

**BY-LAWS
OF
VILLAGE OF RAINTREE HOMEOWNERS INC.**

ARTICLE I

Name, Location and Terms

Section 1. Name and Location. The name of the corporation shall be Village of Raintree Homeowners, Inc., (herein called "VOR"). The principal office of VOR shall be located at 8900 Raintree Lane, Charlotte, North Carolina 28277, or at such other place or places as the Board of Directors may designate.

Terms. Except as otherwise stated herein, when used in these By-laws or any amendment hereto, the following terms shall have the meanings assigned to them:

- A. "Member Association" or "Member" shall mean any property owner association within the Raintree Planned Unit Development ("PUD") which has signed a membership agreement with VOR.
- B. "Association" shall mean any homeowner association within the PUD not included in the term "Member Association."
- C. Reference to "common area" shall refer to all common area within the PUD as opposed to classifications thereof as set forth herein below in ARTICLE II of these By-laws.
- D. "CC&R" or "CC&Rs" shall mean and refer to Declarations of Covenants, Conditions and Restrictions applicable to the respective Member Associations and which are recorded of public record in Mecklenburg County, North Carolina.
- E. "Developer" shall mean any party constructing residential dwellings in the PUD.
- F. "PUD" shall mean the Raintree Planned Unit Development, Mecklenburg County, North Carolina.
- G. "Club Operator" shall mean the operator of the Raintree Country Club or other amenities, its successors and assigns.
- H. "Unit" shall mean any lot or dwelling place subject to assessment (occupied, unoccupied, improved or unimproved, whether designated single or multi-family) in any recorded subdivision plat of the PUD.
- I. "Membership Agreement" shall mean the membership agreement between VOR and a Member Association.

- J. “VOR controlled common area” shall mean and refer to all such common area as classified in ARTICLE II of these By-laws; provided, however, such term shall not apply to any common area conveyed to a Member Association after the date of its membership in VOR or conveyed to an association formed hereafter until such conveyed property is made subject to a VOR Member Agreement as herein provided.
- K. “Easement Agreement” shall mean and refer to the Cross Easement Agreements signed by Member Associations.
- L. “Settlement Agreement” shall refer to court order in the case of George W. Alexander et al. v. The Ervin Company.

Except as specifically defined herein, all terms of these By-laws shall be construed to have the meanings commonly assigned to them by the CC&Rs.

ARTICLE II

History and Purpose

The Village of Raintree (“Raintree”) is a planned unit development located in Providence Township, Mecklenburg County, North Carolina, containing a substantial amount of land area dedicated as common area which, for purposes of these By-laws, may be classified as follows:

- A. Common area subject to leasehold – this classification of common area includes all common area in the PUD owned or held under leaseholds by the Member Associations, or such common area which may hereafter be conveyed or leased to a Member Association, and which has been leased or subleased to a Club Operator for purposes of providing golfing, club and other recreational facilities.
- B. Limited common area – this classification includes all common area dedicated as such of public record in Mecklenburg County, North Carolina, and which is intended for the exclusive use and enjoyment of property owners within such dedicated areas and which is further intended to facilitate the orderly development and control of multi-family housing.
- C. Other common area – this classification includes all common area not otherwise included in the above classifications and for which the Member Associations have heretofore accepted legal title to, whether through a conveyance by deed or pursuant to a leasehold interest, and for which the Member Associations have accepted maintenance responsibility (herein also referred to as “VOR controlled common area”).

Heretofore the Member Associations have been organized as non-profit corporations, independent of each other, to take legal title to common area located within the PUD. Due to the terms of leaseholds and the PUD covenants, conditions and restrictions applicable to limited common area, the Member Associations are presently responsible only for maintenance of VOR controlled common areas.

The Raintree Homeowners Association, Inc., has heretofore contracted with other Member Associations to provide such maintenance services inter alia, to such Member Associations and has provided such services with respect to its own properties. In 1981 the Member Associations concluded that it would be in the best interest of each of them and of the PUD property owners to form a non-profit corporation for the purposes of representing the Member Associations and the PUD property owners in the collective management of certain of the affairs of the Member Associations as hereinafter set forth.

Therefore, the Member Associations organized VOR to provide administrative, maintenance and security services to the Member Associations upon a basis whereby all PUD property owners coming within the jurisdiction of the Member Associations would be represented on a nondiscriminatory basis with respect to the services intended to be provided through VOR; accordingly, it is intended that VOR shall be responsible to the Member Associations in perpetuating their adherence to all applicable laws, covenants, conditions and restrictions, guidelines, and by-laws and ordinances.

