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Prepared by Pulte Home Corporation, Cary, NC
Return to John Kavanagh 324 W Wendover Ave,
Greensboro, NC

Plu.
Madison

STATE OF NORTH CAROLINA
COUNTY OF GUILFORD

DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR WHISPERING WOODS SUBDIVISION

THIS DECLARATION, made this 11th day of December, 1987,
by PULTE HOME CORPORATION, a Michigan corporation (hereinafter
referred to as "Declarant").

W I T N E S S E T H:

WHEREAS, Declarant is owner of the certain real property
located in Guilford County, North Carolina, more particularly
described on Exhibit A attached hereto and incorporated herein
by reference; and

WHEREAS, Declarant desires to create thereon a planned
community of single-family detached dwellings; and

WHEREAS, Declarant desires to provide for the preservation and
enhancement of property values, amenities, if any, and conceptual
intent of Whispering Woods Subdivision, for the maintenance of Common
Area and improvements thereon as described herein, and accordingly
desires to subject the real property described in Exhibit A hereto,
together with such additions as may hereafter be made, to the
covenants, restrictions, easements, affirmative obligations, charges,
and liens, as hereinafter set forth, each and all of which is hereby
declared to be for the benefit of said property and each and every
owner of any and all parts thereof; and

WHEREAS, Declarant has deemed it desirable for the efficient
preservation of the values and amenities, if any, of Whispering Woods
Subdivision to create an agency to which shall be delegated and
assigned the power and authority of owning, maintaining and
administering the Common Area as defined herein, administering and
enforcing the covenants and restrictions governing said Common Area;
collecting and disbursing all assessments and charges necessary for
such activities, and promoting the recreation, health, safety, and
welfare of the residents; and

WHEREAS, Declarant has caused or will later cause to be
incorporated under the laws of the State of North Carolina as a
nonprofit corporation, Whispering Woods Homeowners Association, for
the purpose of exercising the functions described above, and which
are hereinafter more fully set forth.

NOW THEREFORE, in consideration of the premises and covenants
set forth herein, Declarant declares that the real property described
in Exhibit A attached hereto and incorporated herein, and such
additions thereto as may hereafter be made, is and shall be held,
transferred, sold, conveyed, leased, occupied, and used subject to
the covenants, restrictions, conditions, easements, charges,
assessments, affirmative obligations, and liens hereinafter set forth
(sometimes referred to as the "Covenants"), and said covenant shall

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run with the land and be binding on all persons claiming under and through Declarant, and said covenants shall inure to the benefit of each owner thereof.

ARTICLE I.

DEFINITIONS

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 part of the Properties, including contract sellers, but notwithstanding any applicable theory of 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, 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. All "Common Area" is 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, shown on a recorded subdivision map of Whispering Woods which has been approved by the 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 single-family detached residential units.

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

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

Section 9. "Declarant" shall mean and refer to Pulte Home Corporation, a Michigan corporation, it's successors and assigns, if such successors and assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development or if such successors or assigns should acquire more than one Lot, whether developed or undeveloped, pursuant to foreclosure or a deed in lieu of foreclosure.

Section 10. "Board of Directors" or "Board" means those persons elected or appointed to act collectively as the directors of the Association.

Section 11. "Book of Rules" shall mean and refer to the document containing rules and regulations and policies adopted by the Board of Directors.

Section 12. "VA" shall mean Veterans Administration and "HUD" shall mean Department of Housing and Urban Development.

Section 13. "Bylaws" shall mean the bylaws of the Association as they now or hereafter may exist.

ARTICLE II.

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Members. Declarant, for so long as it shall be an Owner, and every person or entity who is a record owner of a fee simple or undivided fee simple interest in any Dwelling Unit or Site that is subject by the Covenants to assessments by the Association shall be a Member of the Association; provided, however, that any such person or entity who holds such title or interest merely as a security for the performance of an obligation shall not be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Dwelling Unit or Site which is subject to assessment by the Association. Ownership of a Dwelling Unit or Site shall be the sole qualification for Membership. The Board of Directors may make reasonable rules relating to the proof of ownership of a Dwelling Unit or Site in Whispering Woods Subdivision. No owner shall have more than one Membership, except as expressly provided hereinafter.

Section 2. Member Classes and Voting Rights. The Association shall have two (2) classes of voting Members:

Class A. Class A Members shall be all Owners with the exception of the Declarant, until its Class B Membership has converted to Class A Membership. Class A Members shall be entitled to one (1) vote for each Dwelling Unit or Site in which they hold the required ownership interest.

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Class B. The Class B Member shall be the Declarant. The Class B Member shall be entitled to three (3) votes for each Dwelling Unit or Site in which it holds the required ownership interest, provided that the Class B Membership shall cease and be converted to Class A Membership on the happening of the following events, whichever occurs first:

(a) The total votes of the outstanding Class A Membership equals the total votes outstanding in the Class B Membership; or

(b) December 31, 1989. Thereafter the Declarant may be entitled to one (1) vote per Dwelling Unit or Site owned by it.

