

BY-LAWS
OF
THE SHERWOOD FOREST SHORES ASSOCIATION

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ARTICLE I

Name and Purpose

Section 1. The name of this Association shall be The Sherwood Forest Shores Association.

Section 2. The purpose is to own, acquire, build, administer and maintain community properties and facilities; to administer and enforce the covenants and restrictions contained in these By-Laws and in the Declaration of Restrictions; to collect and disburse assessments and charges as permitted by these By-Laws and the Declaration of Restrictions; and to do all things necessary and incidental, as permitted by law, to promote the common benefit and enjoyment of the residents of Sherwood Forest Shores.

These powers do not in any way diminish any obligation of American Central Corporation at Sherwood Forest Shores.

ARTICLE II

Membership

Section 1. Every person or entity who holds an individual equitable interest in any lot whether as Land Contract Vendee or fee holder being subject to these covenants and to assessment by the Association shall be a member of the Association provided that any such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a member.

Section 2. Every individual or entity upon purchase of one or more lots in Sherwood Forest Shores agrees to abide by the covenants and restrictions set forth in the Declaration filed by American Central Corporation of Virginia and recorded, beginning in Deed Book 130 at page 577 in the Circuit Court Clerk's office for Northumberland County located at Heathesville,

State of Virginia and the By-Laws of this Association. Since membership in the Sherwood Forest Shores Association and payment of annual maintenance assessments thereto are necessary to the existence, use and enjoyment of the community properties and available facilities, each property owner and member covenants to submit an application for a purchaser of his property, for membership to the Board of Directors prior to executing any sales agreement or transfer of title. The Association shall issue, upon request of a purchaser or present lot owner, a certificate showing that all prior assessments have been paid if that is the situation. Such certificate shall be conclusive proof that no past assessments are due and owing relative to the lots identified therein.

Section 3. The rights of membership are subject to the payment of annual maintenance assessments and special assessments properly imposed. These membership rights are suspended during any period when the assessments remain unpaid. Upon payment of said assessments, these rights and privileges of membership, including use of the community properties, shall be automatically restored. Membership rights and privileges are subject to conduct of each member in accord with those reasonable standards determined from time to time by the Board of Directors.

Section 4. Each member in good standing, who has paid all assessments, shall be entitled to the use and enjoyment of the common properties and facilities unless suspended per cause by action of the Board of Directors.

ARTICLE III

Voting Rights

The Association shall have one class of voting membership. Voting members shall be all those members who hold the interest required for membership in Section 1 of Article II above and who are in good standing. Each lot is entitled to one vote regardless of ownership.

ARTICLE IV

Powers and Duties

The Association shall have the following supervisory powers and duties which shall be exercised for the mutual benefit of all members:

Section 1. To keep and maintain common properties in a clean and orderly condition.

Section 2. To exercise such control and maintenance over the common properties as it may deem necessary or desirable.

Section 3. To do all things necessary or incidental to the protection of plant and wild life in the common properties.

Section 4. To provide for the erection or maintenance of gateways, entrances, or other ornamental features as now existing or hereafter to be erected or created.

Section 5. To build and/or maintain recreational facilities.

Section 6. To enforce, either in its own name, or in the name of any real estate owner or owners, as may be necessary, all covenants and restrictions which have been, are now, or may hereafter be imposed upon any of the real estate in said Sherwood Forest Shores, or any additions thereto. The expenses and costs of these proceedings shall be paid out of the general funds of the Association.

Section 7. Whenever a property owner member maintains his property in a manner detrimental to the best interest of the Association and the Community, the Board of Directors shall give such owner formal notification of its awareness of the condition or conditions. If the condition or conditions are not corrected within a time period deemed reasonable by the Board and set forth in the formal notice, the Board of Directors shall correct the condition and assess the cost thereof as a special assessment against the property or properties involved.

ARTICLE V

Length of Existence

The term of the corporate existence is perpetual.

ARTICLE VI

Membership Meetings

Section 1. Annual Meetings. The regular annual meeting of the Association shall be held on the Saturday before Labor Day in the State of Virginia at such time and place as the Board of Directors shall determine.

Section 2. Thirty days notice of the annual meeting shall be given to each member by mail, addressed to his last known address as recorded with the Association. The notice shall set out in reasonable detail the business to be brought before the meeting and each meeting shall be limited to the items set out in the notice in order that those casting absentee ballots may be permitted to express their desires. Members present may make suggestions covering items which they feel should be brought before the membership. If any such suggestions are approved by proper resolution of those members present, it shall be the duty of the Secretary to present such resolution to the members for consideration at the next regular or special membership meeting. It shall further be the duty of the Secretary to include with the notice of any regular or special membership meeting such suggestions or requests as may be properly presented in writing and endorsed by twenty-five or more individual members in good standing, providing such requests are received at least sixty (60) days prior to the meeting date.

Section 3. The order of business at the annual meeting shall be as follows:

- (a) Roll call
- (b) Reading of the minutes of the previous meeting
- (c) Reports of the Officers
- (d) Reports of the Committees
- (e) Unfinished business
- (f) New business
- (g) Election of Directors

Section 4. If, for any reason, the annual meeting shall not be held on the day designated for lack of a quorum or otherwise, such meeting may be called and held as a special meeting and proceedings may be had thereat as at an annual meeting, provided, however, that the notice of such meeting shall be the same as required for the annual meeting, not less than thirty days notice.

Section 5. Special meetings of the Association may be called by the President or the Board of Directors, and shall be called by the President whenever requested in writing by twenty-five or more members who are in good standing. Such request shall clearly state the purpose for which the meeting is to be called. The Board of Directors may authorize a submission of additional matters for the consideration of the members at such meetings

providing such additional matters shall be set forth in the notice. Matters discussed at the special meeting will be limited to those set forth in the notice.

