee thereof) after giving member 10 days prior written notice specifying each alleged violation and setting the time, place and date of the hearing. Determination of violation shall be made by a majority vote of the Board of the Committee thereof.

Section 3. No membership or initiation fee shall be charged, nor shall members be required to pay at any time any amount to carry on the business of the Association except to pay when due the charges, assessments and special assessments levied upon each member's Lot as specified in the Declaration, these By-Laws, or as the members of the Association may from time to time hereafter adopt.

ARTICLE IV MEETINGS OF MEMBERS

Section 1. The first annual meeting of the members shall be held on January 31, 1972, at such place and time as the Board of Directors shall provide in its notice to members, and each subsequent annual meeting of the members shall be held on the same day of the same month of each year thereafter. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday. If the annual meeting shall not be held on the day designated by these By-Laws, a substitute annual meeting may be called in accordance with the provisions of Section 2 of this Article. A meeting so called shall be designated and treated for all purposes as the annual meeting.

Section 2. Special meetings of the members may be called at any time by the President or by a majority of the Board of Directors, or upon written request of the members who are entitled to vote one-third (1/3) of the votes of each class of membership of the Association.

Section 3. Written notice of meetings stating the time and place of the meeting and in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) days before the date of the meeting, either personally or by mail, by or at the direction of the President, the Secretary or the person authorized to call the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the U.S. mails addressed to the member at his address as it appears on the records of the Association with the postage thereon prepaid.

Section 4. The presence in person or by proxy at the meeting of members entitled to vote, one tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration or these By-Laws. A majority of the votes entitled to be cast by the members present in person or represented by proxy at such meeting at which a quorum is present shall be necessary for the adoption of any matter voted upon by the members. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time without notice other than announcement at the meeting until a quorum as aforesaid shall be present' or be represented. When a meeting is adjourned for more than 45 days, notice of the adjourned meeting shall be given as in the case of an original meeting.

Section 5. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot within the properties.

ARTICLE V VOTING AND VOTING RIGHTS

Section 1. The voting rights of the membership shall be appurtenant to the ownership of the Lot. There shall be two classes of Lots with respect to voting rights:

A. **Class A.** Class A Lots shall be all Lots except Class B Lots as the same are hereinafter defined. The voting rights appurtenant to the Class A Lots shall be as follows:

1. **Multi-family apartment buildings.** Each Lot used for the development thereon of multi-family apartment building(s) shall entitle the Owner(s) of said Lot to one-half (1/2) of one vote for each completed private dwelling unit within the apartment building(s) located upon said Lot. To qualify as "completed" the private dwelling unit within the apartment building must be occupied, available for immediate occupancy, or temporarily unavailable for occupancy on account of repairs, maintenance work or restoration. A Lot reserved and designated for the development of multi-family apartment building(s) but not containing at least two completed private dwelling units shall be allotted one (1) vote.

2. **Single-family attached dwelling units (including condominium).** Each Lot designated as a Lot on which a single-family attached dwelling unit (i.e. townhouse, patio house or condominium) is or may be constructed shall entitle the Owner(s) of said Lot to three-fourths (3/4) of one vote.

3. **Single-family detached homes.** Each Lot designated as a Lot on which a single-family detached home is or may be constructed shall entitle the Owner(s) of said Lot to one (1) vote.

When two or more persons hold an interest (other than a leasehold or security interest) in any Lot, all such persons shall be members. The vote for such Lot shall be exercised by one of such persons as proxy and nominee for all persons holding an interest in a Lot and in no event shall more than one (1) vote be cast with respect to any Lot.

