

Exhibit
B

BY-LAWS
OF
WHISPERING WOODS HOMEOWNERS ASSOCIATION

ARTICLE I.

The name of the corporation is WHISPERING WOODS HOMEOWNERS ASSOCIATION, hereinafter referred to as the "Association". The principal office of the corporation shall be located at Suite 250, 401 Harrison Oaks Blvd., in the Town of Cary, County of Wake, State of North Carolina, but meetings of members and directors may be held at such places within the State of North Carolina as may be designated by the Board of Directors.

ARTICLE II.

Section 1. "Association" shall mean and refer to the Whispering Woods Homeowners Association, a North Carolina nonprofit corporation, and its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons, firms, associations, corporations, or other legal entities, of a fee simple title to any Dwelling Unit or Site which is a part of the Properties, including contract sellers, but notwithstanding any applicable theory of a mortgage, shall not mean or refer to the mortgagee, as successors or assigns, until and unless such mortgagee has acquired title pursuant to foreclosure or a proceeding in lieu of foreclosure; nor shall the term "Owner" mean or refer to any lessee or tenant of an Owner.

Section 3. "Whispering Woods Subdivision" or "Properties" shall mean and refer to that certain real property described in Exhibit A attached hereto and incorporated herein by reference and such additions thereto as may hereafter be brought within the jurisdiction of the Association as subjected to this Declaration or any Supplemental Declaration.

Section 4. "Common Area" shall mean and refer to those areas of land within Whispering Woods Subdivision which are deeded to the Association for the common use and enjoyment of all members and designated in said deed as "Common Area," and shall include all private streets, if any, all water located outside public right-of-ways, public utility easements and Dwelling Units or Sites and all sewer lines located outside public right-of-ways, public sanitary sewer easements and Dwelling Units or Sites. The term "Common Area" shall also include any personal property acquired by the Association, if any, if said property is designated as "Common Area." All Common Area are to be devoted to and intended for the common use and enjoyment of the Owners, subject to the fee schedules and operating rules adopted by the Association, if any.

Section 5. "Site" shall mean any separately numbered plat of land regardless of size as shown on a recorded subdivision map of Whispering Woods which has been approved by Declarant as required by this Declaration. A Site may provide for or contain only one single-family detached Dwelling Unit.

Section 6. "Undeveloped Site" shall mean a Site or an area of Whispering Woods Subdivision not yet developed but intended to contain one or more residential units as provided in the development plan of Whispering Woods Subdivision as approved by Guilford County and the City of Greensboro, as applicable.

Section 7. "Dwelling Unit" shall mean a single-family detached residence containing sleeping facilities for one or more persons and a kitchen.

Section 8. "Member" shall mean and refer to every person or entity entitled to membership in the Association as provided in the Declaration.

Section 9. "Declarant" shall mean and refer to Pulte Home Corporation, a Michigan corporation, its successors and assigns to whom Declarant shall have expressly assigned its rights hereunder.

Section 10. "Declaration" shall mean and refer to the Declaration of Master Covenants, Conditions and Restrictions for Whispering Woods Subdivision applicable to the Properties and recorded or to be recorded in the Office of the Register of Deeds of Guilford County, North Carolina, as such Declaration may be amended or supplemented from time to time.

Section 11. "Board of Directors" or "Board" means those persons elected or appointed to act collectively as the directors of the Association.

Section 12. "Book of Rules" shall mean and refer to the document containing the rules and regulations and policies adopted by the Board of Directors.

Section 13. "VA" shall mean Veterans Administration and "HUD" shall mean Department of Housing and Urban Development.

ARTICLE III.