It is not intended that VOR assume the authority of the Member Associations or that it operate in any manner inconsistent with the CC&Rs, contractual obligations, articles of incorporation or by-laws applicable to each of them. VOR shall operate on a break-even basis and is not organized to engage in any activity ordinarily intended to produce a profit and no part of its net earnings, if any, is to inure to benefit of any Member Association or individual. VOR shall not make any distributions except as permitted by the North Carolina Nonprofit Corporation Act.

ARTICLE III

Membership

- Section 1. Qualifications. Each PUD association entering into a Membership Agreement with VOR shall be a member.
- Section 2. Voting Rights. Each Member Association may elect or appoint one (1) Representative Director to represent its interests in VOR pursuant to these By-Laws. The number of votes which may be cast by each Member Association on any issue submitted to a vote of the membership shall be entitled to one (1) vote on each matter voted on by the Member Associations.
- Section 3. Exercise of Voting Rights. A Member Association's vote shall be cast by its Representative Director. The vote represents the Member's total number of units.
- Section 4. Suspension. If a Member Association does not pay the Required Contribution under Article X by the due date of each installment, such Member Association shall be suspended for nine (9) months. During the suspension period, a suspended Member Association can participate in upcoming budget discussions, but will not have a vote. The suspended Member Association may appoint representatives to participate on standing committees with a vote on those committees.

A duly authorized representative of each Member Association must declare its intention to pay or not to pay by January 1 of each year. A suspended Member Association falls under the terms of its Easement Agreement and the Settlement Agreement until such time as there is a new Membership Agreement between VOR and the Member Association.

ARTICLE IV
Member Meetings

- Section 1. Place of Meeting. All meetings of the Members shall be held at the principal office of the corporation, or at such other place, either within or without the State of North Carolina, as shall be designated in the notice of the meeting or agreed upon by a majority of the Members entitled to vote thereat.
- Section 2. Annual Meeting. The annual meeting of VOR shall be its regular meeting scheduled for March of each year. If the annual meeting shall not be held on the day designated by these By-laws, a substitute annual meeting shall be called in accordance with the provisions of Section 3 of this Article IV. A meeting so called shall be designated and treated for all purposes as the annual meeting.
- Section 3. Special Meetings. Special meetings of VOR may be called at any time by the president, by a majority vote of the Board of Directors, or by any Member pursuant to the written request of not less than one-tenth (1/10th) of those Members entitled to vote at such a meeting.
- Section 4. Notice of Meeting. Written or printed notice stating the time and place of each annual, special or regular meeting of VOR shall be delivered not less than ten (10) nor more than fifty (50) days before the date of any such meeting, either personally or by mail, by or at the direction of the president, the secretary, or other person calling the meeting, to each Member Association entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to each Member Association at its address as it appears on the record of Members, with first class postage thereon prepaid.
- A. In the case of a special meeting, the notice of meeting shall state specifically the purpose or purposes for which the meeting is called; however, in the case of an annual or substitute annual meeting, the notice of meeting need not state specifically the business to be transacted thereat, unless required by law.
- B. When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. When a meeting is adjourned for less than thirty (30) days in any one adjournment, it is not necessary to give any notice of the adjourned meeting other than by announcement at the meeting at which the adjournment is taken.
- Section 5. Voting List. At least ten (10) days before each meeting of the Member Associations, the secretary of VOR shall prepare an alphabetical list of the Member Associations entitled to vote at such meeting or any adjournment thereof, including the number of votes which may be cast by each respective Member Association, with the address of each, which list shall be kept on file at the principal office of VOR for a period of ten (10) days prior to such meeting and shall be subject to inspection by any Member Association at any time during normal VOR business hours. Such list shall also be produced and kept available at the time and place of the meeting and shall be subject to inspection by any Member Association during the entire time of the meeting.

Section 6. Quorum. For purposes of establishing a quorum, the following shall apply:

- A. Annual Meeting – A majority of the Member Associations of VOR entitled to vote, represented in person or by proxy, shall constitute a quorum at an annual meeting of the membership; except, however that at a substitute annual meeting of the membership, the number of votes there represented, either in person or by proxy, even though less than a majority of the Members entitled to vote, shall constitute a quorum for the purpose of such meeting.
- B. Special Meetings – A majority of the Member Associations of VOR entitled to vote, which are represented in person or by proxy, shall constitute a quorum at any special meeting of the membership.

The following additional procedures shall apply to the establishment of a quorum:

(i) The Member Associations present at a duly convened meeting may continue to transact business until adjournment, notwithstanding the withdrawal of any Member Association resulting in less than the presence of quorum.