Section 3. Voting Right Suspension. The right of any Class A Member to vote may be suspended by the Board of Directors of the Association for just cause pursuant to its rules and regulations and according to the provisions of Article III, Section 7 of the Bylaws of the Association.

Section 4. Voting. The total vote of the Association shall consist of the sum of the votes of the Class A Members and the votes of the Class B Members. When more than one person holds an interest in any Dwelling Unit or Site, all such persons shall be Members; and the vote for such Dwelling Unit or Site shall be exercised as they among themselves determine; however, in no event may more than one vote be cast with respect to any one Dwelling Unit or Site owned by Class A Members and in no event shall fractional votes be allowed. When one or more co-owners signs a proxy or purports to vote for his or her co-owners, such vote shall be counted unless one or more other co-owners is present and objects to such a vote or, if not present, submits a proxy or objects in writing delivered to the Secretary of the Association before the vote is counted.

Section 5. Right of Declarant to Representation of Board of Directors of the Association. Notwithstanding anything contained herein to the contrary, until December 31, 1989, or until Declarant shall have conveyed seventy-five percent (75%) of the Dwelling Units or Sites, whichever occurs first, Declarant (or its expressed assignee of the right granted in this section) shall have the right to designate and select the Board of Directors of the Association. Whenever Declarant shall be entitled to designate and select any person or persons to serve on any Board of Directors, the manner in which such person or persons shall be designated shall be as provided in the Articles of Incorporation and/or Bylaws of the Association. Declarant shall have the right to remove any person or persons selected by it to act and serve on said Board of Directors and replace such person or persons with another person or persons to act and serve in the place of any director or directors so removed. Any director designated and selected by Declarant need not be an Owner. Any representative of Declarant serving on the Board of Directors of the Association shall not be required to disqualify himself from any vote upon any contract or matter between Declarant and the

Association where Declarant may have pecuniary interest or other interest.

ARTICLE III.

PROPERTY RIGHTS IN THE COMMON AREAS

Section 1. Members' Easements of Enjoyment. Subject to the provisions of these Covenants and the rules and regulations of the Association, every Member shall have a right and easement of access, ingress, and egress and enjoyment in, over, and to the Common Area and such easement shall be appurtenant to and shall run with the title of every Dwelling Unit or Site, subject to the following restrictions set forth in Section 4 hereof.

Section 2. Delegation of Use. Any Member may delegate in accordance with the Bylaws of the Association, his right of enjoyment to the Common Area to a member of his family, his tenants, contract purchasers or guests who reside on such Members' Dwelling Unit or Site, subject to the provisions of this Article III.

Section 3. Title to Common Area. The Declarant hereby covenants, for itself and its successors and assigns, that it shall convey the Common Area to the Association in fee simple, free and clear of all liens and encumbrances except easements of record for utilities, television antennas, drainage, access, or other services, storm drainage easements, and easements of enjoyment to which the Owners of each Dwelling Unit or Site are entitled to share, on or before the conveyance of the first Dwelling Unit or Site.

Section 4. Extent of Members' Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

(a) The right of the Association, in accordance with its Articles of Incorporation, to borrow money for the purpose of improving the Common Area and in aid thereof to mortgage said properties, and the right of such mortgagee of said properties shall be subordinate to the rights of the Members established hereunder; and

(b) The right of the Association to take such steps as are reasonably necessary to protect the Common Area against foreclosure; and

(c) The right of the Association, as provided in its Bylaws, to suspend the enjoyment of the rights of any Member or any tenant of any Member for any period during which any assessment remains unpaid; and for any period not to exceed sixty (60) days for any infraction of its published rules and regulations, it being understood that any suspension for either nonpayment of any assessment or a breach of the rules and regulations of the Association shall not constitute a waiver or discharge of the Members' obligations to pay the assessment; and

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(d) The right of the Association to give, sell or lease all or any part of the Common Area to any public agency, authority, or utility or private concern for such purposes and subject to such conditions as may be agreed to by the Members, provided that no such gift, sale or lease shall be effective unless authorized by the vote of two-thirds (2/3) of the vote of each class of Members at a duly called meeting at which a quorum is present and unless approved by the appropriate municipal authority. A true copy of such resolution together with a certificate of the result of the vote taken and a certificate of mailing executed by the Secretary of the Association thereon shall be made and acknowledged by the President or Vice President and Secretary or Assistant Secretary of the Association and such certificate shall be annexed to any instrument affecting the Common Area, prior to the recording thereof. Such certificates shall be conclusive evidence of authorization by the Membership; and

(e) The right of the Association, through its Board of Directors, to determine the time and manner of use of the Common Area by the Members.

(f) There shall be no swimming in, ice skating on or boating within the lake located within The Common Area. Fishing from lake banks and other uses of the lake shall be permitted, subject to further rules and regulations of the Association.

ARTICLE IV.