B. **Class B.** Class B Lots shall be all Lots owned by Developer which have not been converted to Class A Lots as provided in 1 or 2 below. Developer shall be entitled to four (4) votes for each Class B Lot reserved and designated for the development of a single-family detached home and three (3) votes for each Class B Lot reserved and designated for the development of a single-family attached dwelling unit (including condominium units) and one-half (1/2) vote for each completed private dwelling unit within an apartment building(s) located on each Class B Lot reserved and designated for the development of a multi-family apartment building(s). The Class B Lots shall cease to exist and shall be converted to Class A Lots on the happening of either of the following events, whichever first occurs:

1. When the total number of votes appurtenant to the Class A Lots equals the total number of votes appurtenant to the Class B Lots; or

2. Ten (10) years from the execution of the Declaration of Covenants, Conditions and Restrictions. When additional memberships from time to time are created by platting of additional lots and adding them to the Declaration as an "addition" under Article II, Section Two thereof, then the tests of 1. and 2. above shall be applied separately to each "addition" and as to each "addition" the test under 2. shall be ten (10) years from the time Developer records Supplement adding such lots to the Declaration.

Section 2. Any member who is delinquent in the payment of any charges duly levied by the Association against a Lot owned by such member shall not be entitled to vote until all such charges, together with such reasonable penalties as the Board of Directors of the Association may impose, have been paid.

Section 3. Members shall vote in person or by proxy executed in writing by the member. No proxy shall be valid after eleven (11) months from the date of its execution or upon conveyance by the member of his Lot. A corporate member's vote shall be cast by the President of the member corporation or by any other officer or proxy appointed by the President or designated by the Board of Directors of such corporation.

Section 4. Voting on all matters except the election of directors shall be by voice vote or by show of hands unless a majority of the members of each Class present at the meeting shall, prior to voting on any matter, demand a ballot vote on that particular matter. Where directors or officers are to be elected by the members, the solicitation of proxies for such elections may be conducted by mail.

Section 5. No member of the Association shall be qualified to serve on the Board of Directors, Architectural Review Committee, townhome/condo sub-committee, nor any other committee or representation established by the Board if the member is delinquent in payment of dues or subject to fines, lien or foreclosure actions by the Association. Removal of member from the Board, ARC or committee under such circumstances is automatic and immediate. Reinstatement of such member, upon remedy and appeal by member, may be made by a majority vote of the Board of Directors at its next Regular Meeting.

ARTICLE VI PROPERTY RIGHTS

Section 1. Each member of the Association shall be entitled to the use and enjoyment of the Common Areas subject to the provisions of the Declaration, the Membership Agreements respecting Raintree Country Club, and any lease to Developer of the golf course(s) and other recreational or open space land, or either. Any member may delegate his rights of enjoyment of the Common Areas and facilities to the members of his family, his tenants or contract purchasers who reside on his property. Such member shall notify the Secretary in writing of the name of any such delegate. The rights and privileges of such delegate are subject to suspension to the same extent as those of the member.

Section 2. Each member of the Association shall have such an interest in all of the property owned by the Association as is represented by the ratio of the number of votes to which said member is entitled to the total number of votes of both classes of members in the Association.

ARTICLE VII MAINTENANCE CHARGES

Section 1. **Creation of the Lien and Personal Obligation of Assessments.** By the Declaration each member is deemed to covenant to pay to the Association: (1) annual assessments or other periodic charges, and (2) special assessments as approved by the members. The annual and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall, to the extent permitted by law, be a continuing lien upon the property against which each such assessment is made to secure the payment of said assessments due and to become due. Each such assessment, together with such interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessments fell due and shall not pass to his successors in title unless expressly assumed by them, which assumption shall not however relieve Owner of his personal obligation in event of nonpayment.

Section 2. **Purpose of Assessments.** The assessments paid to the Association shall be used exclusively for the purpose of establishing and maintaining a fund which will be used to promote the recreation, health, safety, and welfare of the residents within Raintree and in particular to pay for the expense of maintaining the Common Areas and other facilities related to the use and enjoyment thereof. By way of illustration, but without limitation, the fund may be used for the following: lighting, improving and maintaining streets and right-of-way areas dedicated for the common use of the Owners and occupants of Lots within Raintree which are not maintained by any public authority; operating and maintaining storm-water drains now or hereafter constructed within the subdivision that are not or will not be under the direct supervision of the appropriate public authority; beautifying, maintaining and operating such green-ways, playgrounds, parks and recreational areas as the Board of Directors deems appropriate; employing policemen and watchmen; providing for traffic control apparatus and equipment; for doing anything necessary or desirable in the opinion of the Board of Directors of the Association to keep the Common Areas of Raintree neat and in good order and condition; and to provide such other common community services as the members of the Association shall decide are necessary or useful for the benefit, health and welfare of residents of Raintree.