(ii) In the absence of a quorum at the opening of any meeting of the membership, such meeting may be adjourned from time to time by vote of a majority of the Member Associations voting on the motion to adjourn, and, at an adjourned meeting at which a quorum is present, any business may be transacted which may have been transacted at the original meeting.

Section 7. Proxies. The Member Associations' votes at any annual or special meeting shall be cast either in person by a Member Association's president, vice president, or by its duly appointed Representative Director(s) as provided herein, or by one or more agents authorized by a written proxy, executed by the Member Association's president or its duly authorized attorney-in fact. A proxy shall not be valid after the expiration of three (3) months from the date of its execution, unless the Member Association executing it specifies the length of time for which it is to continue in force, or limits its use to a particular meeting; however, no proxy shall be valid after ten (10) years from the date of its execution.

Section 8. Informal Action by Membership. Any action which may be taken at a membership meeting may be taken without a meeting if a consent, in writing, setting forth the action so taken, shall be signed by all of the Representative Director of the Member Associations who would be entitled to vote upon such action at a meeting, which consent shall be filed with the secretary of VOR to be kept as part of VOR's records.

ARTICLE V

Board of Directors

Section 1. General Powers. The Board of Directors shall manage the business and affairs of VOR. Subject to these By-laws, it shall adopt such policies, rules, and regulations for the conduct of VOR and for the conduct of the Board of Directors as it shall determine are in the best interest of VOR.

Section 2. Composition. The Board of Directors shall have voting members, the number of which shall be determined in accordance with the provisions of this Section; provided, however, at no time shall the Board of Directors have less than three (3) Representative Directors.

Each Member Association shall have one (1) representative on the VOR Board of Directors [herein called "Representative Director"]. The VOR Board of Directors Chair may vote on all matters, and designated non-voting Committee Chairs may attend Board meetings. The Past Chair may attend Board meetings but shall not vote unless also a VOR Board Member.

Section 3. Selection. Each Member Association shall select its Representative Director, provided, such person must be a property owner within the PUD and a member of such Member Association in good standing. Provided, further, that such selection shall be completed on or before the 15th day of February of each year, and upon failure thereof, the President, Treasurer, Secretary or Vice President, in order of priority, of each Member Association failing to make a selection shall serve as that Member Association's Representative Director.

Section 4. Removal. Any Representative Director may be removed at any time with or without cause by a two-thirds (2/3) vote of the remaining Representative Directors but only at a meeting duly called to consider such removal for which written notice of such proposed action is given at least ten (10) days before the date thereof.

Section 5. Compensation. No Representative Director shall receive any compensation for serving in such capacity.

Section 6. Term. Each Representative Director shall be selected to serve on a fiscal year basis and shall hold office until his death, resignation, retirement, removal, disqualification, or his successor duly shall have been elected and qualified.

Section 7. Voting. Each Representative Director shall vote on any VOR business matter within his/her sole discretion. An abstention from voting counts as a 'no' vote.

If a Representative Director objects to a Board vote, then a simple majority VOR Board of Directors vote and 65% vote of the Member Associations (or a simple majority vote of the Member Associations if at least three Member Associations vote positive) would be required to override the objection.

Section 8. Alternative Director(s). Each Member Association shall elect, appoint or otherwise select an alternative Representative Director (herein "Alternate Director") to serve in the place of each Representative Director elected, appointed or otherwise selected by such Member Association, which Alternate Director shall serve in the place of any Representative Director of any Member Association who is unable to attend a VOR Board of Directors' meeting. Each Member Association shall notify VOR of the name, address and telephone number of each Alternate Director. Alternate Directors not serving in the place of absent Representative Directors may attend Board of Directors meetings as observers.

ARTICLE VI
Meetings of Directors

- Section 1. Annual Meetings. An Annual Meeting of the Board Directors shall be held at the same time and place as the Annual Meeting of Members, which meeting shall be convened immediately after adjournment of the Annual Meeting of Members.
- Section 2. Regular Meetings. Regular meetings of the Board of Directors shall be held at a time and date as determined by the Board of Directors; provided, the president of VOR shall have the authority to cancel, postpone, or reschedule any regular meeting of the Board of Directors in the event of conflict with a legal holiday or clear indication from the Representative Directors that a quorum will not be present for the regularly scheduled meeting.
- Section 3. Special meetings. Special meetings of the Board of Directors may be called by or at the request of the president or any five (5) Representative Directors. Such meetings may be held either within or without the State of North Carolina, as designated by the person or person calling the meeting.
- Section 4. Notice of Meetings.
- (a) Regular Meetings: Regular meetings of the Board of Directors pursuant to Section 2 may be held without notice.
 - (b) Special Meetings: The person or persons calling a special meeting of the Board of Directors shall, at least five (5) days before the meeting, give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called.
- Section 5. Waiver of Notice. Any Representative Director may waive notice of any meeting. The attendance by a Representative Director at a meeting shall constitute a waiver of notice of such meeting, except where a Representative Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.
- Section 6. Quorum. For purposes of establishing a quorum, each Member Association shall be deemed to be present at a Board of Directors meeting if at least one of its Representative Directors or an Alternate Director is present, notwithstanding the fact that the Member Association(s) may be entitled to more than one Representative Director or Alternate Director under these By-laws. The presence of a majority of the Member Associations of VOR entitled to vote shall constitute a quorum at any meeting of the Board of Directors.
- Section 7. Manner of Acting. Except as otherwise provided in these By-laws, the act of the majority of the Representative Directors present at a meeting at which a quorum present shall be the act of the Board of Directors.