COVENANTS FOR ASSESSMENT

Section 1. Creation of Lien and Personal Obligation of Assessments. The Declarant hereby covenants and agrees for each Dwelling Unit or Site owned, and every other Owner of any Dwelling Unit or Site covered by this Declaration, shall, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed or other means of conveyance, be deemed to covenant and agree, to all the terms and provision of these Covenants and to pay to the Association:

(1) Annual Assessments of charges,

(2) Special Assessments for the purposes set forth in this Article, such assessments to be fixed, established, and collected from time to time as hereinafter provided. All assessments shall be shared equally by the Owners or Members of each class as they pertain to that class of Membership. The Annual and Special Assessments together, with such interest thereon and costs of collection therefor as hereinafter provided, shall be a charge and continuing lien on the Dwelling Unit or Site against which such assessment is made. Each such assessment, together with such interest thereon and cost of collection, including attorneys' fees (as provided in North Carolina General Statutes Section 6-21.2) incurred by the Association, therefor as hereinafter provided, shall also be the personal obligation of the person who was the Owner of such Dwelling Unit or Site at the time when the assessment fell due.

In the case of co-ownership of a Dwelling Unit or Site, all such co-owners shall be jointly and severally liable for the assessment. The obligation of an Owner for delinquent assessments shall not pass to his successors or assigns in title unless expressly assumed by such successor.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Properties, the beautification of Whispering Woods Subdivision and for the improvement, maintenance, and operation of the Common Area (including, but not limited to, maintenance of the lake, of private streets, of any entryways and subdivision signs, (including lighting and landscaping same) and maintenance of any area within Whispering Woods which has been dedicated to a governmental authority, but has not been accepted for dedication) and for the enforcement of these Declarations including, but not limited to, public capital improvements, the payment of taxes and insurance thereon and repair, replacement, and additions thereof, and for the costs of labor, equipment, materials, and management supervision thereof. The Special Assessments shall be used for the purposes set forth in Sections 4 and 5 of this Article.

Section 3. Basic and Maximum Annual Assessments. For the calendar year 1987, the maximum annual assessment shall be Two Hundred Dollars (\$200.00) per Dwelling Unit or Site, except as otherwise provided herein, the exact amount of which shall be determined from time to time by the Board of Directors in accordance with the following provisions:

(a) From and after December 31, 1987, the basic annual assessment may be increased by the Board of Directors each calendar year by no more than ten percent (10%) above the maximum assessment for the previous calendar year, without the approval of the Membership.

(b) After December 31, 1987, the basic annual assessment may be increased by the assent of two-thirds (2/3) of the votes of each class of Members who are voting in person or by proxy at a meeting called for such purpose at which a quorum is present. Written notice of the meeting shall be given to all Members not less than thirty (30) days in advance of the meeting. The provisions of this subsection shall not apply to nor be a limitation upon any change in the basic annual assessment undertaken as an instant to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.

(c) The Board of Directors of the Association shall fix the annual assessment at an amount not in excess of the maximum stated herein. The Board of Directors may, in its discretion, fix the annual assessment for any given year at a lesser amount than the maximum provided herein, but such action shall not constitute a waiver of its right to revert to the full assessment for future years as provided in this Article.

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(d) Upon default by the Association in the payment to the governmental authority entitled thereto of any ad valorem taxes levied against the Common Area or assessments for public improvements to the Common Area, which default shall continue for a period of six (6) months, each Owner of a Lot in the development shall become personally obligated to pay to the taxing or assessing governmental authority a portion of such unpaid taxes or assessments in an amount determined by dividing the total taxes and/or assessments due the governmental authority by the total number of Lots in the development. If such sum is not paid by the Owner within thirty (30) days following receipt of notice of the amount due, then such sum shall become a continuing lien on the Lot of the then Owner, his heirs, devisees, personal representatives and assigns, and the taxing or assessing governmental authority may either bring an action at law or may elect to foreclose the lien against the Lot of the Owner.

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Section 4. Special Assessments for Repairs. In the event any portion of the Common Area is damaged or destroyed by an Owner or any of his guests, tenants, licensees, agents, or family Member, such Owner does hereby authorize the Association to repair said damaged area in a good and workmanlike manner. The amount necessary for such repairs, labor, and materials shall become a special assessment upon the Dwelling Unit or Site of said Owner.

Section 5. Special Assessments for Improvements and Additions. In addition to the annual assessments authorized by Section 3 of this Article, the Association may levy special assessments for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair, maintenance or replacement or capital improvements to the Common Area, provided that any such special assessment may be levied only with the vote of two-thirds (2/3) of the votes of the Members who are voting in person or by proxy, at a meeting duly called for this purpose at which a quorum is present.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Dwelling Units and Sites within a particular class of membership, except for exempt Dwelling Units and Sites provided by Section 11 hereof and except that, notwithstanding anything within this Declaration to the contrary, the Declarant shall be required to pay only 25% of any annual or special assessment levied against any Dwelling Unit or Site owned by it. The Board of Directors may permit a builder to defer payment of an assessment until the closing for the sale of the Dwelling Unit or Site to an Owner. The Owner shall then pay 100% of the assessment with the assessment adjusted according to the number of months remaining in the calendar year after the date of closing.

