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NORTH CAROLINA

DURHAM COUNTY

AMENDED AND RESTATED
DECLARATION OF PROTECTIVE COVENANTS,
CONDITIONS AND RESTRICTIONS FOR
WINSTEAD SUBDIVISION, PHASE I, AS
SHOWN ON MAP RECORDED IN BOOK OF
MAPS 133, PAGES 169-170, OF THE
DURHAM COUNTY REGISTRY

THIS DECLARATION, made on the date hereinafter set forth by
the Winstead Homeowners Association, Inc., hereinafter referred
to as the "Association;

WITNESSETH: THAT WHEREAS, the Association represents the
home owners of the Winstead Subdivision with property lying
within the City of Durham, Durham County, North Carolina, which
is more particularly described on Exhibit A attached hereto and
incorporated herein by reference;

WHEREAS, Winstead Subdivision was developed by the New
Fortis Corporation ("Declarant") between 1995 and 1997;

WHEREAS, Declarant subjected Winstead to Restrictive
Covenants recorded in Book 2130, Page 130 (Phase I), Book 2264,
Page 274 (annexing Phase II) and Book 2395, Page 495 (annexing
Phase III) (the "Declaration");

WHEREAS, all of the Lots in Winstead have been conveyed and
Declarant is no longer a member;

WHEREAS with the written consent of the required number of
votes of the Members of the Association, the Association desires
to amend this Declaration.

NOW, THEREFORE, Association declares that all of the properties described on Exhibit A attached hereto and incorporated by reference are hereby subject to this Declaration and shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, all of which are for the purpose of enhancing and protecting the value, desirability, and attractiveness of the real property. These easements, covenants, restrictions, and conditions shall run with the real property and shall be binding on all parties having or acquiring any right, title or interest in the described properties of any part thereof, and shall inure to the benefit of each owner thereof.

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ARTICLE I
DEFINITIONS

Section 1. "Board of Directors" or "Board" means those persons elected or appointed and acting collectively as the Directors of the Association, unless a contrary intent is evident.

Section 2. "Buffer Area" shall mean any area designated as such on a recorded map of the Property, including, but not limited to, any area identified as a recorded plat as "wetlands".

Section 3. "Building" shall mean and refer to a single-family detached residential structure, constructed or erected on the Property.

Section 4. "Common Area" and/or "Open Space" shall mean all real property, including private streets and amenities, if any, located thereon, owned by the Association for the common use and enjoyment of Members of the Association.

Section 5. "Common Expenses" shall mean and include:

- (a) All sums lawfully assessed by the Association against its members;
- (b) Expenses of administration, maintenance, repair, or replacement of the property which the Association is obligated to maintain by the provisions of this Declaration;
- (c) Expenses declared to be common expenses by the provisions of this Declaration or the Bylaws;
- (d) Expenses agreed by the members to be common expenses of the Association; and

(e) Payments and obligations to reserve accounts, if any, established by the Association.

Section 6. [INTENTIONALLY LEFT BLANK]

Section 7. "Lot" shall mean and refer to any plot of land for use as a site for a single-family detached residence shown upon any recorded map of a portion of the Properties.

Section 8. "Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 9. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 10. "Person" shall mean and refer to any individual, corporation, partnership, association, trustee, or other legal entity.

Section 11. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 12. "Association" shall mean and refer to WINSTEAD HOMEOWNERS ASSOCIATION, INC., its successors and assigns.

Section 13. "Declaration" shall mean and refer to this Declaration of Protective Covenants, Conditions and Restrictions, and all subsequent valid amendments or annexations thereto.

ARTICLE II
ANNEXATION OF ADDITIONAL PROPERTIES

Section 1. Annexation. Except as provided in Section 2 of this Article, annexation of additional Property shall require the assent of two-thirds (2/3) of the Membership.

Section 2. Method of Annexation. Annexation of additional Properties shall be accomplished by recording in the Durham County Registry a Declaration of Annexation, duly executed by the Association, describing the lands annexed and incorporating the provisions of this Declaration, either by reference or by fully setting out said provisions of this Declaration. The additional lands shall be deemed annexed to the Properties on the date of recordation of the Declaration of Annexations.

