

*For Amend. to Declaration see Sh. 1291-Pg. 232*

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STATE OF NORTH CAROLINA

COUNTY OF WILSON

DECLARATION OF COVENANTS, CONDITIONS  
AND RESTRICTIONS FOR REGENCY VILLAS

THIS DECLARATION, made on the date hereinafter set forth by  
LINSTONE, INC., a North Carolina corporation hereinafter referred  
to as "Declarant".

W I T N E S S E T H :

WHEREAS, Declarant is the owner of certain property in  
the City of Wilson, Wilson County, North Carolina, which is more  
particularly described as follows:

BEING all of Lot No. 2, Block H, as shown on a map or plat of Section  
Three, Regency Park, said map or plat being recorded in Plat Book  
16, page 6, Wilson County Registry.

AND, WHEREAS, Declarant will convey the said properties  
subject to certain protective covenants, conditions, restrictions,  
reservations and liens as hereinafter set forth;

NOW, THEREFORE, Declarant hereby declares that all of  
the properties described above shall be held, sold and conveyed,  
subject to the following easements, restrictions, covenants and  
conditions which are for the purpose of protecting the value and  
desirability of and which shall run with the real property and  
be binding on all parties having any right, title or interest in  
the described properties or any part thereof, their heirs, successors  
and assigns and shall inure to the benefit of each owner thereof.

ARTICLE I.

DEFINITIONS

Section 1. "Association" shall refer to Regency Villas  
Homeowners Association, Inc., its successors and assigns.

Section 2. "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

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sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Property" 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 4. "Common Area" shall mean all real property including improvements thereto owned by the Regency Villas Homeowners Association, Inc., and the easements granted thereto for the common use and enjoyment of the owners. The common area to be owned by the Association at the time of the conveyance of the first lot shall be described as follows:

BEING all of Lot No. 2, Block H, as shown on a map or plat of Section Three, Regency Park, said map or plat being recorded in Plat Book 16, page 6, Wilson County Registry; however, specifically saving and excepting from this description is the property shown and described as Lots 1 through 10, both inclusive, as shown on the plat entitled "

Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the properties with the exception of the common area.

Section 6. "Member" shall mean and refer to every person or entity who holds membership in the Association. There shall be two kinds of membership in the Association.

A. "Class A Members" shall be all those owners as defined in Article III herein, with the exception of the Declarant.

B. "Class B Member" shall be the Declarant as defined herein.

Section 7. "Declarant" shall mean and refer to Linstone, Inc., its successors or assigns, if such successors or assigns should acquire more than one undeveloped lot from the Declarant for the purpose of development.

## ARTICLE II.

### PROPERTY RIGHTS

Section 1. Owners Easement of Enjoyment: Every owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every lot subject to the following provisions:

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A. The right of the Association to charge reasonable admission and other fees for the use of any recreational facilities situated upon the Common Area.

B. The right of the Association to suspend the voting rights and right of the use of the recreational facilities by an owner for any period during which any assessment against his lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations.

C. The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, utility or non-profit corporation for such purposes, and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of each class of members agreeing to such dedication or transfer has been recorded in the Wilson County Registry.

D. The right of the Association to limit the number of guests of members.

E. The right of the Association, in accordance with its articles and by-laws, to borrow money for the purpose of improving the common area and facilities 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 owners established hereunder.

F. The right of individual owners to the exclusive use of parking spaces as provided in this Declaration.

G. The right of the Association, through its Board of Directors, to determine the time and manner of use of the recreational facilities by the members.

Section 2. Delegation of Use: Any owner may delegate, in accordance with the by-laws, his right of enjoyment to the common area and facilities to the members of his family, his tenants, contract purchasers or guests, who reside on the property, subject to the provisions of this Declaration of Covenants, Conditions and Restrictions.

Section 3. Parking Rights: The Association shall specifically reserve and assign two (2) automobile parking spaces to the exclusive use of each single family attached townhouse lot, which spaces shall be as near and convenient to said lot to which they are assigned as equitable allocation among the lots may permit. When feasible,

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every parking space assigned to a lot shall be adjacent to the other parking space assigned to such lot.