Section 7. Date of Commencement of Annual Assessments. The annual assessment provided for herein shall commence on the first day of the month following the conveyance of any of the Common Area to the Association. The first such annual assessment shall be adjusted according to the number of days remaining in the first calendar year. The annual assessment shall be payable on a prorated daily basis. The assessments for subsequent years after the first year shall be payable in full on January 1. The due date of any special assessment under Section 5 of this Article shall be fixed in the resolution authorizing such special assessment. Proration of any annual or special assessment due to a change in ownership of any kind of Lot or Dwelling Unit or Site during a calendar year shall be the responsibility of those persons involved in such transactions and shall not be the responsibility of the Association. The date of commencement of assessments against an Owner shall be the date of closing of the purchase by such Owner of Dwelling Units or Sites.

Section 8. Duties of the Board of Directors. The Board of Directors of the Association shall fix the amount of the assessment against all Dwelling Units and Sites for each assessment period and shall, at that time, prepare a roster of Dwelling Units and Sites and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner.

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Written notice of the assessment shall thereupon be sent to every Owner subject thereto.

The Association shall upon demand, and for a reasonable charge, at any time furnish to any Owner liable for said assessment a certificate in writing signed by an officer of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 9. Effect of Nonpayment of Assessment. If an annual assessment or any special assessment is not paid on the date when due, then such assessment shall become delinquent and shall, together with interest therefrom at the rate of eight percent (8%) per annum (or if not permitted, the highest rate of interest permitted by law) from the due date, and the cost of collection thereof as hereinafter provided, become a charge and continuing lien on the Dwelling Unit or Site and all improvements thereon. If an assessment is not paid within Sixty (60) days after the due date, the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien created herein against the Dwelling Unit or Site, and there shall be added to the amount of such assessment the costs of collection, including reasonable attorney's fees and expenses, and interest as provided above. No owner may waive or escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Dwelling Unit or Site. Each Owner, by his acceptance of a deed to a Dwelling Unit or Site, hereby expressly vests in the Association, or its agents or assigns, the right and power to bring all actions against such Owner or Member personally liable for the collection of such charges as a debt and/or to enforce the aforesaid lien by all methods available for the enforcement of such liens, including foreclosure by an action brought in the name of the Association in a like manner as a mortgage or a deed of trust lien on real property and such Owner hereby expressly grants to the Association a power of sale in connection with foreclosure of said lien. The lien provided for in this action shall be in favor of the Association and shall be for the benefit of all other Owners. The Association, acting on behalf of the Owners, shall have the power to bid in an interest foreclosed at foreclosure and to acquire and hold, lease, mortgage and convey the same and to subordinate so much of its right to such liens as may be necessary or expedient to an insurance company continuing to give total coverage notwithstanding the nonpayment of the Owner's portion of the premium.

Section 10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage or deed of trust now or hereafter placed upon any Dwelling Unit or Site subject to assessment. Sale or transfer of any Dwelling Unit or Site shall not affect the assessment lien; however, the sale or transfer of any Dwelling Unit or Site pursuant to mortgage or deed of trust foreclosure or any proceeding in lieu thereof shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer, provided that the Association has been notified of said foreclosure or proceeding in lieu thereof prior to the date thereof. No sale or transfer shall relieve such Dwelling Unit or Site from liability for

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any assessments thereafter becoming due or from the lien thereof. No sale or transfer by way of foreclosure shall extinguish the personal obligation to pay the assessment.

Section 11. Exempt Property. The following property, individuals, partnerships and corporations subject to this Declaration shall be exempted from the assessment, charge and lien created herein:

(a) Properties conveyed to public utilities for the purpose of granting utility easements;

(b) All Common Area as defined herein;

(c) All properties exempt from taxation by the laws of the State of North Carolina, upon the terms and to the extent of such legal exemptions; and

(d) All properties dedicated to, and accepted by, a local public authority.

Section 12. Annual Budget. By majority vote of the directors, the Board of Directors shall adopt an annual budget for the subsequent year of operation, which shall provide for allocation of expenses in such a manner that the obligations imposed by these Declarations and any and all Supplementary Declarations will be met.

ARTICLE V.

ARCHITECTURAL CONTROL

No building, wall, fence, or other improvement shall be commenced, erected, or maintained upon any Lot, nor shall any landscaping be done, nor shall any exterior addition to any such existing structure or change or alteration therein, be made until the plans and specifications therefor showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to the harmony and compatibility of its external design and location, with the surrounding structures and topography, by the Board of Directors of the Association, or by an Architectural Committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with; and provided further that all decisions under this section shall be the sole responsibility of the Declarant until such time as Declarant shall no longer vote as a Class B Member of the Association. The Architectural Committee shall act by majority vote of the members of such committee. Notwithstanding the foregoing, approval by the Committee shall not be required for an Owner to repaint the exterior of their home in its original color (s). In addition, landscaping improvements consisting of plant materials native to the area and commonly used in

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residential landscaping which do not interfere with the sight lines of motorists at intersections of the streets and/or driveways of the subdivision shall not require approval by the committee.