ARTICLE III
MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject to the Declaration, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation; however, any creditor of an Owner of a Lot who acquires title to the Properties of any portion thereof pursuant to foreclosure or any other proceeding or deed in lieu of foreclosure shall be a member of the Association. No Owner shall have more than one membership. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. Ownership of

such Lot shall be the sole qualification for membership. The Board of Directors may make reasonable rules relating to the proof of ownership of a Lot.

ARTICLE IV
VOTING RIGHTS

Section 1. Voting Classes. The Association has one class of voting membership.

Class A. Members shall be all those Owners as defined in Article III. Members shall be entitled to one vote for each Lot in which they hold the interest required for membership by Article III. When more than one person holds such interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot and no fractional vote may be cast with respect to any Lot.

Section 2. Suspension of Voting Rights. The right of any Member to vote may be suspended by the Board of Directors for just cause pursuant to its rules and regulations.

ARTICLE V
PROPERTY RIGHTS

Section 1. Members' Easements of Enjoyment. Every Member shall have a right and easement of enjoyment in and to the Common Area and/or Open Space, including the rights of ingress and egress, and such easement shall be appurtenant to and shall pass with the right to every Lot, subject to each of the following provisions:

(a) The Association shall have the right, in accordance with its Articles and Bylaws and with the assent of Members entitled to cast two-thirds (2/3) of the votes of the Membership to borrow money for the purpose of improving the Common Area and/or Open Space and facilities and in aid thereof to mortgage the Common Area, or any portion thereof, provided the rights of such mortgage in said Property shall be subordinate to the rights of the Owners hereunder.

(b) The Association shall have the right to dedicate or transfer all or any part of the Common Area and/or Open Space for such purposes and subject to such conditions as may be agreed to by the Board of Directors. No such dedication or transfer shall be effective unless an instrument signed by Members entitled to cast two-thirds (2/3) of the votes of the Membership has been recorded, agreeing to such dedication or transfer; and

(c) The Association shall have the right acting through its Board to grant permits, licenses, and easements over the Common Area and/or Open Space as set forth in Section 1 of Article XII of this Declaration.

(d) The Association shall have the right to formulate, publish and enforce rules and regulations as provided in Article IX of this Declaration.

Section 2. Delegation of Use. Any Member may delegate, in accordance with the Bylaws, his right of enjoyment to the Common Area and/or Open Space and facilities to the Members of his family, his tenants, or contract purchasers who reside on the Property.

ARTICLE VI
COVENANT FOR ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. Every owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree to pay to the Association:

(a) Annual assessments or charges which are common expenses; and

(b) Special assessments for capital improvements. Such assessments shall be fixed, established, and collected from time to time as hereinafter provided. The annual and special assessments, together with such interest thereon, costs of collection and reasonable attorney fees shall be a charge on the land and shall be a continuing lien upon the Lot and improvements against which each such assessment is made. Each such assessment, together with such interest and costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the owner of the Lot at the time the assessment fell due. The personal obligation of an owner for delinquent assessments shall not pass to his successors in title unless expressly assumed by them. All assessments shall be shared equally by the owners of each Lot, except as otherwise provided in this section.

Section 2. Purpose of Assessments. The annual assessment shall be used exclusively for promoting the recreation, health, safety, and welfare of the residents of the Properties; enforcing these covenants and the rules of the Association; and maintenance of common areas and/or open spaces, buffer areas and sign or landscape easement areas located on

Lots as provided in Article VII of this Declaration; and paying all Common Expenses.

If the Association is obligated to maintain any improvements to the Common Area and/or Open Space, the Association shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of said improvements the fund shall be maintained out of the annual assessment.

Section 3. Amount of Annual Assessment.

(a) Initial Annual Assessment. To and including December 31, 1995 the initial annual assessment shall not be in excess of \$120.00 per Lot, the exact amount of which shall be determined from time to time as provided in Subsection (d) of this Section 3.

(b) Increase by Association. From and after December 31, 1995, the annual assessment effective for any year may be increased from and after January 1 of the succeeding year by the Board of Directors, without a vote of the membership, to an amount which may not exceed the previous year's assessment (or the previous year's revised assessment determined pursuant to subparagraph (c) below) plus ten percent (10%).