Section 1. Annual Meetings. The first annual meeting of the members shall be held at a place to be designated by the Board of Directors within one (1) year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held in the same month of each year thereafter at a date and time designated by the Board of Directors.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the President or by the Board of Directors or upon written petition of the members who are entitled to vote two-tenths (2/10) of all votes of Class A membership. The

notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in said notice.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the Declarant, the President or the Secretary of the Association, or person authorized to call the meeting, by hand carrying or mailing a copy of such notice, postage prepaid, at least ten (10) days before, but not more than fifty (50) days before, such meeting to each member entitled to vote thereat, addressed to the member's address last appearing in the books of the Association, or supplied by such member to the Association for the purpose of notice. Depositing a notice in the mail box located on the Dwelling Unit or Site shall be deemed delivered to the residence. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting. Notice by either method shall be deemed given when said notice is deposited in the United States mails, addressed to the member at his address as it appears on the records of the Association, with postage thereon prepaid, or delivered by hand to such address. Attendance by a member at any meeting shall be a waiver of notice to him as to the time and place and purpose thereof. Attendance at a meeting or waiver of notice signed by one Owner in the event of multiple ownership of a Dwelling Unit or Site shall be considered a waiver of notice as to the Owners of that Dwelling Unit or Site.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, fifty percent (50%) 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 Bylaws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote therein 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 represented, provided that they adjourn the meeting to a time not more than thirty (30) days from the time the original meeting was called.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Dwelling Unit or Site or upon written notice of revocation filed with the Secretary of Management Agent upon the lapse of eleven (11) months from the date of execution unless otherwise provided in the proxy.

Section 6. Voting. At every meeting of members, the Class A Member shall have the right to cast on each question one vote for each Dwelling Unit or Site of which he is an Owner. Each Class B Member shall have the right to cast on each question three (3) Class A votes for each Dwelling Unit or Site owned by it. Fifty-one percent (51%) of the eligible votes entitled to be cast by members present at the meeting, in person or by proxy, shall be a majority unless the question is one upon which, by express provision of

statute or of the Articles of Incorporation of the Association, or of the Declaration or of these Bylaws, a different vote is required, in which case such express provision shall govern. If more than one person or entity is an Owner of any Dwelling Unit or Site, then the Association membership voting right appurtenant to such Dwelling Unit or Site shall be exercised as such Owners among themselves shall determine, provided however, that no fraction of one vote may be cast by any member. In the event and so long as such co-owners of a Dwelling Unit or Site are unable to agree on the manner in which the vote appurtenant to such Dwelling Unit or Site shall be cast, then such vote shall not be regarded and shall not be counted. The vote of any Owner who is a corporation, trust or partnership may cast by any officer, trustee, or partner, as the case may be, and unless objection by any other such officer, trustee or partner of such Owner is noted at the meeting, the Chairman of such meeting shall have no duty to inquire as to the authority of the person casting such vote.

Section 7. Loss of Right to Vote. The vote of any member who is shown on the books or records of the Association to be more than sixty (60) days delinquent in any payment due the Association shall not be an eligible vote and shall not be counted for purposes of deciding any question so long as such delinquency is not cured, nor shall such member be eligible to be elected to the Board of Directors. X

Section 8. Action Without a Meeting. Any action required to be taken at a meeting of the members may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the members entitled to vote with respect to the subject matter thereof and filed with the Secretary of the Association as part of the corporate records, whether done before or after the action so taken.

ARTICLE IV.

BOARD OF DIRECTORS - SELECTION - TERM OF OFFICE

Section 1. Number. The affairs of the Association shall be managed by a Board of three (3) or five (5) directors, who need not be members of the Association. The number of directors shall be determined from time to time by resolution of the members. After the lapse of all of the Class B Membership as provided herein, a majority of the Board of Directors shall be members. The initial three (3) directors shall be elected by the Declarant and need not be members. The names of the directors who shall act as such until the first annual meeting of members of the Association are as provided in the Articles of Incorporation of the Association.