ARTICLE VI.

EXTERIOR MAINTENANCE

The Association shall maintain the Common Area. Each Owner shall be responsible for the exterior maintenance of his or her dwelling and Lot, as follows: Paint, repair, replace and care of roofs, gutters, downspouts, exterior building surfaces, lawn, trees, shrubs, walks and other exterior improvements. In the event that the Owner neglects or fails to maintain his or her Lot and/or the exterior of his or her dwelling in a manner consistent with other Lots and dwellings in Hickory Woods, the Association shall provide such exterior maintenance as provided above. Provided, however, that the Association shall first give written notice to the Owner of the specific items of exterior maintenance the Association intends to perform and the Owner shall have twenty (20) days from the date of said notice within which to perform such exterior maintenance himself or herself. The determination as to whether an Owner has neglected or failed to maintain his or her Lot and/or dwelling in a manner consistent with other Lots and dwellings in Hickory Woods shall be made by the Board of Directors of the Association, in its sole discretion. In order to enable the Association to accomplish the foregoing, there is hereby reserved to the Association the right to unobstructed access over and upon each Lot at all reasonable times to perform maintenance as provided in this Article.

In the event the Association performs such exterior maintenance, repair or replacement, the cost of such maintenance, replacement or repairs shall be added to and become a part of the assessment to which such Lot is subject.

ARTICLE VII.

INSURANCE AND CASUALTY LOSSES

Section 1. Insurance. The Association, by and through its Board of Directors or its otherwise duly authorized agents, shall have the authority to obtain and shall obtain insurance for officers and directors liability, for Workman's Compensation coverage for its employees, and for all insurable improvements on the Common Area, if any, against loss or damage by fire or other hazards, including extended coverage of vandalism and malicious mischief. This insurance shall be in an amount sufficient to cover the full replacement cost or repair or reconstruction in the event of damage or destruction from any such hazard. The Association shall also obtain a public liability policy covering the Common Area, the Association, and its Members for all damage or injury caused by the negligence of the Association or any of its Members or agents with single limits of at least \$500,000 for bodily injury and property damage and \$1,000,000 aggregate for general liability if available at

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commercially reasonable rates. Premiums for all such insurance contemplated hereunder shall be common expenses of the Association.

Section 2. Disbursement of Proceeds. Proceeds of insurance policies shall be disbursed as follows:

(a) If the damage or destruction for which the proceeds are paid is repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment for such repairs or reconstruction. Any proceeds remaining after such costs of repair or reconstruction to the Common Area shall be retained by and for the benefit of the Association.

(b) If it is determined that the damage or destruction of Common Area for which the proceeds are paid shall not be repaired or reconstructed, such proceeds shall be retained by and for the benefit of the Association.

ARTICLE VIII.

CONDEMNATION

In the event that all or any part of the Common Area shall be taken (or conveyed in lieu of or under threat of condemnation), the award made for such taking shall be payable to the Association as trustee for Owners, to be disbursed as follows:

(a) If the taking involves a portion of the Common Properties on which improvements have been constructed, e.g., the entrance monument, the Association shall restore or replace such improvements so taken on the remaining Common Properties, if practical, to the extent such plans are available and approved by the Board of Directors of the Association.

(b) If the taking does not involve any improvements on the Common Area or in the event that a decision is made not to repair or to restore such improvements, or if there are not funds remaining after any such restoration or replacement is completed, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board of Directors may determine.

ARTICLE IX.

LAND USE

Section 1. Restrictions. Each Dwelling Unit or Site and facilities on the Common Area shall be subject to both the restrictions herein, and those set forth in the Bylaws and the restrictive covenants for Whispering Woods Subdivision.

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Section 2. Designated Residential Property Restrictions. All property designated for residential use shall be used, improved and devoted exclusively to residential use.

Section 3. Common Area Restrictions. All Common Area shall be used and devoted exclusively to recreational purposes for the benefit of the Owners.

Section 4. Common Area Offensive Use. No immoral, improper, offensive or unlawful use shall be made on Whispering Woods Subdivision and any regulations of all governmental agencies having jurisdictions thereof shall be observed.

Section 5. Common Area Construction or Alteration. No person shall undertake, cause, or allow any alteration of construction in or upon any portion of the Common Area except at the direction of and with the expressed consent of the Association.

ARTICLE X.