(c) Increase by Members. From and after December 31, 1995, the annual assessment may be increased by a percentage greater than permitted by this Article by an affirmative vote of two-thirds (2/3) of the members who are voting in person or by proxy, at a meeting duly called for such purpose, **email or post notification** of which, setting forth the purpose of the meeting, shall be sent to all members not less than

fifteen (15) days nor more than thirty (30) days in advance of the meeting. The limitations herein set forth in subparagraphs (b) and (c) shall not apply to an increase in assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation or to an increase in assessments necessary to cover the cost of hazard and/or liability insurance in the event the Association is required to obtain such insurance on the areas it maintains.

(d) Criteria for Establishing Annual Assessment. The Association is required to set the annual assessment high enough to enable the Association to establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements to the areas the Association is obligated to maintain.

The reserve fund shall be maintained out of the annual assessments for Common Expenses as provided for in this article. In establishing the annual assessment for any assessment year, the Board of Directors shall set the annual assessment high enough to cover all current costs and expenses of the Association, any accrued debts, and reserves for future needs.

(e) Decrease of Annual Assessment. The Board of Directors may decrease the annual assessment from time to time if, in its opinion, such decrease is prudent.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association, may levy, in any assessment year, a special assessment applicable to that year

only for the purposes of defraying, in whole or in part, the costs of construction of reconstruction, unexpected repair, or replacement of a described capital improvement upon the property maintained by the Association, including the necessary fixtures and personal property related thereto, and to provide for facilities and equipment necessary to offer the services authorized herein. Any such special assessment proposed by the Association shall have 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 duly called for this purpose, **email or post notification** of which, setting forth the purpose of the meeting, shall be sent to all Members not less than fifteen (15) days nor more than thirty (30) days in advance of the meeting. The amount of the proposed assessment need not be stated.

Section 5. Uniform Rate of Assessment. Both the annual assessment and special assessments must be fixed at a uniform rate for all Lots, on a per Lot basis, and may be collected on a monthly or quarterly basis as determined by the Board of Directors.

Section 6. Quorum for Any Action Authorized Under Sections 3 and 4. At the first meeting called, as provided in Section 3 and 4 of this Article, the presence at the meeting of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, subsequent meetings may be called, subject to the notice requirement set forth in Sections 3 and 4 and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the next preceding meeting. No such

subsequent meeting shall be held more than sixty (60) days following the next preceding meeting.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided herein for Lots shall be paid **yearly** as determined by the Board and the payment of such shall commence as to any Lot subject to this Declaration upon the sale of the first Lot shown on the first recorded subdivision map of the Properties or a portion thereof. Assessments shall commence as to any Lot made subject to this Declaration pursuant to Article II herein upon recording the Declaration of Annexation which subjects such Lot to this Declaration. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year or the Association's fiscal year as the Board deems appropriate. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. **Email or post notification** of the annual assessment shall be sent to every owner subject thereto. The due dates shall be established by the Board of Directors. The Association, upon demand at any time, shall furnish a certificate in writing signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment or portion thereof which are not paid when due shall be delinquent. If the assessment or portion thereof is not

paid within thirty (30) days after the due date, the same shall bear interest from the date of delinquency at the rate of nine percent (9%). The Association may bring an action against the owner personally obligated to pay the same, and interest, costs, late payment charges and reasonable attorney's fees of any such action shall be added to the amount of such assessment. If any law permits the filing of a lien and the foreclosure of such lien, or other similar action, as a method of enforcement of the Association's right to collect assessments, the Association may use such remedy. No owner may waive or otherwise escape liability for the assessment provided for herein by abandonment of his Lot.

Section 9. Subordination of Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. A sale or any transfer of any Lot shall not affect the assessment liens; provided, however, that the sale or transfer of any Lot pursuant to foreclosure of, a first mortgage or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to payment which became due prior to such sale or transfer. Any delinquent assessments which were extinguished pursuant to a foreclosure of a first mortgage or any proceeding in lieu of foreclosures may be reallocated and assessed equally to all of the Lots as a Common Expense. No sale or transfer shall relieve such Lot from the liability for any assessment thereafter becoming due or from the lien thereof.

Section 10. **Transfer Fee** of two Months Assessments to be Collected at Closing. At the closing of each sale of a Lot, a **transfer fee** shall be

collected from the purchaser equal to **two months assessment** and such sum shall be contributed to the reserve accounts of the Association to be used by the Association to meet unforeseen expenditures. This contribution shall not be considered an advance against assessments to become due or a refundable deposit.