Should the association deem it necessary, every assigned parking space shall be marked or otherwise identified in such manner that the lot to which it is assigned may be readily ascertained, and the Association shall cause to be maintained a current map of the parking areas showing the lot to which each space is assigned.

Any parking spaces remaining after the assignment to lots may be reserved to the general use of owners, the use of guests or townhouse employees, to the use of service vehicles, or to such other use or combination of uses as the association from time to time shall deem appropriate. Should the Association deem it necessary, every space shall be marked or identified as to the use or uses for which it is reserved, such use or uses shall appear on the parking area map.

The Association may regulate the parking of boats, trailers, campers, commercial vehicles and other such items in the common area. These items shall only be parked in the Common Area in spaces designated by the Association.

The Association may adopt reasonable rules and regulations governing the use of parking spaces and areas.

Section 4. Title to the Common Area: Declarant hereby covenants for itself, its heirs, successors and assigns, that it will convey fee simple title in the Common Area to the Association free and clear of all encumbrances and liens, except street rights of way, easements for driveways, walkways, parking, utility and drainage easements and easements of enjoyment to which the owners of each lot are entitled to share, prior to the conveyance of the first lot.

Section 5. Television Antennas, Cablevision and Piped-In Music: The Association may, in its discretion, provide one or more central television antennas for the convenience of the members and may supply piped-in music and/or cablevision, and the cost of these may be included in annual or special assessments



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applicable to townhouse lots. The Association may regulate or prohibit the erection of television antennas or any other type antenna on townhouse lots.

### ARTICLE III.

#### MEMBERSHIP AND VOTING RIGHTS

Section 1. Every person or entity who is a record owner of a fee or undivided fee interest in any lot which is subject by covenants of record to assessments 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. 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 said lot shall be the sole qualification for membership. The Board of Directors may make reasonable rules relating to the proof of ownership of the lots which are subject to this Declaration of Covenants, Conditions and Restrictions.

Section 2. The Association shall have two classes of voting membership.

Class A: Class A members shall be all owners with the exception of the Declarant and shall be entitled to one (1) vote for each lot owned. When more than one person holds an interest in any lot, all such persons shall be members. The vote of such lots shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to any lot.

Class B: The Class B member shall be the Declarant and shall be entitled to three (3) votes for each lot owned. The Class B membership shall cease and be converted to Class A membership

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upon either of the following events, whichever occurs first:

A. When the total votes outstanding in Class A membership equal the total votes outstanding in Class B membership, but provided that the Class B membership shall be reinstated if thereafter and before the time stated in subparagraph B below, such additional lands are annexed to the properties without the assent of Class A members on account of the development of such additional lands by the Declarant or as provided for in Article IX, Section 10 (B) herein; or

B. On January 1, 1991.

#### ARTICLE IV.

##### COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each lot owned within the properties, hereby covenants, and each owner of any lot by acceptance of a deed therefor, whether or not is shall be so expressed in such deed, is deemed to covenant and agree to pay the Association:

A. Annual assessments or charges, and

B. Special assessments for capital improvements, such assessments to be fixed, established and collected from time to time as hereinafter provided. All assessments relating to the Common Area and the maintenance of the exterior of individual lots shall be shared equally by the owners of each lot. The annual and special assessments together with interest, costs and reasonable attorneys fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest, costs and reasonable attorneys fees, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due. The

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personal obligation shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments: The assessments levied by the Association shall be used exclusively for the purpose of promoting the beautification of the properties, the recreation, health, safety and welfare of the residents in the properties, and for the improvement and maintenance of the Common Area and exterior of the lots as provided herein. The Association shall be responsible for the payment of premiums for liability insurance, fire and extended coverage insurance, if any, payment of local ad valorem taxes on the Common Area, payments of assessments for public and private capital improvements made to or for the benefit of the Common Areas and maintenance of recreational and other facilities located in the Common Area.

Section 3. Maximum Annual Assessments: Until January 1 of the year immediately following the conveyance of the first lot to an owner, the maximum annual assessment shall be \$ 420.00 per townhouse lot.