Section 2. Term of Office. At the annual meetings, the members shall elect directors for any open positions on the Board. The members shall elect one (1) director for a term of one (1) year if the designated number of directors is three (3) or two (2) directors if the designated number is five (5) for a term of one (1) year, and two (2) directors for a term of two (2) years if the designated number is three (3) and three (3) directors for a term of

two (2) years if the designated number is five (5), and at each annual meeting thereafter, the members shall elect the number of directors whose terms are expiring for a term of two (2) years.

Section 3. Removal. Any director elected by the members may be removed from the Board, with or without cause, by a majority vote of the Association. The Declarant may remove any director appointed by the Declarant, with or without cause.

Section 4. Compensation. No director shall receive compensation for any services he may render to the Association, unless a resolution authorizing such remuneration shall have been adopted by the Board of Directors in accordance with Section 3 of Article VII hereof. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

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

Section 6. Participation in Meetings by Means of Conference Telephone. Members of the Board of Directors, or any committee of the Board, may participate in a meeting of the Board or of such committee by means of a conference telephone or similar communications device by means of which all persons participating in the meeting can hear each other, and participation by such means shall constitute presence in person at such meeting.

Section 7. Vacancies. Any vacancies occurring on the Board of Directors and any directorship to be filled by reason of an increase in the number of directors shall be filled by the Board of Directors, and any director elected or appointed to fill a vacancy shall be elected or appointed for the unexpired term of his predecessor in office.

ARTICLE V.

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. The Declarant selects those Directors that he is allowed to appoint. Nomination for election to the Board of Directors for Directors which the members are allowed to select shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association who may or may not be members of the Board. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of the annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. 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 or non-members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot if request is made by ten percent (10%) of the members. At the direction of the Board, such election may be conducted by mail. At such election the members or their proxies 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.

ARTICLE VI.

MEETING OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at least quarterly without notice, at such place and hour as may be 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 working day which is not a legal holiday.

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 directors shall constitute a quorum for the transaction of business. Every act or decision done or 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, unless a greater number is required by law, the Articles of Incorporation, the Declaration or the Bylaws of the Association. If at any meeting of the Board of Directors there is less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such meeting any resumption of business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 4. Notice. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or written notice of waiver of such meeting.

ARTICLE VII.

POWERS AND DUITES OF THE BOARD OF DIRECTORS

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

(a) Adopt and publish rules and regulations governing the use of the Common Area and facilities, if any, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(b) Suspend the voting rights and right to use the Common Area and facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;

(c) 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 Bylaws, the Articles of Incorporation, or the Declaration;

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

(e) Employ or engage a manager, an independent contractor, attorney or accountant or such other employees and agents as they deem necessary, and to prescribe their duties.

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

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

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

(c) As more fully provided in the Declaration to:

(1) Fix the amount of the annual or special assessment against each Dwelling Unit or Site to the extent permitted by the Declaration at least thirty (30) days in advance of each annual or special assessment period, provided that during the first year of operation or part thereof, the Board may fix the annual assessment for a pro rata part of an assessment period;

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

(3) Foreclose the lien against any property for which assessments are not paid within sixty (60) days after the

due date or to bring an action at law against the Owner personally obligated to pay the same;

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

(e) Procure and maintain adequate liability and hazard insurance on property owned by the Association if available at commercially reasonable rates;

(f) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) Cause the Common Area to be maintained in a manner consistent with the provisions of these Bylaws and the Declaration;

(h) Prepare and distribute to each member an annual report which shall summarize the operation and actions of the Association and the income, expenditures and reserves for the Association; and

(i) Pay any licenses or governmental charges levied or imposed against the property of the Association.