ARTICLE VII
MAINTENANCE OF PROPERTIES

Section 1. Maintenance of Lots. If in the opinion of the Board, an Owner fails to maintain his Lot, including Buffer Areas located on a Lot as shown on recorded maps, in a neat and orderly condition or otherwise neglects his Lot and allows unsightly conditions to develop, the Board, after 30 days **email or post notification** to the Owner, may, but is not obligated to, take steps to remedy the problem. Such remedy may include, but shall not be limited to; the removal of debris or junked cars, the mowing of grass or cutting of brush and the painting or repair of structures located on the Lot. The Board may bill such Owner for all expenses incurred in correcting the problem. Every Owner by acceptance of a deed covenants to pay said bill. Failure to pay said bill shall allow the Board to file an action to collect the unpaid amount and such action may result in a lien against the Lot.

Section 2. Maintenance of Common Area and/or Open Space or Sign Easement Areas. The Association shall maintain or cause to be maintained all areas designated as Common Area and/or Open Space or Sign Easement Areas. The cost of such maintenance shall be a Common Expense which shall be paid from the funds supplied from the annual assessment.

Section 3. Buffer Areas. The Buffer Areas located on Lots shown on recorded maps shall remain in an undisturbed, natural state. No improvements may be constructed, erected or allowed to remain in the Buffer Areas except:

(i) the Association may construct improvements in Buffer Areas with the written approval of the City and/or County of Durham; and

(ii) an Owner of a Lot may erect a fence in the Buffer Areas with the written approval of the City and/or County of Durham and the Association.

The construction of any fence shall be governed by the provisions of Article VIII of the Declaration on architectural control. The Association and the Owner of any Lot on which a Buffer Area is located may, but is not obligated to, plant trees and shrubs in the Buffer Areas. All lots on which Buffer Areas are located are subject to an easement in favor of the Association for ingress and egress, to plant trees and shrubs and to enforce the provisions of the Declaration as to the Buffer Areas. The cost of such maintenance shall be a Common Expense, which shall be paid from funds supplied from the annual assessment.

Section 4. Sidewalk Easement Areas. Certain Lots in the Properties may be subject to a sidewalk easement as shown on recorded maps. Such easement shall exist in favor of the Declarant and the City and/or County of Durham for ingress and egress for the construction and maintenance of a sidewalk. Such sidewalk easement is dedicated by recorded maps to the City and/or County of Durham for maintenance.

ARTICLE VIII

ARCHITECTURAL CONTROL & INSPECTION

No alteration or modification of any existing improvements nor construction, erection, or installation of additional improvements may be undertaken on any of the Properties without prior review and express written approval of the Board of Directors of the Association, or by an architectural committee.

In general, no exterior alterations, including painting and additions to buildings or garages, **roof material and color, and major front yard landscaping** shall be considered for approval unless such alterations or additions are in harmony with existing structures, as to style, shape, color and size. However, this section shall not be construed to mean that the Architectural committee or Board shall have to approve a proposed alteration or addition that meets the above criteria.

Generally, approval or disapproval should be issued within thirty days. In the event that the Declarant or the Association, as the case may be, fails to approve or disapprove the site of design of any proposed improvements within sixty (60) days after plans and specifications therefore have been submitted and received, approval will not be required, and the requirements of this Article will be deemed to have been fully met; provided, that the plans and specifications required to be submitted shall not be deemed to have been received by the Declarant or the Association if they contain

erroneous data or fail to present adequate information upon which the Association can arrive at a decision.

The Association shall have the right, at its election, but shall not be required, to enter upon any of the Properties during site preparation or construction, erection, or installation of improvements to inspect the work being undertaken and to determine that such work is being performed in conformity with the approved plans and specifications and in a good and workmanlike manner, utilizing approved methods and good quality materials.

ARTICLE IX

RULES AND REGULATIONS

The Board of Directors of the Association shall have the power to formulate, amend, publish, and enforce reasonable rules and regulations concerning the use and enjoyment of the Lots and Common Area. Such rules and regulations, along with all policy resolutions and policy actions taken by the Board of Directors, shall be recorded in the Association's corporate minute book which shall be maintained in a place convenient to the owners and available to them for inspection during normal business hours.