Section 3. **Basis and Maximum of Annual Assessments.** Until December 31, 1971, the maximum annual assessments (excluding any sums an Owner may agree to pay a third party with whom the Association has contracted to operate the Raintree Country Club for the right and privilege to use facilities provided by the

Club) shall be One Hundred Twenty \$(120.00) Dollars per Lot. Such maximum rate is subject to modification with respect to classification of lots as set out in Section 5 of this Article.

(a) From and after January 1, 1972, the maximum annual assessment may be increased or decreased effective January 1 of each year without a vote of the membership in conformance with the percentage rise or decline, if any, of the Consumer Price Index for all items as published by the U. S. Department of Labor for the Charlotte, North Carolina area. The initial index from which adjustments to future assessments shall be computed shall be the index figure published by the Department of Labor nearest January 1, 1971 and thereafter adjustments shall be computed on the basis of the latest Index figure nearest to January 1st of each consecutive year. If the publication of the Consumer Price Index is discontinued, the Association shall use comparable statistics on the cost of living for the City of Charlotte as computed and published by an agency of the United States or by a financial periodical of recognized authority then to be selected by the Board of Directors.

(b) For each year commencing with January 1, 1972, the annual assessments may be increased by the Board of Directors to an amount which will be sufficient, in the judgment of the Board, to provide the funds required by the Association in carrying out its stated purposes and functions for the ensuing calendar year. In no event shall the annual assessment as adjusted by the Board exceed 125% of the prior year's annual assessment without the consent of the Association members. Permission to exceed this amount can be granted, however, by the assenting vote of two thirds (2/3) of each Class of the Association members, who are voting in person or by proxy, at a meeting duly called for this purpose. After the consideration of current maintenance costs and future needs of the Association, the Board of Directors may fix the annual assessment at an amount not in excess of the maximum, provided said annual assessment rates shall uniformly apply to all lots within each classification as set forth in Section 5 of this Article except as may be provided otherwise in the Declaration.

Section 4. Special Assessments. In addition to the annual assessments authorized above, the Association may levy at any time a special assessment applicable to that year only provided that any such assessment shall have the same assent of members of the Association as provided in §3(b) of this Article at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting setting forth the purpose of the meeting.

Section 5. Assessment Rate. The annual and special assessments for the Lots within the properties shall be fixed at the following rates:

(a) **Single-family detached homes.** Each Lot designated as a Lot on which a single-family detached home is or may be constructed shall be assessed at a rate of One Hundred percent (100%) of any annual or special assessment fixed or levied pursuant to Section 3 or Section 4 of this Article.

(b) **Single-family attached dwelling units (including condominium).** Each Lot designated as a Lot on which a condominium unit, single family attached townhouse or patio house is or may be constructed shall be assessed at a rate of Seventy-Five percent (75%) of any annual or special assessment as may be fixed or levied.

(c) **Multi-family apartment buildings.** Each Lot used for the development thereon of multi-family apartment building(s) shall, upon the completion of two or more private dwelling units in said building(s), be assessed for each completed private dwelling unit, and each such unit shall be assessed at a rate of Fifty percent (50%) of any annual or special assessment levied or fixed against the Lot. To qualify as "completed", the private dwelling unit within the multi-family apartment building must be occupied, available for immediate occupancy, or temporarily unavailable for immediate occupancy on account of repairs, maintenance work or restoration. Prior to the completion of two private dwelling units within the multi-family apartment building(s) upon a Lot, said Lot shall be assessed at a rate of One Hundred percent (100%) of such assessment as may be fixed or levied against the Lot.