Section 3. Common or Interested Directors. The directors shall exercise their powers and duties in good faith and with view to the interests of the Association. No contract or other transaction between the Association and one or more of its directors, or between the Association and any corporation, firm or association, including Declarant, in which one or more of the directors of this Association are directors or officers or are pecuniarily or otherwise interested, is either void or voidable because such director or directors are present at the meeting or the Board of Directors or any committee thereof which authorizes or approves the contract or transaction, or because his or their votes are counted for such purpose, if any of the conditions specified in any of the following subparagraphs exist:

(a) The fact of the common directorate or interest is disclosed or known to the Board of Directors or a majority thereof or noted in the Minutes, and the Board authorizes, approves, or ratifies such contract or transaction in good faith by a vote sufficient for the purpose; or

(b) The fact of the common directorate or interest is disclosed or known to members, or a majority thereof, and they approve or ratify the contract or transaction in good faith by a vote sufficient for the purpose; or

(c) The contract or transaction is commercially reasonable to the Association at the time it is authorized, ratified, approved or executed.

A common or interested director may be counted in determining the presence of a quorum at any meeting of the Board of Directors or committee thereof which authorizes, approves or ratifies any contract or transaction, and may vote thereat to authorize any contract or transaction with like force and effect as if he were not such director or officer of such other corporation or not so interested.

ARTICLE VIII.

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices: 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 and assistant 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.

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 shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

Section 4. Special Appointment. 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 the Board, provided that such action shall be without prejudice to the contract rights, if any, of the officer so removed. Elected or appointment of an officer or agent shall not of itself create contract rights. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 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 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.

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, mortgages, deeds and other written instruments and agreements and shall sign or co-sign all checks and promissory notes.

VICE PRESIDENT

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

SECRETARY - ASSISTANT SECRETARY

(c) The Secretary or Assistant 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 current records showing 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 receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of accounts; cause and annual audit of the Association's books to be made by an independent public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE IX.

COMMITTEES

The Association shall appoint an Architectural Control Committee an Arbitration Committee, and a Nominating Committee, as provided in these Bylaws. The Board of Directors, by resolution adopted by majority of the number of directors then in office, may designate one or more other committees, each consisting of one or more directors, and each of which, to the extent provided in the resolution, shall have and may exercise all of the authority of the Board of Directors in the management of the Association, except no such committee shall have authority as to the following matters:

(i) The dissolution, merger or consolidation of the Association; the amendment to the charter of the Association; or the sale, lease, or exchange of all or substantially all of the property or the Association.

(ii) The designation of any such committee or the filling of vacancies in the Board of Directors or in any such committee.

(iii) The amendment or repeal of the Bylaws or adoption of new Bylaws.

(iv) The amendment or repeal of any resolution of the Board which by its terms shall not be so amendable or repealable.

Other committees not having and exercising the authority of the Board of Directors in the management of the Association may be designated by a resolution adopted by a majority of the directors present at a meeting at which a quorum is present. Any such committee, or any member thereof, may be discharged or removed by action of the majority of the Board of Directors. Any resolutions adopted or other action taken by any such committee within the scope of the authority delegated to it by the Board of Directors shall be deemed for all purposes to be adopted or taken by the Board of Directors. These committees shall create their own governing rules subject to approval by the Board of Directors.

ARTICLE X.

BOOKS AND RECORDS

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

ARTICLE XI.

ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of eight percent (8%) per annum (or if unlawful, the highest rate of interest permitted by law), and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees or any such action shall be added to the amount of

such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Dwelling Unit or Site.

ARTICLE XII.

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words "Whispering Woods Homeowners Association, Corporate Seal, North Carolina, 1987."

ARTICLE XIII.

AMENDMENTS

Section 1. These Bylaws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy, except that HUD, VA, the Federal National Mortgage Corporation, or the Federal Home Loan Mortgage Corporation shall have the right to veto amendments while there is Class B membership. The notice of the meeting shall set forth the proposed amendment or a summary of the changes to be effected thereby.

Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control, and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XIV.

CONTRACTS, CHECKS, DEPOSITS AND FUNDS

Section 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents of the Association, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances. Any management contract shall be terminable, with or without cause, on no more than ninety (90) day notice by the Board.