ARTICLE X

PROTECTIVE COVENANTS

Section 1. Lot Size. A Lot shall have a width at the minimum building set back line, and an area, that meets the minimum requirements of the ordinances of the City and/or County of Durham, whichever applies.

Section 2. Land Use. No Lot shall be used except for residential purposes; provided, however, that nothing herein shall prevent the conversion of portions of Lots to public or private streets. Except as otherwise provided, no Building shall be erected, altered, placed or permitted to remain on any Lot other than one detached single-family dwelling. Notwithstanding this section, nothing shall prohibit Declarant from using any Lot or Building as a model or sales office.

Section 3. Building Location. All Buildings are subject to applicable setback requirements imposed by the City and/or County of Durham as amended from time to time. Setback requirements are not incorporated herein by reference and this Declaration is not intended to establish any setback requirements.

Section 4. Temporary Structure. No structure of a temporary character, trailer, recreational vehicle, tent, shack, barn or other outbuilding shall be used on any Lot at any time as a residence, either temporarily or permanently. Detached structures **with a foot print of less than 250 square feet** are permitted in the rear yard of a Lot provided prior written approval is obtained pursuant to Article VII of this Declaration. **The building request must include placement, size and material used and is subject to approval by the board. The building must be one story only with the style consistent with the owners house.** Metal storage buildings are expressly prohibited.

Section 5. Animals. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats, or other household pets may be kept, subject to the rules and regulations of

the Association, provided that they are not kept, bred or maintained for any commercial purpose. If dogs, cats or other household pets are kept outdoors, such animals shall be kept in the rear yard, enclosed by a fence approved by the Declarant or the Association. **An electric fence can be used in lieu of a physical fence.**

Section 6. Mail Box Posts. All mail box support posts shall be of material and design as approved by Declarant or the Association.

Section 7. Signs. No sign of any kinds, except an owner and street number identification, shall be displayed to the public's view on any Lot except one professional sign of not more than 5 square feet advertising the property for sale or rent, or signs used by a builder to advertise the property during the construction and sale period or home security signs not more than 1 square foot. All political signs must follow the city/county ordinances. The Declarant or the Association shall have the right to enter any Lot and summarily remove any sign which violates this provision if the violation has not been removed after 5 days **email or post notification** to the Lot Owner. This section shall not apply to subdivision signs erected at any entrance to the Winstead Subdivision.

Section 8. Satellite Dishes and Prohibition of Clotheslines.

State of the art satellite dishes **that are less than 39.37 inches in diameter are permitted** on the Property. Outdoor clotheslines are prohibited on the Property unless approved in writing by the Association.

Section 9. Fences. No fence of any kind may be erected in the buffer areas on Lots unless the Owner secures the approvals required by Article VIII of this Declaration. Fences of a type specified and approved by the Declarant or architectural committee may be erected only in the rear yard or side yard of Lots.

Section 10. Parking. Parking of all vehicles of any type on Lots shall be governed by the Rules and Regulations established by the Association as provided in Article IX of this Declaration.

Section 11. Vehicles. Unlicensed or disabled vehicles shall be parked only within an enclosed garage. Boats, trailers and campers shall be parked only within an enclosed garage or on parking pads approved by the Declarant or the Association in the side or rear yards of Lots.
Only one personal commercial vehicle may be parked at a residence.

Section 12. Burning. Burning of trash on any Lot is prohibited.

Section 13. Buffer Areas. Subject to the provisions of this Declaration, areas designated as Buffer Areas on recorded maps shall be left in their undisturbed, natural state. No improvements may be placed, erected or constructed on the Buffer Areas, except that Owners may erect fences in the Buffer Area on their Lot if they secure the necessary approvals required by Article VIII of the Declaration.

Section 14. Nuisances. No noxious or offensive activity shall be carried on upon any Lot, nor shall any activity be conducted on any Lot which is or may become an annoyance to the neighborhood.

Section 15. Tree Removal. No trees or other vegetation except weeds, deadwood, underbrush, or grass may be cut or removed any an Owner other than the Declarant from any Lot prior to or during the initial construction of improvements on a Lot without the prior written approval of the Declarant. Subsequent to the initial construction of improvements on a Lot, no tree having a trunk diameter exceeding **twelve (12) inches** shall be removed without the prior written approval of the Association.