EASEMENTS

Section 1. Blanket Easement. There is hereby created a blanket easement upon, across, over, and under all of said Properties subject to this Declaration for ingress and egress, installation, replacing, repairing and maintaining all utilities, including, but not limited to, water, sewer, gas, telephones, cablevision and electricity. By virtue of this easement, it shall be expressly permissible for the providing electrical and/or telephone company to erect and maintain necessary equipment on said property, and to affix and maintain electrical and/or telephone wires, circuits, and conduits on, above, across and under the roofs and exterior walls of detached single-family dwellings. An easement is further granted to all police, fire protection, garbage collectors, ambulance, and all similar persons to enter upon the streets and Common Area in the performance of their duties. Further, an easement is hereby granted to the Association, its officers, agents, employees, and to any management companies selected by the Association to enter in or to cross over the Common Area provided for herein. Notwithstanding anything to the contrary contained in the Section 1, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on said Properties except as initially approved by the Declarant or thereafter approved by the Declarant or the Association's Board of Directors. Should any utility furnishing a service covered by the general easement herein provided request a specific easement by separate recordable documents, Declarant (or the Association after the termination of Class B Membership or in the event the easement crosses property owned by the Association) will have the right and authority to grant such easement on said property without conflicting with the terms hereof. The easement provided for in this Article shall in no way affect other recorded easements on said Properties.

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Section 2. Private Streets. Private streets, if any, within Whispering Woods subdivision shall be subject to an easement in favor of every Dwelling Unit or Site to which they are adjacent or serve and shall be deemed appurtenant to each Dwelling Unit or Site whereby the Owner of such Dwelling Unit or Site shall be entitled to use them as a means of ingress, egress and regress and such other uses as shall have been designated.

Section 3. As shown on a plat recorded in Plat book 88, Page 43 of the Guilford County Registry, a "Lot Owners' Access Easement" has been created on certain Lots within Whispering Woods surrounding the lake (the "Access Easement"). Declarant hereby grants, delivers and conveys to all of the Lot Owners, their families, tenants, guests and invitees, in all phases and sections of Whispering Woods the perpetual, non-exclusive right of pedestrian ingress, egress and regress over and across the Access Easement and upon any Lot Owners Access Easement area designated upon future plats of Whispering woods. The owners of Lots upon which such Access Easement is located, by acceptance of a deed for such Lots, whether or not such deeds so state, agree to be responsible for all maintenance and landscaping of the grounds and area of the Access Easement located within such Owner's Lot as is necessary from time to time. Such Owners shall not erect any improvement, including but not limited to, fences, or install any shrubbery, trees or other items which would hinder free and unobstructed pedestrian movement within the Access Easement, nor shall any Owner prohibit in any way full pedestrian access as set out above in the Access Easement. The easement described herein shall be a covenant running with the land and shall bind and inure to the benefit of all Owners of Lots in Whispering Woods subdivision.

ARTICLE XI.

GENERAL PROVISIONS

Section 1. Duration and Amendments. The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, the Declarant or the Owner of any Dwelling Unit or Site subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of thirty (30) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years unless the Association approves a change in the covenants and restrictions.

Section 2. Notices. Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent, and notice thereby given, when mailed, postpaid, to the last known address of the person who appears as Member upon the Association's Membership roll or Owner on the records of the Association at the time of such mailing. Notice to one of two or more co-owners of a Lot shall constitute notice to all co-owners. It shall be the obligation of every Member to immediately notify the Secretary of the Association in writing of any changes of

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address and it shall be the responsibility of any new Member to immediately notify the Association of the fact of the transfer of ownership.

Section 3. Enforcement. The Association, Declarant or any Owner shall have the right to enforce these Covenants by any proceeding at law or in equity against any person or persons violating or attempting to violate or circumvent any covenant, either to restrain such violation or to recover damages, and against the land and to enforce any lien created by these Covenants, and a failure of the Association or any Owner or by the Declarant to enforce any covenant herein contained for any period of time shall in no way be deemed to be a waiver or estoppel of the right to enforce such covenant at any time thereafter.

Section 4. Severability. The invalidation, illegality, or unenforceability of any one or more of these Covenants, by judgment or court order or otherwise, shall in no way affect any other provisions hereof which are declared to be severable and which shall remain in full force and effect.

Section 5. Private Streets. The maintenance responsibility of any private streets shall rest with the Association.

Section 6. Declarant's Right to Amend Declaration with Approval of Veterans Administration or Department of Housing and Urban Development. In the event that the Declarant shall seek to obtain approval of these covenants and the plan of development of the Properties in order that the Dwelling Units and Sites and improvements constructed thereon will be eligible for loans approved or guaranteed by the Veterans Administration, hereinafter called "VA", or the Department of Housing and Urban Development, hereinafter called "HUD", or Federal National Mortgage Association, hereinafter called "Fannie Mae", or the Federal Home Loan Mortgage Corporation, hereinafter called "Freddie Mac", it is likely that HUD, VA, Fannie Mae or Freddie Mac will require changes in this Declaration in order to make the Lots and improvements thereon eligible for VA, HUD, Fannie Mae or Freddie Mac loans. In such event, Declarant, without the consent or approval of any Owner or Member shall have the right to amend this Declaration. When this Declaration, Bylaws and Articles of Incorporation have been approved by VA, HUD, Fannie Mae, and Freddie Mac, then this paragraph shall be considered null and void and the Declarant shall not have any further rights hereunder to amend except upon approval of the Membership.