Section 6. Date of Commencement of Annual Assessments: Due Dates. The annual assessment provided for herein shall commence on the first day of the month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The

Board of Directors shall fix the amount of the annual assessments against each Lot at least thirty (30) days in advance of each annual assessment period and in lieu thereof, the amount of the prior year's annual assessment shall be the fixed amount. Written notice of any changed amount of annual assessment shall be sent to every Owner at his address for notice of meetings. The due date of the assessments or other charges due hereunder shall be established by the Board of Directors. Until otherwise established, the annual assessment shall be payable in twelve (12) equal monthly installments, each such installment due on the first of each month. The Association shall upon demand at any time furnish to each Owner a certificate in writing, signed by an officer of the Association, setting forth whether the assessments on a specified Lot have been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid and a reasonable charge may be made by the Board for the issuance of such certificate.

Section 7. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the maximum legal rate to the extent permissible by law and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against member's Lot, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment to the extent permissible by law. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Areas or abandonment of his Lot.

Section 8. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first deed of trust (mortgage) of record if but only if all assessments having a due date on or prior to recording of the mortgage have been paid. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot which is subject to any first mortgage, pursuant to a decree of foreclosure under such mortgage or any proceeding or conveyance in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to payments thereof which became due prior to such sale or transfer, but the Association shall have a lien on the proceeds from foreclosure or of sale junior to said mortgage but senior to the equity of redemption of Owner and in parity with the lien (if any) for amounts due Raintree Country Club as provided for in the Declaration. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 9. Exempt Property. The following property subject to the Declaration shall be exempt from the assessments created therein:

- (a) all properties dedicated to and accepted by a local public authority and properties dedicated to or used for utility purposes;
- (b) the Common Areas subject, however, to dues and other charges payable by each Owner with respect to membership in Raintree Country Club, and
- (c) such Lots to the extent exempted by the Declaration.

ARTICLE VIII BOARD OF DIRECTORS

Section 1. The Business and affairs of this Association shall be managed by a Board of Directors which shall consist of not less than three (3) in number. At the inception of the Association, the Board shall consist of three (3) members named in the Articles of Incorporation', and thereafter the number of directors shall be fixed by the Board.

Section 2. The first Board of Directors named in the Charter of the corporation shall serve for five (5) years. Only thereafter, directors shall be elected by ballot at the annual meeting of the members. Each director shall hold office until his death, resignation, removal, disqualification, or his successor is elected or appointed and qualified. Any vacancy may be filled at any time by a majority of the remaining directors, though less than a quorum, but a vacancy created by an increase in the authorized number of directors shall be filled only by election at an annual meeting or at a special meeting of members called for that purpose.

Section 3. The directors shall act only as a board, and the individual directors shall have no power as such. A majority of the directors for the time being in office shall constitute a quorum for the transaction of business, but a majority of those present at the time and place of any regular or special meeting, although less than a quorum, may adjourn the same from time to time without notice until a quorum be at hand. The act of a majority of directors present at any meeting at which there is a quorum shall be the act of the Board of Directors.

Section 4. The Board of Directors may, by resolution adopted by a majority thereof, designate one or more committees, each committee to include not less than two (2) directors as members thereof, which committees to the extent provided in said resolution, may have and may exercise, when the Board of Directors is not in session, the powers of the Board of Directors in the management of the affairs of the Association.

Section 5. The Board of Directors shall meet for the transaction of business at such time and place as may be designated from time to time by resolution of the Board. Regular meetings of the Board may be held without notice. Special meetings of the Board of Directors may be called by the President or by any two (2) members of the Board for any time and place, provided reasonable notice of such meetings shall be given to each member of the Board before the time appointed for such meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting except where a director attends a meeting and objects thereto to the transaction of any business because the meeting is not lawfully called or convened.

Section 6. The Board of Directors may from time to time determine the order of business at its meetings. At all meetings of the Board, the President, or in his absence, the Chairman chosen by the directors present, shall preside.

Section 7. The Board of Directors, after the close of the fiscal year, shall submit to the members of the Association a report as to the condition of the Association and its property and shall submit also an account of the financial transactions of the past year.