A. From and after January 1 of the year immediately following the conveyance of the first lot to an owner, the maximum annual assessment may be increased each year not more than 5% above the maximum assessment for the previous year without a vote of the membership.

B. From and after January 1 of the year immediately following the conveyance of the first lot to an owner, the maximum annual assessment may be increased above 5% by a vote of two-thirds of each class of members who are voting in person or by proxy at a meeting called for this purpose.

C. After consideration of the current maintenance costs and future needs of the Association, the Board of Directors of the Association may fix the annual assessment at an amount not in excess of the maximum.

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D. So long as the Declarant owns a lot that is not occupied, it may pay twenty five percent (25%) of the maximum annual assessment owed by said lot.

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 purpose of defraying in whole or in part the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto; and the cost of any purchase of an individual owner's property and the cost of repairing and/or rebuilding any such property purchased by the Association to the same conditions as formerly; provided that any such assessment shall have the assent of two-thirds of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting setting forth the purpose of the meeting.

Section 5. Uniform Rate of Assessment. Except as provided in Section 3 D above, annual assessments must be fixed at a uniform rate for all lots and may be collected on a monthly basis. Special assessments shall be fixed with the same manner except Declarant shall not be entitled to a reduction in amount.

Section 6. Date of Commencement of Annual Assessment

Due Dates: The annual assessments provided for herein shall commence as to all lots on the first day of the month following the conveyance of the common areas to the Association. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount

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of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every owner subject thereto. The due date shall be established by the Board of Directors. The Association shall, upon demand at any time, 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 reasonable charge may be made by the Board for the issuance of these certificates. Such certificates shall be conclusive evidence of payment of any assessment therein stated to have been paid as to third parties acting in reliance on said statement.

Section 7. Effect of Non-Payment of Assessments; Remedies of the Association: Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the highest rate allowed by the law of the State of North Carolina, and the Association may bring an action at law against the owner personally obligated to pay the same or foreclose the lien against the lot. Interest, costs and reasonable attorneys fees of any such action shall be added to the amount of such assessment. Each such owner, by his acceptance of a deed to a lot hereby expressly vests in the Regency Villas Homeowners Association, Inc., or its agents or assigns, the right and power to bring all actions against such owner personally liable for the collection of such charges as a debt and to enforce the aforesaid lien by all methods available for the enforcement of

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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 lot owners. The Association may purchase a lot being foreclosed on behalf of the remaining lot owners as a group if so instructed by the remaining lot owners at a meeting duly called for such purpose, or if less than all of the remaining lot owners wish to purchase such lot, then on behalf of and at the request of any one or more of the remaining lot owners. In the event the Association shall purchase a lot offered for sale on behalf of all of the remaining lot owners, then the costs thereof shall be shared in equally, and any profit or loss realized from the sale by the Association of the lot so acquired shall likewise be shared equally by the remaining lot owners. In the event the Association shall purchase the lot offered for sale on behalf of any one or more but not all of the remaining lot owners, then the cost thereof shall be shared by such purchasing lot owners in such portions as they shall agree upon. No owner may waive or otherwise escape liability for assessments provided for herein by non-use of a common area or abandonment of his lot.

Section 8. Subordination of the Lien to Mortgages:

The lien of the assessments provided for herein shall be subordinated to the lien of any first mortgage. Sale or transfer of any lot shall not affect the assessment lien; however, the sale or transfer of any lot pursuant to the foreclosure of any mortgage or of deed of trust or any proceeding in lieu thereof shall extinguish the lien of such assessment as to payments which become due prior to such sale or transfer;

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No sale or transfer shall relieve any such lot from liability for any assessment thereafter becoming due or from the lien thereof.

Section 9. Exempt Property: The following property, subject to this Declaration, shall be exempt from the assessments created herein.