Section 6. At least thirty (30) days notice of any special meeting shall be given to each member by mail at his last known address as recorded with the Association.

Section 7. Members may cast their votes either in person or by proxy when duly filed with the Secretary. The form of the proxy shall be determined by the Board of Directors.

Section 8. A member must be in good standing. His annual and special assessments must be current in order for him to participate in the annual membership voting.

Section 9. It shall be the duty of the Secretary to prepare a list of the members entitled to vote at each meeting against which list all members voting, whether by proxy or in person, shall be checked, either by the Secretary, or by some individual designated by the Board of Directors.

Section 10. The presence of twenty-five votes, either in person or by proxy, shall constitute a quorum for the transaction of business, except when the subjects of special assessments for capital improvements and change in basis and maximum of annual assessments are considered, wherein the quorum shall be as required in Article V, Section 6 of the Declaration of Restrictions.

Section 11. Voting shall be by majority of the votes present as represented by persons and/or proxies.

ARTICLE VII

Duties of the Board of Directors

Section 1. The Board of Directors shall have a general power to carry on the affairs of the Association.

Section 2. All directors shall serve until their successors are elected.

Section 3. The directors shall fill all vacancies created by death or resignation.

Section 4. Directors shall appoint a nominating committee which shall place in nomination for directors at least as many names as there are nominees to be elected at the annual meeting.

Section 5. Members of the Association may nominate other members as candidates for directors. Such nominations shall be in writing signed by the members making them and shall be placed in the hands of the Secretary on or before sixty (60) days prior to the date of the election.

Section 6. The Board of Directors shall after the annual meeting select a President, one or more Vice Presidents, a Secretary and a Treasurer. All officers of the Association shall be elected members of the Board of Directors.

Section 7. The Board of Directors shall have the power to appoint such other officers and agents and to hire such employees as may be necessary for the carrying out of the purposes of the Association.

Section 8. Any officer, agent, or employee may be removed and replaced by the Board of Directors.

Section 9. A quorum of five members of the Board of Directors is necessary for the transaction of any business.

Section 10. The Board of Directors may appoint or authorize the President to appoint such committees as the Board deems necessary to carry on the affairs of this Association, and it shall define the powers and duties thereof. The Committees so appointed shall hold office during the pleasure of the Board of Directors.

Section 11. At the first annual meeting, three directors shall be elected to terms of three years, three directors shall be elected to terms of two years, and three directors shall be elected to terms of one year. Thereafter, directors shall be elected to terms of three years.

Section 12. The Board of Directors shall appoint an Architectural Control Committee pursuant to Article VI of the Declaration of Restrictions.

ARTICLE VIII

Officers

Section 1. President. He shall have general and active management of the business of the Association and shall see that all orders and resolutions of the Board are carried into effect. He shall preside over all meetings of the Board of Directors. He shall have authority to sign checks and shall, if requested by the Board, be bonded, the fee for any bond being paid from

funds of the Association. He shall sign all legal documents authorized for his signature by the Board of Directors. He shall appoint a chairman for all standing committees. He shall be an ex-officio member of all committees.

Section 2. Vice President. The Vice President shall act in the place of the President in his absence. He shall also perform such other duties as may be delegated by the President.

Section 3. Secretary. He shall keep the minutes of all meetings of the Association and of the Directors, and shall preserve in the books of the Association true minutes of the proceedings of all of such meetings. He shall give all notices required by statute, by-law or resolution. He shall keep a record of the names and addresses of all members of the Association, the property owned by each, and of all transfers of membership.

Section 4. Treasurer. The Treasurer shall have custody and keep accounts of all money, corporate funds and securities of the Association and shall keep in books belonging to the Association full and accurate accounts of all receipts and disbursements. He shall deposit all moneys, securities and other valuable effects in the name of the Association in such depositories as may be designated for that purpose by the Board of Directors. He shall disburse the funds of the Association as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and Directors, at regular meetings of the Board, and whenever requested by them, an account of all his transactions as Treasurer and of the financial condition of the Association. If required by the Board, he shall deliver to the President of the Association, and shall keep in force, a bond in form, amount and with surety or sureties satisfactory to the Board, conditioned for faithful performance of the duties of his office, and for the safekeeping of all papers, books, vouchers, money and property of whatever kind in his possession or under his control belonging to the Association. The fee for any such bond shall be paid from funds of the Association. He shall send to the lot owners all notices as to amounts due the Association for dues and assessments. He shall advise the Board as to all delinquencies in assessments and shall keep the Board informed as to expiration dates of

insurance policies covering Association properties. He shall perform such other duties as are delegated to him by the Board of Directors.

ARTICLE IX

Dissolution

The Association may be dissolved only with the assent given in writing by members entitled to cast two-thirds of its membership vote. Written notice of a proposal to dissolve, setting forth the reasons therefor and the disposition to be made of the assets (which shall be consonant with Article X hereof) shall be mailed to every member at least ninety (90) days in advance of any action taken.

ARTICLE X

Disposition of Assets Upon Dissolution

Upon dissolution of the Association, the assets, both real and personal of the Association, shall be dedicated to an appropriate public agency to be devoted to purposes similar to those to which they were required to be devoted by the Association. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to purposes similar to those to which they were required to be devoted by the Association.

ARTICLE XI

Amendments

These By-Laws may be amended either by the majority vote of the membership at an annual meeting or special meeting called for that purpose, or by the affirmative vote of two-thirds of the Board of Directors.