All changes to lot that result in a major landscape change, such as clear cutting, must be approved by the Association. This section shall not require the prior written approval of the Association for the removal of any tree which is dead, diseased or poses an imminent threat or danger to persons or property.

Section 16. Rain Barrels. Rain barrels, with a maximum capacity of 80 gallons, may be placed under the downspouts at the rear of a home. Any connector hoses from the downspout to the rain barrel must be the same color as the downspout. The rain barrels must be black, brown or dark green in color.

Section 17. Pools. No above ground swimming pools are allowed. Inflatable pools that require a ladder or filtration system are not allowed. Request for in ground pools must be presented to the Board of Directors for approval.

Section 18. Solar Panels. Solar panels are not allowed under the following circumstances following N.C.G.S. § 22B-20 : 1) when the panel is on the facade of a structure that faces "areas open to common or public access," (2) when the panel is located on a roof surface

that slopes downward toward "areas open to common or public access that the facade of the structure faces" and (3) when the panel is located in an area "set off by a line running across the facade of the structure extending to the property boundaries on either side of the facade, and those areas of common or public access faced by the structure." Reference Exhibit B - Winstead HOA Solar Guidelines, when requesting Board of Directors' approval for Solar installation.

ARTICLE XI

RIGHTS OF FIRST MORTGAGEES AND INSURERS OF FIRST MORTGAGES

Any institutional holder of a first mortgage on a Lot will, upon request in writing to the Association, be entitled to (a) inspect the books and records of the Association during normal business hours, (b) receive **email or post notification** of all meetings of the Association and the right to designate a representative to attend all such meetings, (c) receive **email or post notification** of any condemnation or casualty loss that affects either a material portion of the project or the Lot securing its mortgage, (d) receive **email or post notification** of any sixty (60) day delinquency in the payment of assessments or charges owned by the Owner of any Lot on which it holds the mortgage, (e) receive **email or post notification** of a lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association, (f) receive **email or post notification** of any proposed action that requires the consent of a specified percentage of mortgage holders, (g) be furnished with a copy of any insurance policy owned by the Association and (h) receive an

audited financial statement for the preceding fiscal year. The Association may require the payment of expenses incurred in preparing copies and mailing of documents furnished to first mortgage holders pursuant to this Article.

ARTICLE XII

EASEMENTS

Section 1. Walks, Drives, Parking Areas and Utilities. All of the Properties shall be subject to such easements for driveways, walkways, parking areas, water lines, irrigation systems, sanitary sewers, storm drainage facilities, gas lines, telephone and electric power lines, television antenna lines, cable television and other public utilities as shall be established prior to subjecting the Properties to this Declaration by the Declarant. The Declarant may subject any portion of the Properties to additional easements prior to the conveyance of such portion of the Properties.

The Association shall have the power and authority to grant and to establish in, over, upon and across the Common Area and/or Open Space conveyed to it such further easements as are requisite for the convenient use, enjoyment, maintenance or operation of the Properties.

Section 2. Drainage and Utilities. Easements for installation and maintenance of utilities and drainage facilities are reserved over the rear ten feet of each lot. In the event that the Owner of any Lot shall acquire land adjacent to and in the rear of such Lot, such Lot Owner may relocate the easement herein established over the rear line to conform to the increase in the size of his Lot, provided that

alteration in drainage does not thereby adversely affect the drainage of any other Lot or interfere with the rights of other Owners of the Property to services rendered by the easement herein created. Such relocated easement shall be the same width as the original easement.

Section 3. Emergencies. Every Lot shall be subject to an easement for entry by the Association for the purpose of correcting, repairing, or alleviating any emergency condition which arises upon any Lot and that endangers any Building.

Section 4. Easement for Governmental Agencies. An easement is hereby established over the Lots for the benefit of applicable governmental agencies, public utility companies and public service agencies as necessary for setting, removing and reading of meters, replacing and maintaining water, sewer and drainage facilities, electrical telephone, gas and cable antenna lines, fire fighting, garbage collection, postal delivery, emergency and rescue activities and law enforcement activities.

Section 5. Buffer Areas. All Lots are subject to easements in favor of the Association for ingress and egress for purposes of planting and maintaining Buffer Areas, as shown on recorded maps and as provided in Article VII of this Declaration.