A. All properties dedicated to and accepted by a local public authority.

B. The Common Area.

However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

Section 10. Insurance Assessments: The Board of Directors or its duly authorized agent has the authority to and shall obtain insurance for all the buildings owned by the Association against loss or damage by fire or other hazards in an amount sufficient to cover the full replacement cost of any repair or reconstruction work in the event of damage or destruction from any hazard and shall also obtain a broad-form public liability policy covering all common areas and all damage or injury caused by the negligence of the Association or any of its agents. Said insurance may include coverage against vandalism. Premiums for all such insurance shall be a common expense. All such insurance coverage shall be written in the name of the Association as trustee for each of the lot owners in equal proportions. It shall be the responsibility of each owner at his own expense to obtain hazard insurance in an amount sufficient to cover the full replacement cost of any repair or reconstruction work in the event of damage or destruction to his dwelling from any hazard, and such hazard insurance shall be with a company and in an amount and form which is acceptable to the Board of Directors of the Association. The hazard insurance policy to be taken out by each owner shall include a loss payable clause listing the Association as an additional insured. Each owner shall have to satisfy the



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Board of Directors of the Association that at all times his property is covered by the required hazard insurance. In the event of damage or destruction by fire or other casualty to the property of an individual owner, the owner shall, with the concurrence of the mortgagee, if any, upon receipt of the insurance proceeds, contract to rebuild or repair such damage or destroyed portions of the property in as good condition as formerly existed. In the event the insurance proceeds are insufficient to pay all the costs of repairing and/or rebuilding to the same conditions as formerly, and in the event the owner fails to provide the funds necessary to complete the construction then the Association shall have the right to proceed against the owner personally to collect said funds and the Association shall have a lien against said lot for the amount necessary to complete said construction, together with interest and costs, and said lien may be enforced as provided herein. In the event of damage or destruction by fire or other casualty to any property covered by insurance written in the name of the Association, the Board of Directors shall, with concurrence of the mortgagee, if any, upon receipt of the insurance proceeds, contract to rebuild or repair such damage or destroyed portions of the property to as good condition as formerly. All such insurance proceeds shall be deposited in a bank or other financial institution, the accounts of which bank or institution are insured by the Federal Deposit Insurance Corporation or other Federal Government agency, with a provision agreed to by said bank or institution that such funds may be withdrawn only by signature of at least two members of the Board of Directors, or by an agent duly authorized by the Board of Directors. The Board of Directors shall advertise for sealed bids with any licensed contractor, or may negotiate with any contractor for rebuilding of such destroyed building or buildings. In the event the insurance proceeds are insufficient to pay all of the costs of repairing and/or rebuilding to the same condition

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as formerly, the Board of Directors shall levy a special assessment against all members of the Association as established by Article IV, Section 4, above to make up for any deficiency for repairs or rebuilding of the common area. This special assessment must be approved pursuant to the terms of Article IX, Section 4.

ARTICLE V.

PARTY WALLS

Section 1. General Rules of Law to Apply: Each wall which is built as a part of the original construction of the townhouse upon the properties and placed on the dividing line between the lots and all reconstruction or extensions of such walls shall constitute party walls and to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls, lateral support in-below ground construction and of liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance: The cost of reasonable repair and maintenance of a party wall shall be shared by the owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or Other Casualty: If a party wall is destroyed or damaged by fire or other casualty, any owner who has used the wall may restore it, and if the other owners thereof make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, subject, however, to the right of any such owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. The owner of any townhouse lot may construct, reconstruct, or extend a party wall in any direction, subject to and within the limitations of architectural control and other limitations

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of these covenants, with the right to go upon the adjoining lot to the extent reasonably necessary to perform such construction. Such construction shall be done expeditiously. Upon completion of such construction, such owner shall restore the adjoining lot to as near the same condition which prevailed on or before the commencement of such construction as is reasonably practicable.

Section 5. Weatherproofing: Notwithstanding any other provisions of this Article, an owner who, by his negligence or willful act, causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 6. The Right to Contribution Runs With the Land: The right of any owner to contribution from any other owner under this Article shall be appurtenant to the land and shall pass to such owners' successors in title.

Section 7. Certification by Adjoining Property Owner that No Contribution is Due: If any owner desires to sell his property, he may, in order to assure a prospective purchaser that no adjoining property owner has a right of contribution as provided in this Article, request of the adjoining property owner or property owners or any one of them, a certification that no right of contribution exists. Whereupon it shall be the duty of each adjoining property owner to make such certification immediately upon request and without charge; provided, however, that where the adjoining property owner claims a right of contribution, the certification shall contain a recital of the amount claimed. In the event a property owner refuses or neglects to make a certification within one week after being requested to do so, it shall be deemed a waiver to proceed against the adjoining requesting property owner or his successors in title.

