

AMENDED AND RESTATED  
BY-LAWS  
OF  
THE SHERWOOD ASSOCIATION, INC.

ARTICLE I  
NAME AND LOCATION

The name of the Corporation is The Sherwood Association Inc., hereinafter referred to as the "Association." The principal office of the Corporation shall be located at 100 South Marshall Street, Winston-Salem, North Carolina or such other address as the Board of Directors shall designate from time to time, but meetings of Members and directors may be held at such places within the State of North Carolina, County of Forsyth, as may be designated by the Board of Directors.

ARTICLE II  
DEFINITIONS

Section 1. "Association" shall mean and refer to THE SHERWOOD ASSOCIATION, INC., its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Planned Unit Development as hereinafter described in Declaration of Covenants, Conditions and Restrictions, and recorded in Book 1909, page 1238, Forsyth County Registry, as amended from time to time, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Open Space" shall mean all of that real property owned by the Association for the common use and enjoyment of the Owners and their invitees within the boundary delineated on the site plan approved by the Board of Aldermen of the City of Winston Salem on December 4, 1978 in the zoning petition of W. Bryan White and wife (Zoning docket W-675) and Incorporated by reference in Special use Permit issued by said Board of Aldermen

with reference to the Planned Unit Development presented in the aforementioned zoning petition of W. Bryan White, (said planned unit development being referred to herein as the "Planned Unit Development"), which Common Open Space will be more precisely delineated on subdivision plats of subportions of the Planned Unit Development which will be placed on record from time to time in the Office of the Register of Deeds of Forsyth County, North Carolina, and such other land as may be deeded to the Association or annexed thereto as Common Open Space in the coordinate development of the area.

Section 4. "Lot" shall mean and refer to any residential lot (including townhouse lot or condominium unit, villa townhouse or traditional single-family lot) within the Planned Unit Development, with the exception of the Common Open Space.

Section 5. "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of the fee simple title to any lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Declarant" shall mean and refer to The Sherwood Company, a North Carolina general partnership, its successors in interest, in the event of its reorganization, incorporation, or dissolution; or its assigns to whom the Declarant shall have expressly assigned its rights hereunder.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Office of the Register of Deeds of Forsyth County, North Carolina.

Section 8. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration and in Article III of these By-Laws.

Section 9. "Management Company" shall be, that person or entity selected by majority vote of the Board of Directors to carry out on an independent contractor basis, the day to day management and maintenance functions of the Association. Such person or entity shall be under the direct control of the Board of Directors and shall carry out such tasks under the supervision of the Association's officers.

ARTICLE III  
MEMBERSHIP AND PROPERTY RIGHTS

Section 1. Membership. The Declarant and every other Owner of a Lot shall be members of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot subject to assessment. The voting rights of the Members shall be as provided by the Declaration.

Section 2. Property Rights. Each Member shall be entitled to the use and enjoyment of the facilities as provided in the Declaration. Any Member may delegate his/her rights of enjoyment of the Common Open Space and facilities to the Members of his/her family, his/her tenants, or contract purchasers who reside on the property. Such Member shall notify the Secretary of the Association in writing of the name of the delegate. The rights and privileges of such delegate are subject to suspension to the same extent as those of the Member.

ARTICLE IV  
MEETING OF MEMBERS

Section 1. Annual Meetings. Annual meetings of the Association Members shall be held during the month of March each year at a time and place to be designated by the Board of Directors each year.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the Declarant, the President, by the Board of Directors, or upon written request of one-fourth of all the Class A Membership.

Section 3. Notice Of Meetings: Written notice of each meeting of the Members shall be given by, or at the discretion of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting. Waiver by a Member in writing of the notice required herein, signed by him/her before or after such meeting, shall be equivalent

to the giving of such notice.

Section 4. Quorum. The presence at the meeting of Members entitled to cast, or of absentee ballots entitled to cast, 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. 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.

Section 5. Absentee Voting. At all meetings of the Members, each Member may vote in person or by absentee ballot. All absentee ballots shall be in writing and filed with the Management Company.

Section 6. Rules Regarding The Conduct of Meetings: All association meetings will be conducted using the latest edition of Roberts Rules of Order. The Board of Directors shall be authorized to hire a Sergeant of Arms as it sees fit to be present at the meetings.