Section 6. Encroachment. All Lots shall be subject to easements for the encroachment of initial improvements constructed on adjacent lots by the Declarant to the extent that such initial improvements constructed on adjacent Lots by the Declarant to the extent that such initial improvements actually encroach, including, without limitation,

such items as overhanging eaves, gutters, downspouts, exterior storage rooms and walls. If any encroachment shall occur subsequent to subjecting the property to this Declaration as a result of settling or shifting of any Building or as a result of any permissible repair, construction, reconstruction, or alteration, there is hereby created and shall be a valid easement for such encroachment and for the maintenance of the same.

ARTICLE XIII

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any owner, shall have the right to enforce, by any proceeding at law or in equity all restrictions, conditions, covenants, reservations, liens, and charters now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Insurance and Fidelity Bonds. In the event the Association becomes the owner of any buildings, or other improvements, or personal property located within the Common Area and/or Open Space, the Board of Directors shall obtain hazard insurance (if economically available) in an amount equal to the maximum insurable replacement value as determined annually by the Board of Directors with the assistance of the insurance company providing such coverage. Such coverage shall provide protection against loss or damage by fire and other hazards covered by a standard extended coverage endorsement, and such other

risks as from time to time shall be customarily covered with respect to buildings and properties similar in construction, location and use.

The Board of Directors shall also procure and maintain public liability and property damage insurance (if economically available), insuring: each member of the Board of Directors; the manager, if any; and the Association against any liability to the public or to homeowners (and their invitees, agents, and employees) arising out of or incident to the ownership and/or use of the Common Area and/or Open Space and facilities, if applicable, or such other areas for which the Association is responsible. The insurance shall be issued on a comprehensive liability basis. The amount of such public liability insurance shall be not less than one million (\$1,000,000.00) per occurrence with regard to the Association and each individual director, unless coverage is not reasonably available, in which event the insurance coverage shall be in an amount deemed reasonable by the Board of Directors.

Premiums upon insurance policies purchased by the Board of Directors shall be paid by the Association as a Common Expense from the annual assessment.

The Association shall maintain blanket fidelity bonds for all officers, directors and all other persons handling or responsible for funds of or administered by the Association. The fidelity bonds shall name the Association as the obligee and the premiums should be paid as a common expense by the Association. The fidelity bond should cover the maximum funds that will be in the custody of the Association at

any given time during the term of the bond. In any event, the fidelity bond must at least equal the sum of three months assessments on all lots plus reserve funds.

The Board may secure Officers and Directors insurance in such amounts as the Board deems appropriate. Premiums shall be paid by the Association as a Common Expense from the annual assessments.

Section 3. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provision, which shall remain in full force and effect.

Section 4. Amendment. The protective covenants, conditions and restrictions of this Declaration shall run with and bind the land for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for an unlimited number of successive periods of ten (10) years each. This Declaration may be amended with the written consent of Owners of not less than sixty six and two thirds percent (66 2/3%) of the Lots that have been made subject to this Declaration.

Such amendment shall be executed in the name of the Association by the President (or Vice-President) and by the Secretary (or Assistant Secretary) of the Association and recorded in the Office of the Register of Deeds of Durham County.

Section 5. Certification of Amendment. If any amendment to these covenants, conditions and restrictions is executed, each such amendment shall be delivered to the Board of Directors of the

Association. Thereupon, the Board of Directors, shall, within thirty (30) days do the following:

(a) Reasonably assure itself that the amendment has been duly approved in writing by the Owners of the required number of Lots. (For this purpose, the Board may rely on its roster of members and shall not be required to cause any title to any Lot to be examined);

(b) Attach to the amendment a certification as to its validity, which certification shall be executed by the Association in the same manner that deeds are executed. The following form of certification is suggested:

CERTIFICATION OF VALIDITY OF AMENDMENT TO PROTECTIVE COVENANTS,
CONDITIONS AND RESTRICTIONS OF WINSTEAD SUBDIVISION

By authority of its Board of Directors, Winstead Homeowners Association, Inc. hereby certifies that the foregoing instrument has been duly approved by the Owners of sixty-six and 2/3 percent (66 and 2/3%) of the Lots in Winstead Subdivision and is, therefore, a valid amendment to the existing protective covenants, conditions and restrictions of Winstead Subdivision.

WINSTEAD HOMEOWNERS ASSOCIATION, INC.