- Section 8. Presumption of Assent. A Representative Director of VOR who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his contrary vote is recorded or his dissent is otherwise entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of VOR immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Representative Director who voted in favor of such action.
- Section 9. Informal Action by Directors. Action taken by unanimous consent of the Representative Directors without a meeting is nevertheless Board action if written consent to the action in question is signed by all the Representative Directors and filed with the minutes of the proceedings of the Board, whether done before or after the action so taken.
- Section 10. Proceedings. The proceedings of VOR shall be governed by Robert's Rules of Order, Revised.

ARTICLE VII

Officers

- Section 1. Designations. VOR officers shall be a President, Vice President, Secretary, Treasurer, and Assistant Secretary/Treasurer. At the Annual Meeting of the Board of Directors, VOR Representative Directors shall elect all VOR officers from among the VOR Representative Directors.
- Section 2. Term of Office. Each officer shall be selected to serve on a fiscal year basis or until his successor shall have been duly elected by the Board of Directors. No person shall be elected to the office of VOR President for more than three (3) consecutive terms.
- Section 3. Compensation of Officers. No officer shall receive any compensation for serving in such capacity.
- Section 4. Removal. Any officer may be removed by two-thirds (2/3) vote of the remaining Representative Directors whenever in their judgment the best interests of VOR will be served thereby; provided, such removal shall be made only after notice as provided in ARTICLE IV, Section 4, of these By-laws.
- Section 5. Bonds. The Board of Directors may by resolution require any officer, agent, or employee of VOR to give bond to VOR or the Member Associations, with sufficient sureties, conditioned on the faithful performance of the duties of his respective office or position, and to comply with such other conditions as may from time to time be required by the Member Associations. The cost of any such bond shall be paid by VOR.

Duties of Officers

- Section 6. Duties of the President. The President shall be the chief executive officer of VOR, shall preside at all meetings of VOR and the Executive Committee, shall supervise and coordinate the activities and functions of VOR and appoint committees for the

conduct of business; the President shall have all duties normally reserved for a presiding officer of any organization. The President shall call meetings, sign official documents, disseminate information, and see that the contents of these By-laws and purposes of VOR are adhered to. He shall maintain liaison with and cooperate with officers of the Member Associations and any governmental authority, regulating body or utility. The President shall be familiar with the CC&Rs, articles of incorporation, by-laws, membership agreements, common area deeds, easements, leases, and legal settlement(s), so that the interests of the Member Associations' members are protected. He shall have the power to do such administrative duties as the Board of Directors shall deem necessary for the benefit of VOR and the Member Associations.

- Section 7. Duties of the Vice President. In the absence of the President, the Vice President shall be the chief executive officer of VOR and shall exercise the duties of the President. The Vice President shall perform other duties as prescribed by the President or Executive Committee.
- Section 8. Duties of the Secretary. The Secretary shall be the keeper of the records, of the minutes of VOR, and of all documents of historical value. The Secretary shall exercise all other duties that may be assigned by the President.
- Section 9. Duties of the Treasurer. The Treasurer shall have charge and custody of all funds and securities of VOR and shall see to the deposit of such funds in financial institution selected by the Board of Directors. He or she shall render a financial report each month at meetings of VOR, copies of which shall be provided to the Board of Directors of each Member Association. The President of the Executive Committee may from time to time receive additional reports upon request. The Treasurer, along with at least one Assistant Treasurer, shall be one of the designated co-signatories on all checks of disbursements. In addition to the above duties, the Treasurer shall determine that taxes on all VOR controlled common areas are paid and shall perform such other duties as may assigned to him by the President.
- Section 10. Assistant Secretary/Treasurer. In the absence of the Secretary, or in the event of his death, inability or refusal to act, the Assistant Secretary/Treasurer shall perform the duties of the Secretary, and when so acting, shall have all the powers and be subject to all the restrictions upon the Secretary. In the absence of the Treasurer or in the event of his death, inability or refusal to act, the Assistant Treasurer shall perform the duties of the Treasurer, and when so acting, shall have all the powers and be subject to all the restrictions upon the Treasurer. The Assistant Secretary/Treasurer shall perform such other duties as may be assigned to them by the Secretary, Treasurer, or President.
- Section 11. Vacancies. In the event the office of President becomes vacant, the Vice President shall assume such office for the unexpired term. In the event of a vacancy in the office of Vice President, Secretary, or Treasurer, the Representative Directors shall elect a successor thereto for the unexpired term.