## ARTICLE V

### BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of the Association shall be managed by a board of eleven (11) directors. Each director shall be a Sherwood Association property Owner or an affiliate of Declarant. In order to allow representation in the Association of all lots located on the Property, the distribution shall be as follows: three (3) directors each from Lytchfield Place, Sherwood Hills and Sherwood Villas (including the undeveloped area designated for villa homes) and two (2) directors from the single family subdivision section. Representatives of the Management Company and the Committee Chairman may attend meetings in a non-voting capacity. All meetings of the Board are open to Association Members, and representatives of the Declarant. The representation on the Board for all seats not occupied by the Declarant, shall be prorated in accordance with the above representation allocation.

Section 2. Term of office. Directors shall be elected for a three (3) year term. Terms will be staggered so that at least three (3) directors rotate off the Board each year. Those rotating off the Board may stand for immediate re-election.

Section 3. Removal. Any director may be removed from the Board, for just cause, by a majority vote of the Members of the Association and the Declarant, if it shall hold a majority of the votes, attending a Special Meeting called for that purpose at which a quorum is present. In the event of death, resignation or removal of a director, that director's successor shall be selected by the remaining Members of the Board, and shall serve for the unexpired term of the predecessor.

Section 4. Compensation. No director shall receive compensation for any service he/she may render to the Association. However, any director may be reimbursed for actual expenses approved by the Board incurred in the performance of the director's duties.

Section 5. Action Taken Without a Meeting. 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 of such action. Any action so approved shall have the same effect as though taken at a meeting of the directors.

## ARTICLE VI

### NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting, provided the nominee is present at the meeting and states his/her willingness to serve if elected. The nominating committee shall consist of a chairman, who shall be a member of the Board of Directors and (4) four Association members each representing one of the four sections of the Association. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members.

Section 2. Election. Election to the Board of Directors shall be by written ballot. At such election, the Members or their absentee ballot, may cast in respect to each vacancy, as many

votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Section 3. Absentee Ballots: Any Member may vote by absentee ballot. All absentee ballots must be received by the Management Company or the Secretary of the Association at least two (2) business days prior to the announced date of the meeting if they are to be counted as official votes. Absentee ballots will be declared as illegal votes if (a) two (2) absentee ballots are signed by the same person or (b) two (2) absentee ballots are received from the same lot. Each defined Lot has only one vote. No proxy voting shall be permitted.

Section 4. Voting. Preceding the annual meeting, Board members will be furnished by the Association's Secretary an alphabetical listing of Members from the platted area they are representing. All absentee ballot votes will be noted by each Member's name. Board members will be responsible for checking in Members of their respective platted area as they enter the meeting. At the time of check in, each Member will be given a ballot. If a Member has previously mailed in an absentee ballot, the Member will be given a choice of allowing the absentee ballot to stand as voted, or retrieving the absentee ballot and marking it void and receiving a ballot. Their choice of voting procedure will be noted beside their name on the official list. At the close of the meeting, the Management Company will supervise the counting of the votes by the Board of Directors. Any director whose name is on the ballot will be excluded from the counting area. The membership will be notified of the results within fifteen (15) business days of the meeting. In case of a tie vote or a request to have a recount of votes, the Management Company will call all persons involved in the original counting procedure to reconvene for a recount within 5 days of the original count. If a tie vote is determined to be correct and the President did not vote originally, the President may break the tie. If the President voted, then ballots will be mailed to the membership for a second election to be held by mail.

Section 5. Vacancies: If after elected, a director shall vacate his/her position for any reason, the Board of Directors shall appoint a new director to fill that vacancy for the remainder of that director's term.

ARTICLE VII  
MEETING OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly, at such place and hour as fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday provided, however, if the Board shall agree to meet on such legal holiday, any action taken by it shall be valid and binding.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two directors, after not less than three (3) days' notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act done or decision made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VIII  
POWER AND DUTIES OF THE BOARD OF DIRECTORS

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

1. adopt and publish rules and regulations governing the use of the Common Open Space and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;
2. suspend the voting rights and right to use of the recreational facilities of a Member during any period in which such Member shall be in default in the payment of any dues or assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for each infraction of published rules and regulation;
3. 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 Declarations;

4. declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent without cause (as determined by a majority of the Board) from three (3) consecutive regular meetings of the Board of Directors; said absences shall constitute "just cause" ;

5. retain a Management Company or manager as an independent contractor, or such other entities or persons as they deem necessary, and to prescribe their duties; and

6. retain attorneys to represent the Association when deemed necessary.