Section 7. Voting. Unless otherwise specified in these Declarations, any vote pursuant to this Declaration shall be at a meeting duly called, written notice of which shall be sent to all Members stating the purpose of such meeting, not less than thirty (30) days, nor more than fifty (50) days in advance of the meeting. Notice shall be necessary only to those classes of Membership which shall be entitled to vote on a particular matter, it being the intention that only Class A Members shall be entitled to receive notice as to meetings on which only Class A Members are entitled to vote. The foregoing shall equally apply to Class B Members. The

presence of Members, or of proxies duly witnessed by another person, entitled to cast fifty percent (50%) of the votes of each class of Membership shall constitute a quorum as to that class, unless a greater quorum is specifically required in these Declarations. If the required quorum is not forthcoming at any meeting, another meeting may be called subject to the notice requirements set forth above. The required quorum at such subsequent meeting shall be one-half (1/2) of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than thirty (30) days following the preceding meeting.

Section 8. VA and/or HUD Approval. As long as there remains a Class B Membership, the following actions will require the prior approval of the Veterans Administration and/or the Department of Housing and Urban Affairs: dedication of Common Area and amendment of this Declaration.

Any action shall be taken by a majority vote of the Members of a class present, unless a greater number is specifically required by these Declarations.

Section 9. Rights of Lenders and Insurers of First Mortgages. Lenders and insurers of first mortgages shall have the following rights:

(a) In the event that any Owner is in default in any obligations hereunder which default remains uncured for a period of sixty (60) days, every lender who is a mortgagee as to the Dwelling Unit or Site of the defaulting Owner, and the insurer of any first mortgage, shall be immediately notified of such default, provided that such lender and/or insurer shall have given written certified notice to the Association that it is a mortgagee or insurer as to the Dwelling Unit or Site of such Owner and shall have requested that notice of default as herein set forth.

(b) Every first mortgagee and/or insurer of the first mortgage of the Dwelling Unit or Site of an Owner shall have the right, during regular business hours, to examine the books and records of the Association.

Section 10. Amendment by Owners. The covenants, conditions and restrictions of this Declaration may be amended during the first thirty (30) year period or thereafter by an instrument signed by the Owners of not less than two-thirds (2/3) of the Dwelling Units or Sites, provided, however, that the Board of Directors of the Association (with prior approval of VA or HUD) may amend this Declaration to correct any obvious error or inconsistency in drafting, typing or reproduction or amendment requested by VA, HUD, Fannie Mae or Freddie Mac, without actual consent of the Owners, and such amendment shall be certified as an official act of the Board and recorded in the Office of the Register of Deeds of Guilford County.

Section 11. Certification and Recordation of Amendment. Any instrument amending these covenants, conditions and restrictions (other than an amendment by the Board of Directors to correct an

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error or inconsistency in drafting, typing or reproduction) shall be delivered, following approval by the Owners, to the Board of Directors. Thereupon, the Board of Directors shall, within thirty (30) days after delivery do the following:

(a) Reasonably assure itself that the amendment has been duly approved by the Owners as provided in Section 10 of this Article. (For this purpose, the Board may rely on its roster of Members and shall not be required to cause any title to be examined.)

(b) Attached to the amendment a certification as to its validity, which certification shall be executed by the Association.

(c) Within the thirty (30) day period aforesaid, cause the amendment to be recorded in the Office of the Register of Deeds of Guilford County.

Section 12. Effect and Validity of Amendments. All amendments shall be effective from the date of proper recordation in the Office of the Register of Deed of Guilford County. When any instrument purporting to amend the covenants, conditions and restrictions has been certified by the Board of Directors as recorded as provided in Section 11 of this Article, it shall be conclusively presumed that such instrument constitutes a valid amendment as to the Owners of all Dwelling Units or Sites in Whispering Woods Subdivision.

Section 13. Exchange of Common Area. Notwithstanding any provision herein to the contrary, other than Section 4 of this Article, it is expressly provided that the Association may convey any portion of the Common Area theretofore conveyed to the Association, as provided in the Articles of Incorporation of the Association. Any such conveyance shall be subject to prior VA and HUD approval. Upon such conveyance, the area conveyed shall cease to be Common Area and shall cease to be subject to the provisions of this Declaration relating to the Common Area. Any area purchased by the Association pursuant to the foregoing provision shall become Common Area and subject to the provisions of this Declaration relating to the Common Area. (The following hypothetical situation is by way of illustration but not of limitation: Due to a surveying error an undesirable drainage area is designated for the location of Dwelling Units or Sites. Under this provision, Declarant and Association exchanged deeds so that the Dwelling Units or Sites may be relocated within the Common Area and the area previously designated for Dwelling Units or Sites is converted to Common Area.)

Section 14. Conflicts. In the event of any irreconcilable conflict between this Declaration and Bylaws of the Association, the provisions of this Declaration shall control. In the event of any irreconcilable conflict between this Declaration or the Bylaws of the Association and the Articles of Incorporation of the Association, the provisions of this Declaration shall control.