ARTICLE VIII

Executive Committee and Standing Committees

- Section 1. Creation. The President, Vice President, Secretary, and Treasurer of VOR shall constitute an Executive Committee which shall have and may exercise all of the authority granted to it by resolution of the Representative Directors.
- Section 2. Minutes. The Executive Committee shall keep regular minutes of its proceedings and report the same to the Representative Directors.
- Section 3. Responsibility of Representative Directors. The designation of an Executive Committee and the delegation thereto of authority shall not operate to relieve the Representative Directors of any responsibility or liability imposed upon them hereunder.

If action taken by an Executive Committee is not thereafter formally considered by all the Representative Directors, a Representative Director may dissent from such action by filing his written objection with the Secretary with reasonable promptness after learning of such action.

- Section 4. Standing Committees. Budget, Operations, Land Use, Bylaws, and Communications shall constitute the Standing Committees. Each Member Association (in good standing or suspended) is allowed at least one representative (not necessarily a board member) on each Committee. Meetings required by each Committee shall be the number necessary to satisfy scope of Committee responsibilities. Additional Committees may be added as needed.

ARTICLE IX

Functions and Duties of Board of Directors

- Section 1. Functions. Subject to the stated purposes set out herein above and in the Articles of Incorporation, VOR shall serve all Member Associations and their membership in such manner as the Member Associations through their Representative Directors may determine to be for the benefit of the residents of the PUD, which may include (but shall not be limited to) maintenance, landscaping, beautification, and improvement of the VOR controlled common areas. Funds may be expended for the acquisition and maintenance of properties, services and facilities related to the use and enjoyment of VOR controlled common area, including but not limited to, the costs of repairs, replacements and additions thereof, the costs of labor, equipment, materials, management and supervision thereof, the payment of taxes assessed against VOR controlled common area, the procurements and maintenance of insurance and indemnity bonds, the employment of attorneys, bookkeepers, accountants and other professionals to represent or to serve the Member Associations, the employment of security personnel, the employment of a general manager and support staff, and such other needs as may arise in the ordinary conduct of VOR's business affairs in behalf of itself and the Member Associations.
- Section 2. Other Functions. Funds may also be expended to provide other services to the Member Associations to promote the health, safety, enjoyment and welfare of the residents of the Raintree community.
- Section 3. Duties. The duties and responsibilities of the Board of Directors shall include but not be limited to:

- A. Protect, maintain, and preserve the VOR controlled common area and to care for picnic and park areas and treatment of lakes within the jurisdiction of any Member Association.
- B. Cause VOR to operate in a manner consistent with the Members Associations' easement agreements, maintenance documents, and By-laws.
- C. VOR shall be accountable to the Member Associations and will maintain close liaison with their respective Boards of Directors and shall make available to such Boards of Directors, upon request, reports as to the status of VOR's operations.
- D. Work with and cooperate with the Member Associations, architectural review committees, the developer, builders, the club operator, golf course management, government authorities, utilities, realtors, attorneys, surrounding commercial and private properties, easements, neighboring associations and regulatory agencies on matters of mutual interest.
- E. Promptly report to the Member Associations any infractions or irregularities pertinent to the VOR controlled common area.
- F. Maintain an office and phone service, an administrative file, a correspondence file, a record of each assessed unit and list of owners/tenants, segregated as to each respective Member Association, and maintain convenient hours of operation.
- G. Supervise all security efforts as the Board of Directors deems appropriate and maintain a relationship with local law enforcement,
- H. To procure, and when appropriate, seek bids and contracts for, materials and services; to assure that materials are satisfactorily provided; to verify that bills and invoices are accurate; to see that bills and invoices are appropriately maintained; to assure that prior approval of disbursements of funds are made.
- I. Maintain a current inventory (including identification data) of equipment, nonexpendable supplies and property (other than land areas) owned by VOR or such other equipment that may be leased or loaned and under the control of VOR.
- J. Contract, employ, and supervise staff as required for VOR operations (i.e., bookkeeper, maintenance personnel, security, auditor, attorneys and a general manager). VOR will prepare a job description and conduct annual performance reviews for all VOR staff.
- K. No VOR Representative Director, Member, or director of an Association shall contact any professional consultant on VOR business without an appropriate vote of the VOR Board of Directors. Any excess professional fees incurred for unapproved services or for services rendered relating directly to the affairs of a Member Association and not VOR's affairs shall be paid by such Representative Director's Member Association incurring such charges. This is to include costs associated with remediation of the action. If a Member Association fails to meet