Section 8. Arbitration: In the event of any dispute arising concerning a party wall, or under the provisions of this

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Article, such disputes shall be settled by arbitration as provided by the laws of North Carolina relating to arbitration as then existing.

# ARTICLE VI.

## EXTERIOR MAINTENANCE

In addition to maintenance of the common area, the Association shall provide exterior maintenance for each townhouse lot which is subject to assessment hereunder as follows: Paint, repair, replace and care for roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks and other exterior improvements. Such exterior maintenance shall not include glass surfaces. In order to enable the Association to accomplish the foregoing, it is hereby reserved to the Association the right to unobstructed access over and upon each townhouse lot and each townhouse at all reasonable times to perform maintenance as provided in this Article. The owner of any townhouse may, at his election, plant trees, shrubs, flowers and grass in his rear yard and may also maintain portions or all of his rear yard, provided that such maintenance by the owner does not hinder the Association in performing the maintenance of the exterior of the house and the remaining yard spaces. No such maintenance by a townhouse lot owner shall reduce the assessment payable by him to the Association. If, in the opinion of the Association, any such owner fails to maintain his rear yard in a neat and orderly manner, the Association may revoke the owner's maintenance rights for a period not to exceed one year. The owner of a lot shall not plant any vegetation in the front yard nor should the owner make any alterations, changes, or additions to the exterior of the unit itself except with prior written approval of the Association.

In the event the need for maintenance or repair is caused through the willful or negligent act of the owner, his family, guests or invitees or is caused by fire, lightning, thunderstorm, hail, explosion, riot, attending a strike, civil commotion, aircrafts, vehicles and smoke, as the foregoing are defined and explained in North Carolina Standard Fire and Extended Coverage Insurance Policies,

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the cost of such maintenance or repair shall be added to and become a part of the assessment to which such lot is subject.

The Association shall establish regulations governing the procedures for exterior maintenance. In the event any owner desires to expend a sum greater than that sum authorized by the Association, he shall advance, prior to the commencement of work, an amount necessary to cover the additional expenses and a lien shall be established against his lot for any deficiency.

#### ARTICLE VII.

##### EASEMENTS

Section 1. Each townhouse lot and the property included in the common area shall be subject to an easement for encroachments created by construction, settling and overhangings as designed or constructed by the Declarant. A valid easement for such encroachments and for the maintenance of same so long as it stands, shall and does exist. In the event the multi-family structure containing two or more townhouses is partially or totally destroyed and then rebuilt, the owners of the townhouses so affected agree that minor encroachments of part of the adjacent townhouse units or common areas due to construction shall be permitted and that a valid easement for said encroachment and the maintenance thereof shall exist.

Section 2. There is hereby created a blanket easement upon, across, over and under all of said property for reasonable ingress and egress for installation, replacing, repairing and maintaining all utilities, including, but not limited to water, sewer, gas, telephones, cable television system, electricity and a master television antenna system. By virtue of this easement, it shall be expressly permissible for the providing electrical and/or telephone company to erect and maintain the necessary underground equipment and other necessary equipment on said property, and to affix and maintain electrical and/or telephone wire, circuits, and conduits on, above,

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across and under the roofs and exterior walls of said townhouses. An easement is further granted for the benefit of the City of Wilson, North Carolina, over all common areas hereby or hereafter established for police protection, fighting of fires and collection of garbage. Notwithstanding anything to the contrary contained in this paragraph, no sewers, electrical lines, water lines or other utilities may be installed or relocated on said property except as initially programmed and 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 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 premises.