By:

President

(c) Immediately, and within the thirty (30) day period aforesaid, cause the amendment to be recorded in Durham County Registry.

All amendments shall be effective from the date of recordation in the Durham County Registry, provided, however, that no such amendment

shall be valid until it has been indexed in the name of the Association. When any instrument purporting to amend the protective covenants, conditions and restrictions has been certified by the Board of Directors, recorded and indexed as provided by this Section, it shall be conclusively presumed that such instrument constitutes a valid amendment as to all persons thereafter purchasing any Lots in the Properties.

Section 6. Restrictions Against Association Entering Into Contracts.

The Association shall not enter into contracts or leases (including a management contract) either directly or indirectly unless there is a right of termination of any such contract or lease, without cause, which is exercisable without penalty at any time upon not more than 90 days notice to the other party thereto and, if the contract is a professional management contract, such contract may not extend beyond a term of one year.

Section 7. Books and Records. Current copies of the Declaration, Bylaws, rules and regulations and books of the Association shall be available during normal business hours for inspection and copying by Lot owners and mortgage holders.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein has executed this instrument this the 24 of August, 2019.

DECLARANT:



Bernard J. Kaminski

President Board of Directors

Winstead Homeowners Association, Inc.

Wake

Durham County, North Carolina

I certify that the following person personally appeared before me this day acknowledging to me that he/she signed the foregoing document: Bernard J. Kaminski

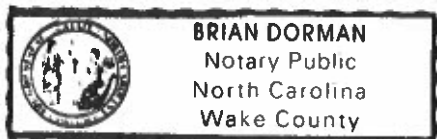
Date: 24 August, 2019



Official Signature of Notary Public

(Affix Official Seal below)

Notary Public



Print Name: Brian Dorman

My commission expires: 12/1/19

EXHIBIT A
TO DECLARATION OF PROTECTIVE COVENANTS
CONDITIONS AND RESTRICTIONS FOR
WINSTEAD SUBDIVISION

BEING all of Phases I, **II and III** of the Winstead Subdivision as shown on plat recorded in Plat Book 133, Pages 169-170, Plat Book 136, Pages 17-18 and 138, Pages 91-92 of the Durham County Registry.

Exhibit B

Winstead HOA Solar Guidelines

The board adopts these guidelines to promote the use of solar energy and to ensure uniform installation and design of solar energy systems.

1. Homeowners should first consider all existing structures and landscaping before selecting a site for any proposed solar system.
2. All plans must be preapproved by the Architectural Review Committee (ARC) prior to installation.
3. Preferred location of solar panels is (on the rear of the house) or a rear-facing, roof-mounted array. Flush-mounted panels (i.e. - the plane of the array is parallel to the roof) roof facing a street will not be allowed. If panels are installed on a side or rear roof, the array may be tilted or raised if a variance is granted.
4. All components of the solar system should be integrated into the design of the home. The color of the solar system components should generally conform to the color of the roof shingles to the extent practical. Solar "shingles" that mimic the look of a composite shingle are acceptable but should match the color of the current roof shingles as much as is practical.
5. Pursuant to N.C.G.S. § 22B-20 the installation of all solar systems shall only be done by a licensed installer. Applications submitted to the ARC should include the following:
 - a. A diagram "drawn to scale" by the licensed contractor installing the system showing where the system will be installed;
 - b. Photos of the roof area where the array will be mounted;
 - c. Material to be used and/or manufacturer's description of the system, photos and/or pictures of the system and color of the system.
 - d. Where possible, provide photos of similar existing systems as examples.
 - e. Any landscaping disruptions
6. Piping and electrical connections will be located directly under and/or within the perimeter of the panels, when possible, and placed as inconspicuously as possible when viewed from all angles.
7. The highest point of a solar panel array will be lower than the ridge of the roof where it is attached.
8. All painted surfaces will be kept in good repair.

9. Changes to adjacent property should not impede an existing or soon-to-be-installed solar system or interfere with any existing solar energy easement.

CERTIFICATION OF VALIDITY OF AMENDMENT TO PROTECTIVE COVENANTS,
CONDITIONS AND RESTRICTIONS OF WINSTEAD SUBDIVISION

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WINSTEAD HOMEOWNERS ASSOCIATION, INC.

By: 

President