this obligation, the cost of remediation would automatically be added to the following year's Required Contribution for that Member Association.

- L. Maintain insurance coverage (directors and officers liability, comprehensive general liability, office special form contents coverage and commercial blanket indemnity bond) for VOR and the Member Associations and applicable workman's compensation. Obtain current certificates of proof of liability insurance and workman's compensation coverage from all contractors.
- M. VOR shall be responsible for all billings on behalf of the Member Associations for maintenance assessments and charges permitted under the CC&Rs. All funds collected will be promptly remitted to the treasurer of the Member Association to whom due. Each Member Association will be kept apprised by name, lot number and amount due of any and all delinquent assessments.
- N. Upon unanimous approval of the Member Associations, VOR may be permitted to institute legal action, (i.e., instituting or defending a civil suit on behalf of one or more Member Associations). VOR will advise the respective Member Association(s) through the Representative Director(s) of the status of the legal action. VOR shall act on behalf of the Member Associations for filing liens and foreclosures with the appropriate direction of such Member Association.

ARTICLE X

Funds and Expenditures

Funds. Funds required by VOR to carry out its stated purposes and functions are to be provided on a fiscal year basis by the Member Associations. On or before October 1 of each year, and for the following fiscal year, the VOR Board of Directors shall establish the total contribution level from the Member Associations with due consideration to projected operating expenses, maintenance of reasonable reserves, administrative requirements, and other budgetary considerations.

- Section 1. Any funds received by VOR on behalf of the Member Associations (i.e., assessments, rebates or architectural review fees) will be remitted to the Treasurers of the respective Member Associations and are not to be included in the funds of VOR. Interest on funds on deposit by VOR will be credited to the funds of VOR. Any funds received by VOR by reason of VOR subcontracts, etc., (i.e., funds or credits for security, late fees, net proceeds from liens, foreclosures, and fines) will be credited to that Member Association.
- Section 2. Fiscal Year. VOR's fiscal year shall begin on the first day of March and end on the last day of February of each year.
- Section 3. Budget. On or before November 1 of each year, the VOR Board of Directors will present to the President and Board of Directors of each Member Association an operational budget as to funds required by VOR for its operations during the ensuing fiscal year. Appropriate justification data and supporting information shall be provided with the budget request and VOR or its representative shall review the proposed budget with each Member Association's Board of Directors upon request. Such review shall be at a called meeting of such Board of Directors.

Section 4. Budget Approval. VOR’s proposed budget for each fiscal year shall be considered adopted when approved by the Boards of Directors of two-thirds (2/3) the Member Associations. If a Member Association’s Board of Directors fails to approve or disapprove a proposed budget by January 15 of each year, it will be deemed approved by that Member Association. Upon approval of VORs’ budget under this Section 4, a negative vote or an abstention from voting will not absolve a Member Association of its obligation to timely remit its required contribution.

Section 5. Required Contribution. This spreadsheet demonstrates the method for calculating the Required Contribution for each Member Association.

HOA	Number of Units	Required Contribution	Percentage of Total Required Contribution
Deerpark	155.00	\$ 27,125.00	10.01%
Raintree	622.25	108,893.75	40.20%
Raintree Lakes	44.25	7,743.75	2.86%
Raintree Greens	35.25	6,168.75	2.28%
Raintree South	406.25	71,093.75	26.24%
Timberidge	143.00	25,025.00	9.24%
Williamsburg	142.00	24,850.00	9.17%
Total	1,548.00	\$ 270,900.00	100.00%

Single family = 1.00 unit; multi-family = 0.75 unit; apartments = 0.50 unit.

Percentage of Total Required Contribution for each Member Association = Number of units divided by the Total Number of units. In this example, the total Required Contribution is \$270,900.00.

Section 6. Contribution Deadlines. On or before March 1, May 1, July 1, September 1, November 1 and January 1 of each fiscal year, each Member Association shall pay one-sixth (1/6) of its required, annual contribution.