## ARTICLE VIII.

## ARCHITECTURAL CONTROL AND USE RESTRICTIONS

Section 1. The real property described herein is hereby made subject to the protective covenants and restrictions hereby declared for the purpose of insuring the best use and most appropriate development and improvement of each lot; to protect the owners of the lots against such improper use of surrounding lots as will depreciate the value of the property of each; to preserve, so far as practicable, the natural beauty of said property; to guard against the erection thereof of poorly designed or proportioned structures, and structures built of improper and unsuitable materials; to obtain harmonious color schemes; to insure the highest and best development of said property; to encourage and secure the erection of attractive homes thereon, with appropriate locations thereof on lots; to secure and maintain proper set backs from streets; and in general to provide adequately for a high type and quality of improvements on said property and thereby to enhance the values of investments made by the purchasers of lots therein.

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Section 2. Each lot as set forth herein and as approved by the appropriate municipal authority, shall be used for residential purposes only. The lay of the lots as shown on the recorded plat shall be substantially adhered to; provided, however, that with the prior written approval of the Declarant, its successors and assigns, or the Association, the size and shape of any lot may be altered; provided that no lot or group of lots may be re-subdivided so as to produce a greater number of lots than that allowed by the applicable zoning laws in force at the time of the said change. A townhouse may be constructed on more than one lot provided the location of any structure permitted thereon is approved in writing by the Association or the Declarant. Except as provided in this paragraph, no structure shall be erected, altered, placed or permitted to remain on any lot other than one attached single family dwelling, not to exceed two stories in height excluding basements. All structures shall comply with applicable zoning restrictions of the City of Wilson, North Carolina.

Section 3. No residential structure, which has a minimum area of less than 1,000 square feet of heated area for a one or two-story or a split-level structure, exclusive of porches, basement and garage, shall be erected or placed on any lot.

Section 4. No building, wall, fence or other structure shall be commenced, erected, or maintained upon the properties, nor shall any exterior addition to or alteration therein be made nor shall any repair be made thereto, nor shall any building, wall, fence or other structure be rebuilt after destruction by any hazard until the plans and specifications, showing the nature, kind, height, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by



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the Declarant or the Association. In the event said Association or Declarant 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.

Section 5. Said property is hereby restricted to residential dwellings for residential use. All buildings and structures erected upon said lots shall be of new construction and no building or structures other than townhouse buildings, being single-family townhouses, joined by a common exterior roof and foundation shall be constructed. No structures of a temporary character, trailer, basements, tent, shack, garage, barn or other out-building shall be used on any portion of said property at any time as a residence, either temporarily or permanently.

Section 6. Each lot shall be conveyed as a separately designated and legally described freehold estate, subject to the terms, conditions and provisions hereof.

Section 7. Notwithstanding any provision herein contained to the contrary, it shall be expressly permissible for Declarant or the builder of said townhouses to maintain during the period of construction and sale of said townhouses, upon such portion of the premises as Declarant deems necessary, such facilities as in the sole opinion of Declarant may be reasonably required, convenient or incidental to the construction and sale of said townhouses, including, but without limitation, a business office, storage area, construction yards, signs, model units and sales office.

Section 8. No animals, livestock or poultry of any kind shall be raised, bred or kept on said lots, except that dogs, cats or other usual household pets may be kept by respective owners

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on their respective lots, provided that they are not kept, bred or maintained for any commercial purposes and do not endanger the health of, or in the sole discretion of the Board of Directors of Regency Villas Homeowners Association, Inc., reasonably disturb the owner of any other lot or resident thereof, and provided further, that such pets shall not be allowed in the common areas of the Regency Villas development unless on a leash or carried by the owner thereof.

Section 9. No advertising signs, billboards, unsightly objects or nuisances shall be erected, placed or permitted to remain on the property, nor shall the property be used in any way or for any purpose which may endanger the health of or unreasonably disturb the owner of any lot or any resident thereof. No business activities of any kind whatsoever shall be conducted in any building or on any portion of the lots; provided, however, a lot owner or occupant thereof may use a portion of his townhouse for his office, provided that the activities therein are in compliance with all city ordinances, do not interfere with the quiet enjoyment or comfort of any other lot owner, or that such activities shall not involve the personal services of any lot owner or occupant to a customer or other person or client who comes to the property, and further provided, however, the foregoing covenant shall not apply to the business activities, signs and billboards of the Declarant, its agents or assigns, during the construction and sale periods.