Section 8. Subsequent to the time when Directors are elected by members, any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 9. No director shall receive compensation for any service he may render to the Association, provided, however, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 10. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

Section 11. Whenever a director or officer has a financial, business or personal interest in any matter coming before the board of directors which could create a conflict, the affected person shall:

a) fully disclose the nature of the interest

AND

b) withdraw from discussion, lobbying and voting on the matter

AND

c) refrain from disclosing information on the matter to third parties without permission from the Board.

Any action or vote involving a potential conflict of interest shall be approved only when a majority of disinterested directors determine that it is in the best interest of the association to do so. The minutes of meetings at which such votes are taken shall record such disclosure, abstention and rationale for approval. The term "interest" shall include personal interest, interest as director, officer, member, stockholder, shareholder, partner, manager, trustee or beneficiary of any concern and having an immediate family member who holds such an interest in any concern. The term "concern" shall mean any corporation, association, non-profit, trust, partnership, limited liability entity, firm, person or other entity other than Raintree Homeowners Association, Inc. or The Village of Raintree Homeowners, Inc.

Directors not in compliance with requirements in this section may be censured or excluded from meetings or distributed materials by a majority vote of the remaining disinterested directors.

Section 12. No Board director, ARC or other committee member may vote on delinquency or violation matters regarding that director or member's lot, nor regarding the lot of another owner against whom the director or committee member or an immediate relative originated a complaint.

**ARTICLE IX
POWERS AND DUTIES OF THE BOARD OF DIRECTORS**

Section 1. **Powers.** The Board of Directors shall have power to:

(a) adopt and publish rules and regulations governing 'the use of the Common Areas and other facilities provided for the common use and benefit of Association members, and to establish penalties for the misuse thereof;

(b) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;

(c) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(d) to enter into agreements with third parties in order to facilitate efficient operation of the Common Areas. It shall be the primary purpose of such agreements to provide for the administration, maintenance and repair, and operation of the Common Areas, particularly, but without limitation, the Raintree Country Club golf course. The terms of said agreements shall be as determined by the Board of Directors to be in the best interest of the Association and the Village of Raintree.

(e) employ a manager, an independent contractor, or such other employees as the Board deems necessary, and to prescribe their duties, to carry out and accomplish the purposes of the Association.

Section 2. **Duties.** It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the members of the Association;

(b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) to fix the amount of the annual or special assessments against each Lot as provided in the Declaration and send written notice of each assessment to every Association member at least thirty (30) days in advance of each annual or special assessment due date, subject however, as to special assessments, the assent of the membership as herein above provided.

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a receipt setting forth whether or not any assessment has been paid; a reasonable charge may be made by the Board for the issuance of these certificates and such certificates, if issued, shall be conclusive evidence of payment of any assessment therein stated to have been paid; and

(e) cause the Common Areas to be maintained.

**ARTICLE X
OFFICERS AND THEIR DUTIES**

Section 1. The officers of this Association shall be a President and one or more Vice Presidents, a Secretary, a Treasurer, and such other officers and assistant officers at the Board may from time to time deem necessary. Any two or more offices may be held by the same person, except the offices of President and Secretary and the offices of President and Vice-President.

Section 2. The officers of the Association for the first five (5) years need not be members thereof. The officers of the Association shall be elected or appointed annually by the Board of Directors and each shall

hold office for one (1) year unless he shall sooner die, resign or be removed, or otherwise disqualified to serve. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period have such authority, and perform such duties as the Board may from time to time determine.

Section 3. Any officer may be removed from office by the Board with or without cause. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 4. A vacancy in any office may be filled in the manner prescribed for regular election or appointment. The officer elected or appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 5. The duties of the officers are as follows:

PRESIDENT

(a) The President shall be the chief executive officer of the corporation and shall perform such other duties as from time to time may be assigned to him by the Board; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, promissory notes, deeds and other such similar documents; and shall, in general, perform all duties incident to the office of President.

VICE PRESIDENT

(b) The Vice President shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

SECRETARY

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; service notices of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses; and perform such other duties as required by the Board.

TREASURER

(d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual accounting of the Association books to be made at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting and deliver a copy of each to the members.