Section 7. Expenditures. VOR will expend such funds within the limitation of the approved budget as may be necessary to perform its functions and to satisfy its commitments. No funds beyond its budget will be committed or pledged without the prior approval of a majority vote of the VOR Board of Directors. The Board of Directors can reallocate up to 5% of any individual line item provided that the overall approved budget is not exceeded.

Section 8. Records. Invoices are to be appropriately maintained for review, accountability and audit. VOR is responsible for assuring that all materials, services or other procurements are reasonable and are provided in a satisfactory manner. VOR shall, upon request, make available to the Member Associations all invoices and financial records within a reasonable period of time.

Section 9. Supplemental Funds. Any supplemental contributions approved hereunder shall be made by the Member Associations on the same percentage basis as the Member Associations are required to contribute under the provisions of Section 1 of this ARTICLE X during the then existing fiscal year, the same to be paid in an amount and on a date fixed by vote of two-thirds (2/3) of the Member Associations.

Section 10. Surplus Funds. All funds not expended during any fiscal year shall be carried forward by VOR to be used for reserves or for the original project(s) intended.

ARTICLE XI

Contracts, Loans, Checks and Deposits

Section 1. Contracts. The VOR Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name and on behalf of VOR, and such authority may be general or confined to specific instances. Such authorization shall be recorded in the VOR minutes.

Section 2. Loans. No loans shall be contracted on behalf of VOR and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of its Board the Directors and of the Boards of Directors of the Member Associations. Such authority is to be confined to specific instances.

Section 3. Checks and Drafts. All checks, drafts, or other orders for the payment of money issued in the name of VOR shall be signed by at least two officers or agents of VOR and in such manner as shall from time to time be determined by resolution of the Representative Directors except that the Treasurer or the Assistant Secretary/Treasurer shall be a required signatory on all such documents. Electronic payments shall be approved in writing by two Board Members to include either the Treasurer or the Assistant Secretary/Treasurer and an Executive Board Member.

ARTICLE XII

Procedure for Acceptance of Additional Properties and Member Associations

Section 1. Additional Properties. In the event a Member Association accepts a deed or leasehold conveyance to additional property which would be classified as VOR controlled common area, VOR may agree, upon application of such Member Association, to extend the provisions of its Member Agreement with such Member Association to such property; provided, however, the approval of three-fourths (3/4) of the remaining Member Associations is obtained, excluding therefrom the Member Association seeking such approval.

Section 2. Additional Member Associations. In the event an existing PUD association not a party to a VOR Member Agreement or any PUD association organized hereafter seeks to become a party to such an Agreement, such association(s), upon application to VOR, may be accepted as a Member Association upon approval of all the Member Associations.

- Section 3. Formal Acceptance. Upon extension of a VOR Member Agreement to additional properties or to additional associations, such facts and circumstances of an extension thereto shall be evidenced by a written agreement, duly executed by each of the Member Associations.
- Section 4. Required Considerations. With respect to any application made under this ARTICLE XII, VOR shall be required to consider, among other things which it deems appropriate, the geographic area involved, the anticipated revenues and expenses associated with such application, and the influence and control exercisable by a developer or builder over the applicant. Furthermore, in submitting any application hereunder to the Member Associations for their consideration, VOR shall include therein all conclusions reached with respect to such required considerations.
- Section 5. Modified Acceptance. The Member Associations may, but are not required to, extend or accept additional properties and associations hereunder respectively, upon terms and conditions which vary from the financial contributions and other matters required of the Member Associations hereunder, taking into consideration the nature of the applicant and the state of its organizational development.

ARTICLE XIII

Distribution of Assets Upon Dissolution

- Section 1. Distribution of Assets. Upon dissolution of VOR, its net assets shall be distributed to the Member Associations, including any Member Association which has theretofore withdrawn from VOR upon a basis wherein each Member Association shall receive a distributive share of such assets determined by the percentage of actual contributions made by each Member Association to the total actual contributions to VOR by all Member Associations prior to the date of dissolution. Any member whose contribution requirement has been reduced by agreement of the Member Association because of its contribution of other services or supplies to VOR, shall receive credit for the value of such non-cash contribution(s) for purposes of determining such Association's distributive share hereunder.
- Section 2. Arbitration of Disputes. Disputes arising out of a proposed distribution of the assets of VOR upon dissolution thereof shall be settled by arbitration pursuant to the procedures provided in North Carolina General Statutes § 1- 567.1 et seq. The provisions of this paragraph shall apply solely to matters involving the valuation of assets to be distributed, the allocation thereof to the Member Associations, including the determination of the percentage to be allocated to each Member Association, and the method for final allocation whether through cash, property, or a combination thereof.