Section 10. All equipment, garbage cans, service yards, wood or storage piles shall be kept screened by adequate planting or fencing so as to conceal them from view of neighboring townhomes or attached single-family dwellings. All garbage, trash or rubbish shall be regularly removed from the premises and shall not be allowed to accumulate therein. No clothes lines shall be permitted outside any townhouse unit without prior consent of the Homeowners Association.

Section 11. No planting or gardening shall be done and no fences, hedges or walls shall be erected or maintained upon

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said property except such as are installed in accordance with initial construction of the buildings located thereon by Declarant or as approved by the Association's Board of Directors or their designated representatives. It is expressly acknowledged and agreed by all parties concerned that this paragraph is for the mutual benefit of all the owners of townhomes and is necessary for the protection of the homeowners. Notwithstanding anything in this section to the contrary, the lot owners are permitted to maintain their rear yards as allowed by Article VI hereinabove.

Section 12. All fixtures, equipment, utility lines, pipes, wires, conduits or systems within property lines of each unit shall be maintained and kept in repair by the owner thereof. All utility lines, pipes, wires, conduits or systems other than the aforementioned shall be maintained by the Association and shall be a common expense of the Association. An owner shall do no act, nor any work that will impair the structural soundness or integrity of another townhouse, nor impair any easement or hereditament, nor do any act or allow any condition to exist which will adversely affect the other townhouses or their owners.

Section 13. Without the prior written approval and the authorization of the Board of Directors, no exterior television or radio antennas of any sort shall be placed, allowed or permitted upon any portion of the improvements to be located upon the property.

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Section 14. No action shall at any time be taken by the Association or its Board of Directors, which in any manner would discriminate against any owner or owners in favor of any other owner or owners or the Homeowners Association.

Section 15. The Board of Directors of the Association shall have the power to formulate, publish and enforce other reasonable rules and regulations concerning the use and enjoyment of the rear and front yard space of each lot and of the common area.

Section 16. No noxious or offensive activities shall be carried on in or upon any lot, nor shall anything be done which may cause embarrassment, discomfort, annoyance or nuisance to the other lot owners.

#### ARTICLE IX.

##### GENERAL PROVISIONS

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

Section 2. Severability: Invalidity of any one or more 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 3. Amendment: The covenants, conditions and restrictions of this Declaration shall run with the land, and shall inure to the benefit of and be enforceable by the Association or the owner of any lot subject to this Declaration, their respective legal representatives, heirs, successors and assigns for a term of forty (40) years from the date this Declaration is recorded, after which time, said covenants shall automatically be extended

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for successive periods of ten (10) years. The covenants, conditions and restrictions of this Declaration may be amended during the first forty (40) years by an instrument signed by not less than the owners of seventy five per cent (75%) of the lots and thereafter by an instrument signed by not less than the owners of sixty percent (60%) of the lots. Amendments shall not become effective until recorded in the Office of the Register of Deeds of Wilson County, North Carolina.

Section 4. Voting: Any vote pursuant to this Declaration of Covenants, Conditions and Restrictions 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) nor more than sixty (60) days in advance of the meeting. The presence of members or of proxies duly notarized, entitled to cast sixty percent (60%) of the votes of each Class of membership shall constitute a quorum. 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 of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 5. If any amendment to these covenants, conditions and restrictions is executed, each such amendment shall be delivered to the Board of Directors of this Association. Thereupon, the Board of Directors shall, within thirty (30) days, do the following:

A. Reasonably assure itself that the amendment has been executed 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 the 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

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in the same manner that these were executed. The following form of certification is suggested:

**"CERTIFICATION OF VALIDITY OF AMENDMENT TO COVENANTS,  
CONDITIONS AND RESTRICTIONS OF REGENCY VILLAS**

By authority of its Board of Directors, Regency Villas Homeowners Association, Inc. hereby certifies that the foregoing instrument has been duly executed by the owners of \_\_\_\_\_ percent of the lots of Regency Villas and is therefore a valid amendment to existing covenants, conditions and restrictions of Regency Villas.

REGENCY VILLAS HOMEOWNERS ASSOCIATION, INC.