ARTICLE XI IDEMNIFICATION OF OFFICERS AND DIRECTORS

The Association shall indemnify any and all persons who may serve or who have served at any time as directors or officers of the Association against any and all expenses including amounts paid upon judgments, counsel fees and amounts paid in settlement (before or after suit is commenced), actually and necessarily incurred by such persons in connection with the defense or settlement of any claim action, suit or proceeding in which they, or any of them, are made parties, or a party, which may be asserted against them or any of them, by reason of being or having been directors or officers or a director or officer of the Association, except in relation to matters as to which any such director or officer or former director or officer or person shall be adjudged in any action, suit, or proceeding guilty of willful and intentional negligence or misconduct in the performance of his duties to the Association. Provided, however, that in the event of a settlement the indemnification herein shall apply only when the Board of Directors approves such settlement and reimbursement as being in the best interest of the Association.

The provisions hereof shall be in addition to and not exclusive of any and all other rights to which any director or officer may otherwise be entitled under any law, By-Law, agreement, vote of Association members or otherwise. In the event of death of the officer or director, the provisions hereof shall extend to his legal heirs, representatives, successors and assigns. The foregoing rights shall be available whether or not the director or officer continues to be a director or officer at the time of incurring or becoming subject to such expenses, and whether or not the proceeding claim, suit or action is based on matters which antedate the adoption of this By-Law.

The invalidity or unenforceability of any provision of this By-Law shall not affect the validity or enforceability of any other provision hereof.

ARTICLE XII CORPORATE SEAL

A corporate seal shall have engraved thereon the following:

Raintree Homeowners Association, Inc.

SEAL

1970

North Carolina

It shall remain in the custody of the Secretary and shall be by him affixed to all documents requiring the corporate seal for complete execution. An impression of the corporate seal is directed to be affixed to these By-Laws.

ARTICLE XIII BOOKS AND RECORDS

The books, records and papers of the Association shall at all times be subject to inspection by any member during reasonable business hours. The Declaration, the Articles of Incorporation and the By-Laws 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 FISCAL YEAR

The fiscal year of the Association shall begin on the first day of January and end on the thirty-first day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

ARTICLE XV NOTICE

Any notice required to be given by these By-Laws may be waived by the person entitled thereto before or after the time stated therein. Unless otherwise provided, whenever a notice shall be required by these By-Laws, such notice shall be given in writing, and addressed to the person entitled thereto at his address as the same appears on the books of the Association, the time when such notice is mailed being deemed the time of the giving of such notice.

ARTICLE XVI AMENDMENTS

These By-Laws may be amended, at a regular or special meeting of the members or the Board of Directors, by a vote of a majority of a quorum of members or directors present in person or by proxy. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XVII COMMITTEES

As provided in the Declaration, an Architectural Committee shall be first appointed by the Developer to undertake the responsibilities set forth in the Declaration concerning approval of plans, site approval and other matters set forth in Article VI of the Declaration. Commencing with the year beginning January 1, 1980 and thereafter, the members of the Architectural Committee shall be elected by a majority vote of each class of the Association's members, cast in person or by proxy at a meeting called, among other

things, for that purpose. At any meeting of members, other committees may be established for purposes consistent with the Declaration and these By-Laws.

ARTICLE XVIII
ASSETS: PURPOSE

No part of the income of the Association shall inure to the benefit of any officer, director or member of the Association; and upon the dissolution of the Association the assets thereof shall, after all its liabilities and obligations have been discharged or adequate provisions made therefore, be distributed or conveyed to any association or associations organized for purposes similar to that of the Association, or to a government entity for maintenance. For purposes of this Article, income of the Association shall not be construed to include dues, fees and charges arising out of or attributable to membership in Raintree Country Club when and if the Developer operates the Country Club and receives for its own account such dues, fees and charges.

Document History:

Original Bylaws document scanned and amended on October 20, 2014

- 1. Update Association principal address.*
- 2. Add Section 5 under Article V Voting and Voting Rights.*
- 3. Add Section 11 and Section 12 under Article VIII Board of Directors*
- 4. General reformatting of text and spelling errors.*