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

1. 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 the Declarant or one-fourth (1/4) of the Class A Members who are entitled to vote;

2. supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

3. as more fully provided in the Declaration, to:

(a) fix the amount of the annual assessment or charges against each Lot and Sub Association Lot subject to assessment, at least thirty (30) days in advance of each annual assessment period;

(b) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and;

(c) actively collect any assessment not paid after 30 days. This may include placing a lien against an Owner's property and/or bringing other legal action against the Owner personally obligated to pay the same, as provided for in ARTICLE XIII.

4. issue, or to cause an appropriate officer to issue, upon demand by any Member, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of the certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;



5. procure and maintain adequate liability insurance covering the Association, its directors, officers, agents and employees and to procure and maintain adequate hazard insurance on the real and personal property owned by the Association, and as long as it is deemed advantageous, to procure property insurance on all Lytchfield Place and Sherwood Hills buildings on a blanket basis for all Members of those housing sections. All policies shall provide that the insurance proceeds shall be payable to the Association. The proceeds, as determined by the Board of Directors, shall be used to repair or replace any damaged housing units.

6. cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

7. cause the Common Area to be maintained; and

8. cause the exterior of the dwellings in Lytchfield Place, and all sections of Sherwood Hills to be maintained.

## ARTICLE IX

### OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a President and Vice-President, who shall at all times be members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election Of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members. This meeting will be conducted by the outgoing President with the newly elected officers assuming their duties at the end of the meeting.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he/she shall sooner resign, or shall be removed, or otherwise disqualified to serve, and no officer can be re-elected to the same office for more than a second term, except the Treasurer, who may serve for four (4) successive terms.

Section 4. Special Appointments. 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 5. Resignation and Removal: Any officer may be removed from office with or without cause by a majority vote of the Board members at a meeting in which a quorum is present. Any officer may resign at any time 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 any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he/she replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article IX .

Section 8. Duties. The duties of the officers are as follows:

President

(a) The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, contracts, mortgages, deeds, and other written instruments; shall sign all promissory notes and may initial all checks.

Vice-President

(b) The Vice-President shall act in the place and stead of the President in the event of his/her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him/her 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; serve notice of meetings of the Board and of

the Members; keep appropriate records showing the current members of the Board and the Members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

(d) The Treasurer shall direct the receipts and deposits in appropriate bank accounts all monies of the Association and shall direct the disbursement of such funds as directed by resolution of the Board of Directors; shall authorize the payment of all checks and promissory notes of the Association; shall direct that proper books of accounts are kept; cause an annual audit of the Association books by a public accountant at the completion of each fiscal year; and, in connection with the Budget Committee, shall prepare an annual budget and present same to the membership by mail in December of each year. An annual statement of income and expenditures will be mailed to the membership upon individual request at the completion of the audit each year.

ARTICLE X

INDEMNIFICATION

The Association shall indemnify any director or officer or former director or officer of the Association against expenses actually and necessarily incurred by him/her in connection with the defense of any action, suit, or proceeding in which he/she is made a party by reason of being or having been such director or officer, except in relation to matters as to which he/she shall be adjudged in such action suit or proceeding to be liable for negligence or misconduct in the performance of duty.

ARTICLE XI

COMMITTEES

The Association, through the Board, shall establish such committees as it deems necessary to carry out the objectives of the Association.

The Board of Directors shall establish the following standing committees and appoint a Board member to chair these committees;

1. Architectural Control Committee
2. Nominating Committee
3. Landscape Committee
4. Budget/Finance Committee
5. Newsletter Committee
6. Pool and Tennis Committee

All committees shall be composed of at least four (4) Association members, each representing one section of the Association. Other persons may be added as needed.

The Duties of the Committees are as follows:

Architectural Control Committee:

1. Act as liaison between Owners and the Management Company in any situations dealing with architectural control.
2. Be familiar with and acquire a working knowledge of guidelines for maintaining architectural control and be certain that those are being followed in all sections of the Association.
3. Investigate any requests for additions to buildings and property improvement changes requested by Owners and bring their recommendations to the Board for approval or disapproval.
4. The initial/original dwelling construction on a Lot is not subject to review/approval of the Architectural Control Committee or the Board of Directors.

Nominating Committee:

1. Make nominations for each officer or director vacancy as it occurs and make certain that equal representation is always maintained.
2. Make nominations for elections to the Board of Directors and to all Committees for the following year.