ARTICLE XIV

Amendments

These By-laws may be amended, in whole or in part, at any regular or special meeting of the Member Associations by a two-thirds (2/3) vote of the Member Associations in favor of such amendment, provided, such amendment first has been approved by a majority vote of the VOR Board

of Directors, and a copy thereof has been mailed to each Member Association at least ten (10) days before the meeting at which the same is to be considered.

ARTICLE XV

Indemnification

- Section 1. Right to Indemnification. Any person who at any time serves or has served as a director and/or officer of VOR, or who, while serving as a director and/or officer of VOR, serves or has served, at the request of VOR, as a director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, or as a trustee or administrator under an employee benefit plan, shall have a right to be indemnified by VOR to the fullest extent permitted by law against (a) reasonable expenses, including attorneys' fees incurred by him in connection with any threatened, pending or completed civil, criminal, administrative, investigative or arbitrate action, suit or proceeding (and any appeal therein), whether or not brought by or on behalf of VOR, seeking to hold him liable by reason of the fact that he is or was acting in such capacity, and (b) reasonable payments made by him in satisfaction of any judgment, money decree, fine (including an excise tax assessed with respect to an employee benefit plan), penalty or settlement for which he may have become liable in any such action, suit or proceeding.
- Section 2. Payment of Indemnification. The Board of Directors of VOR shall take all such action as may be necessary and appropriate to authorize VOR to pay the indemnification required by this By-law, including, without limitation, making determination that indemnification is permissible in the circumstances and a good faith evaluation of the manner in which the claimant for indemnity acted and of the reasonable amount of indemnity due him. The Board shall give notice to, and obtain approval by a majority of the Members of VOR for any decision to indemnify.
- Section 3. VOR's Indemnification Agreement. For valuable consideration, namely, the agreement by a director and/or officer to serve or continue to serve as a director and/or officer of VOR, VOR agrees for itself, its successors and assigns as follows:
- A. VOR will indemnify and hold harmless its directors and/or officers to the fullest extent from time to time permitted by law in the event a director and/or officer of VOR is made, or threatened to be made, a party to any pending, threatened, or completed civil, criminal, administrative, investigative, or arbitrate action, suit, or proceeding and any appeal therein (and any inquiry or investigation that could lead to such action, suit, or proceeding by reason of the fact that he is or was director, officer, employee, or agent of VOR or serves or served, at the request of VOR, as a director, officer, partner, trustee, employee or agent of any other enterprise or as trustee or administrator under an employee benefit plan.
 - B. The director's and/or officer's right hereunder shall, to the fullest extent from time to time permitted by law, cover all liabilities and expenses, including without limitation, all attorney's fees and expenses, judgments, fines, excise taxes, and

amount paid in settlement, and all expenses incurred by the director and/or officer in enforcing his right hereunder.

- C. To the fullest extent from time to time permitted by law, VOR agrees to pay the director's and/or officer's expenses, including attorneys' fees and expenses, incurred in defending any such action, suit, or proceeding in advance of the final disposition of such action, suit, or proceeding.
- D. The foregoing rights of directors and/or officers hereunder shall inure to the benefit of the director and/or officer, whether or not he is an officer, director, employee, or agent at the time such liabilities or expenses are imposed or incurred, and whether or not the claim asserted against him is based on matters that antedate the adoption of these By-laws, and in the event of his death shall extend to his legal representative.
- E. The rights of the director and/or officer hereunder will be in addition to and not exclusive of any other rights to which he may be entitled under any statute, agreement, insurance policy, or otherwise.
- F. The provisions of this Section 3 shall be considered a contract between VOR and each director and/or officer of VOR, effective as of the first day of election to any such position.

Section 4. Binding and nonexclusive. Any person who at any time after the adoption of these By-laws serves or has served in the capacity of a director and/or officer for or on behalf of VOR shall be deemed to be doing or to have done so in reliance upon, and as consideration for, the right of indemnification provided herein. Such right shall inure to the benefit of the legal representatives of any such person and shall not be exclusive of any other rights to which such person may be entitled apart from the provision of this By-law.

ARTICLE XVI

General Provisions

Section 1. Seal. The corporate seal of the corporation shall consist of two concentric circles between which is the name of the corporation and in the center of which is inscribed SEAL; such seal, as impressed on the last page of these By-laws, is hereby adopted as the corporate seal of the corporation.

Section 2. Waiver of Notice. Whenever any notice is required to be given to any Member or director by law, by the charter or by these By-laws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

Section 3. Number; Gender. As the context herein may require, the singular shall be deemed to include the plural, and the masculine form shall be deemed to include the feminine and neuter.