BY: \_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

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

All amendments shall be effective from the date of recordation in the Wilson County Registry; provided, however, that no such instrument shall be valid until it has been indexed in the name of this Association. When any instrument purporting to amend the 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 lot in Regency Villas.

Section 6. The 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 lots and improvements constructed thereon will be eligible for loans approved or guaranteed by the Veterans Administration, hereinafter called VA, or the Department

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of Housing and Urban Development, hereinafter called HUD or Federal National Mortgage Association, hereinafter called FNMA-Fannie Mae, it is likely that HUD, VA or Fannie Mae will all require changes in this Declaration in order to make the lots and improvements thereon eligible for VA, HUD or Fannie Mae loans. In such event, Declarant, without the consent or approval of any owner shall have the right to amend this Declaration and evidence of approval of VA, HUD and/or Fannie Mae shall be attached to such amendment and recorded.

Section 7. Right of Declarant to Amend Declaration:

Declarant hereby retains the right to amend this Declaration in Article VIII, providing for architectural control and use restrictions, except that Declarant shall not make any amendment allowing the placement of more than one dwelling per lot or any amendment which would allow any use of a lot except for residential purposes or for use as part of the common area.

Section 8. Each member agrees to keep the Regency Villas Homeowners Association, Inc. informed of his address at all times and any notice sent or delivered to said address shall be sufficient and each new member agrees to provide the Association with evidence of his ownership for preparation of a membership roster and the roster as so completed shall be sufficient evidence as to the ownership of each lot.

Section 9. Gender and Grammar. The singular, wherever used herein shall be construed to mean the plural when applicable and the necessary grammatical changes required to make provisions hereby apply to either corporations or individuals, man or wife, shall in all cases be assumed as though in each case fully expressed.

Section 10. Annexation of Additional Properties:

A. Annexation of additional property shall require the assent of two-thirds (2/3) of the votes of the Class A membership and two-thirds (2/3) of the votes of the Class B membership, if



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any, at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting. The presence of members or of proxies entitled to cast sixty percent (60%) of the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called subject to the notice requirement set forth above and the required quorum at such subsequent meeting shall be one-half of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. In the event that two-thirds (2/3) of the Class A membership or two-thirds (2/3) of the Class B membership are not present in person or by proxy, members not present may give their written assent to the action taken thereat.

B. Additional land within all of Section Three, Regency Park as shown on a plat thereof recorded in Plat Book 16, page 6, Wilson County Registry, may be annexed by the Declarant without the consent of Class A members within ten years of the recordation of this instrument provided that the Federal Housing Administration and the Veterans Administration determine that the annexation is in accord with the general plan heretofore approved by them.

Section 11. VA/FHA/FNMA Approval: As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration, the Veterans Administration and/or the Federal National Mortgage Association: annexation of additional properties, dedication of additional Common Area and the amendment of this Declaration of Covenants, Conditions and Restrictions.

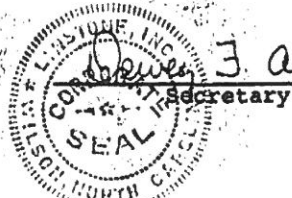
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IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal, this 30<sup>th</sup> day of April, 1982.

LINSTONE, INC.

BY: Joseph R. Allen  
President

ATTEST:



NORTH CAROLINA

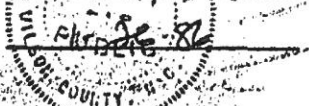
Wilson COUNTY

I, Kathy R. Fulghum, a Notary Public, certify that Joseph R. Allen personally came before me this day and acknowledged that he/she is Secretary of LINSTONE, INC., a corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by himself/herself as its Secretary.

WITNESS my hand and Notarial Seal, this 30<sup>th</sup> day of April, 1982.

Kathy R. Fulghum  
Notary Public

My commission expires:



NORTH CAROLINA, Wilson County  
The foregoing certificate of

Kathy R. Fulghum  
and  
Notary Public is (was) certified to be correct. This instrument was presented for registration and recorded in this office in Book 1219 Page 353 This 30 day of April, 1982.  
By Chas. W. Brenson  
Register of Deeds, Wilson County