Landscape Committee:

1. Keep Board informed of all activities and recommendations made by the committee in regards to grounds and plantings.
2. Act as a liaison between the landscaper, Association members and the Management Company.
3. Maintain the established conformity for each section of the Association.
4. Make suggestions as to the costs needed for each section for the following year.
5. Make Board aware of any long-range landscaping needs.

Budget/Finance Committee:

1. Receive and review financial statements before each monthly Board meeting and recommend Board action.
2. Work with Treasurer and the Management Company to recommend budget for the next year.
3. Act as liaison between Management Company and the Association members whenever needed in regard to financial concerns and problems.

Newsletter Committee:

1. Publish quarterly newsletters each year and facilitate distribution.
2. Inform the membership of activities of the Board, and upcoming issues and concerns facing the Association as presented by the Board.
3. Inform the membership of activities occurring in all sections of the Association.
4. Provide a source of communication and information among Members.
5. Provide the Board with the suggested budget needs for the upcoming year.

Pool/Tennis Committee:

1. Make recommendations to the Board for budgetary needs and membership fees.
2. Establish pool management and accountability for the upcoming year.
3. Establish policies for management.
4. Determine the criteria for membership.

5. Establish subcommittees for the various activities of the pool and tennis facilities as needed.
6. Maintain physical responsibility for buildings, grounds and equipment.

## ARTICLE XII

### BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, after five (5) days notice be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any Member at the principle office of the Association, where copies may be purchased at a reasonable cost.

## ARTICLE XIII

### ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association annual and special assessments for each Lot subject to assessment which are secured by a continuing lien upon the Member's property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid by the end of the month in which it is due, a monthly late fee as established by the Board of Directors from time to time will be charged. The Association may bring an action at law against the property including the filing of a lien against the delinquent Members Lot(s). If the assessment is not paid within thirty (30) days after the due date, the Association may bring an action at law against the Member/Owner personally obligated to pay the same and/or foreclose the lien against the property, and late fees, costs, and reasonable attorneys fees of any such action shall be added to the amount of the assessment. No Member/Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his/her Lot.

The following order will be used to collect all delinquent assessments:

1. After 30 days with no payment:
  - (a) The late fee will be charged.

- (b) A late notice sent noting the amount owed, including the late fee with the request that immediate payment be made to prevent the matter being turned over to an attorney
2. After 60 days with no payment:
    - (a) A second late fee will be charged.
    - (b) Letter sent from attorney requesting payment within ten (10) days to prevent a lien being placed on the Member/Owner's property, and stating he/she will be responsible for attorney's fee, late fees, and other costs incurred.
    - (c) Property Owners will be reported to the credit bureau.
  3. After 70 days with no payment:
    - (a) Letter sent from attorney stating lien has been placed on the Member/Owner's property and listing all the fees, and cost that the Member/Owner is responsible for to date.
  4. After 90 days with no payment:
    - (a) A third late fee will be added.
    - (b) Suit will be filed with the Member/Owner being responsible for late fees and additional attorney's fees, sheriff fees and court costs.
    - (c) After judgment has been obtained, notice for execution of judgment is issued.
    - (d) Notify Member/Owner's mortgagor of default.
  5. After 120 days with no payment:
    - (a) A late fee will be added.
    - (b) Judgment will be executed.

#### ARTICLE XIV

#### CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: The Sherwood Association, Inc., Forsyth County, North Carolina.

ARTICLE XV  
AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the Members, by a majority vote of the Members present in person or by absentee ballot, at a meeting in which a quorum is present, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is Class B Membership.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control. In the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XVI  
MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

ARTICLE XVII  
RULES AND REGULATIONS  
POLICY AND PROCEDURE HANDBOOKS

A Rules and Regulation and Policy and Procedure handbook may be developed and maintained by the Association Board. Separate handbooks will be issued for each housing section of the Association and may be amended by majority vote of the Board.

CERTIFICATION

I, the undersigned, do hereby certify:



THAT I am the duly elected and acting Secretary of The Sherwood Association, Inc., a North Carolina corporation, and,

THAT the foregoing By-Laws constitute the Amended and Restated By-Laws of said Association as duly adopted at a meeting of the Owners and Board of Directors thereof, held on the 23rd day of March, 1999.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association, this 12<sup>th</sup> day of November, 1999.

Betsy C. Tompson  
Secretary