Section 15. Additions to Existing Property. Additional lands may become subject to this Declaration in the following manner:

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(a) Additions. Upon approval in writing of the Association pursuant to two-thirds of the vote of each class of Members at a duly called meeting at which a quorum is present, the owner of the property other than the Declarant who desires to add it to the plan of these covenants and to subject it to the jurisdiction of the Association, may record a Supplementary Declaration of Covenants with respect to the additional property which shall extend the operation and effect of the Covenants to such additional property.

(b) Municipal Approval. Any additions pursuant to Section 15(a) above shall be subject to the approval of appropriate municipal authorities.

(c) Mergers. Upon a merger or consolidation of the Association with another association as provided for in the Bylaws of the Association, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association, or, in the alternative, the properties, rights and obligations of another association may, by operation of law, be added to the properties of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration, together with the covenants and restrictions established upon any other properties as one plan. No such merger or consolidation, however, shall effect any revocation, change of or addition to the Covenants established by this Declaration as herein provided.

ARTICLE XII.

DISSOLUTION OR INSOLVENCY OF THE ASSOCIATION

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of each class of Member. Upon dissolution of the Association, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which the Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

IN WITNESS WHEREOF, Pulte Home Corporation has caused this instrument to be signed in its corporate name by its Attorney-in-Fact.



Pulte Home Corporation,
a Michigan Corporation

By: Richard Sturm (SEAL)
Attorney-in-Fact

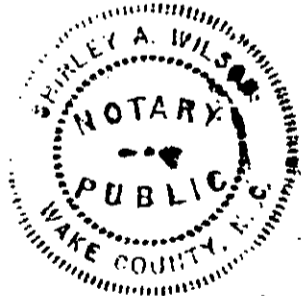
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I, Shirley A. Wilson, a Notary Public of Wake County, State of North Carolina, do hereby certify that Dick Strom, Attorney-in-Fact, for Pulte Home Corporation, a Michigan corporation, personally appeared before me this day and being by me duly sworn, says that he executed the foregoing and annexed instrument for and in behalf of and as an act of Pulte Home Corporation, a Michigan corporation, and that this authority to execute and acknowledge said instrument is contained in an instrument duly executed, acknowledged and recorded in the Office of the Register of Deeds of Guilford County, North Carolina, in Book 3590 at page 847; that this instrument was executed under and by virtue of the authority given by said instrument granting him power-of-attorney; that the said Thomas Hankins acknowledged the due execution of the foregoing and annexed instrument for the purposes therein expressed for and in behalf of and as an act of Pulte Home Corporation, a Michigan corporation. Witness my hand and official seal, this the 11th day of December, 1987.

Shirley A. Wilson
Notary Public

My Commission Expires:

12/23/87



	12/23/87
1 MISCELLANEDUS DOCUM294670	5.00
20 MISC DOCUMENTS ADDN PG(S)	40.00
1 PROBATE FEE	1.00

29467.0

RECORDED
KAY F. PATSEAVOURAS
REGISTER OF DEEDS
GUILFORD COUNTY, NC

DEC 23 12 04 PM '87

North Carolina - Guilford County

The certificate(s) of Shirley A. Wilson

A Notary (Notaries) Public is hereby notified to be correct. This instrument and the certificate are duly registered at the date and time shown herein.

Kay F. Patseavouras
DEPUTY, REGISTER OF DEEDS

Asst.

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EXHIBIT "A"

That certain piece, parcel or tract of land, situated in Friendship Township, Guilford County, North Carolina, being more particularly described as follows:

BEGINNING at an iron pipe located in the eastern margin of the right-of-way of Stanley Road, said iron pipe being located North 04 degrees 21 minutes East 242.00 feet from an iron pipe which is the southwest corner of Lot 1, Section 4, Map 1, Beechcroft Subdivision (see Plat Book 66, Page 46); and running thence with the eastern margin of Stanley Road North 04 degrees 24 minutes East (passing through an iron pipe at 150 feet) a total distance of 917.78 feet to an iron pipe, being a common corner with Gupton Enterprises, Inc. (now or formerly); thence with the line of Gupton Enterprises, Inc. the following courses and distances: South 86 degrees 21 minutes East 402.54 feet to an iron pipe; South 86 degrees 55 minutes East 152.49 feet to an iron pipe; and South 00 degrees 29 minutes West 600.14 feet to an iron pipe; thence South 68 degrees 32 minutes West 137.80 feet to an iron pipe; thence South 54 degrees 47 minutes West 203.06 feet to an iron pipe; thence South 33 degrees 47 minutes West 158.44 feet to an iron pipe, being also the northeast corner of the property of David Lee Beasley and wife, Terry Benton Beasley; thence with the north line of the property of Beasley North 85 degrees 38 minutes West 237.70 feet to the point and place of BEGINNING, containing 10.630 acres, more or less, according to a survey prepared by Marvin L. Borum & Associates, dated April 17, 1987, revised May 29, 1987.