Section 2. Checks, Drafts, Etc. All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association, shall be signed by such officer or officers, agent or agents of the Association in such manner as shall from time to time be determined by resolution of the Board of Directors, such instrument shall be signed by the Treasurer and countersigned by the President of the Association.

Section 3. Deposits. All funds of the Association shall be deposited from time to time to the credit of the Association in such

banks, trust companies or other depositories as the Board of Directors may select.

Section 4. Gifts. The Board of Directors may accept on behalf of the Association any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Association.

Section 5. Loans to Directors and Officers. No loans shall be made by the Association to any of its directors or officers.

ARTICLE XV.

MISCELLANEOUS

Section 1. Indemnity. Each person who is or was a director, officer, employee and agent of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the Association to the maximum extent permitted under North Carolina law against any and all claims and liabilities to which he has or shall become subject by reason of serving or having served as such director, officer, employee or agent or by reason of any action alleged, and the Association shall reimburse each such person for all expenses, including attorney's fees, reasonable incurred by him to the maximum extent permitted under North Carolina law in connection with any such claim or liability. This indemnification shall not apply to any claim or liability arising out of such person's being an Owner of a Dwelling Unit or Site.

The right of indemnification hereinabove provided for shall not be exclusive of any rights to which any such director, officer, employee or agent may otherwise be entitled under any bylaw, agreement, vote of the Board of Directors or members or otherwise with respect to any liability or litigation expenses arising out of his activities in such capacity. The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability.

Section 2. Fiscal Year. 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 for the first fiscal year of the Association which shall begin on the date of incorporation. The commencement date of the fiscal year herein established shall be subject to change by the Board of Directors should corporate practice subsequently dictate.

Section 3. Construction and Definitions. Unless the context requires otherwise, the general provisions, rules of construction,

and definitions in Chapter 55A of the North Carolina General Statutes shall govern the construction of these Bylaws. Without limiting the generality of the above, the masculine gender includes the feminine and neuter, the singular number includes the plural, the plural number includes the singular, and the term "person" includes both a corporation and a natural person. The rules contained in the current edition of Roberts' Rules of Order govern the Association in all cases in which they are applicable, and in which they are not inconsistent with these Bylaws, the Articles of Incorporation, the Declaration, or any existing law.

Section 4. Registered Agent and Office. The Association shall have and continuously maintain in the State of North Carolina a registered office, and a registered agent whose business office is identical with such registered office. The registered office may be, but need not be, identical with the principal office in the State of North Carolina, and the address of the registered office may be changed from time to time by the Board of Directors.

Section 5. Political Expenses. No funds shall be expended to support or oppose any candidate for public office.

Section 6. Waiver of Notice. Whenever any notice is required to be given under the provisions of Chapter 55A of the North Carolina General Statutes, or under the provisions of the Articles of Incorporation, the Bylaws of the Association, or the Declaration, 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 deemed the equivalent of the giving of such notice.

Section 7. Distribution of Assets upon Dissolution. Upon dissolution of the Corporation the assets thereof shall be first distributed in accordance with the provisions of North Carolina General Statutes Sections 55A-45(1) through (3). Any remaining assets shall be distributed as provided for in the Articles of Incorporation.

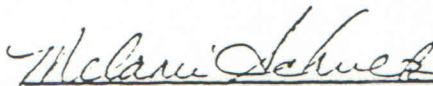
CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of the Whispering Woods Homeowners Association, a North Carolina nonprofit corporation, and

That the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted by written consent of all Directors of the Association, effective as of _____.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the Association this 2 day of December, 1987.

 (SEAL)
Secretary

NORTH CAROLINA

WAKE COUNTY

I, Shirley A. Wilson a Notary Public of the aforesaid County and State do hereby certify that Melanie Schultz personally appeared before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and notarial seal this 2nd day of December, 1987.

Shirley A. Wilson
Notary Public

My Commission Expires:

Shirley A. Wilson
Notary Public, Wake County, NC
My Commission Expires April 21, 1992

