April 21, 2021

NORTH CAROLINA

ALL REFERENCES TO GENDER WILL BE MEANT TO INCLUDE ALL GENDERS

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Franklin County North Carolina
Brandi S. Brinson, Register of Deeds
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CONSOLIDATION AND AMENDMENTS OF THE **BY-LAWS** OF LAKE ROYALE PROPERTY OWNERS ASSOCIATION, INC.

PURPOSE

THAT WHEREAS, North Carolina American Realty Service Corporation began the development of a subdivision in Cypress Creek Township, Franklin County, North Carolina, known as Lake Sagamore Subdivision; that the said North Carolina American Realty Service Corporation subdivided certain lands in Cypress Township of Franklin County, North Carolina, and recorded the plats thereof and recorded Restrictive Covenants governing the various uses and establishing control over said lands for the enhancement of the subdivision and for the mutual benefit of all persons owning property within the subdivision; and,

WHEREAS, Lake Royale Corporation became the successor developer to North Carolina American Realty Service Corporation and continued to develop the project formerly known as Lake Sagamore and in addition thereto, added three additional tracts or parcels of land to the subdivision in Cypress Creek Township, Franklin County, and in Mannings Township, Nash County, North Carolina; that furthermore, Lake Royale Corporation renamed the development as Lake Royale Subdivision and the undeveloped lands of the former project and the newly acquired lands were subdivided and plats prepared thereof and recorded in the offices of the Register of Deeds of Franklin County and Nash County, North Carolina; that Restrictive Covenants were recorded by Lake Royale Corporation for the additional lands to protect the best interest of all of the property owners in the total subdivision which were essentially the same as those previously recorded for Lake Sagamore Subdivision; that said Restrictive Covenants were designed to improve and protect the property and were for the mutual advantage of all property owners within Lake Royale Subdivision; and,

WHEREAS, the lands which comprise Lake Royale Subdivision, formerly known as Lake Sagamore Subdivision, have been subdivided and the plats of said subdivision are recorded in the office of the Register of Deeds of Franklin County, North Carolina, in Plat Book 12, Pages 1-73d amended to provide an updated version of the By-laws to comply with the current needs of the Association and that the new By-laws as consolidated and amended are recorded at the Register of Deeds of Nash County in plat Book 13, Pages 168-177 and 207-210; and,

That the prior Restrictive Covenants for Lake Sagamore Subdivision, now Lake Royale Subdivision, are recorded in the office of the Register of Deeds of Franklin County, North Carolina, in Book 696, Pages 406-414 and in Plat Book 12, Page 5; that the Restrictive Covenants for the remaining portion of the old Lake Sagamore Subdivision and for the new lands of Lake Royale Subdivision are recorded in the office of the Register of Deeds of Franklin County, North Carolina, in Book 762, Pages 203-208, Book 772, Pages 81-86, Book 773, Pages 186-191, Book 794, Pages 191-195 and 198-204, Book 876, Pages 23-32, Book 892, Pages 133-144, Book 907, Pages 614-624, Book 909, Pages 747-756, Book 975, Pages 905-912, Book 977, Pages 383-392, Book 1005, Pages 127-134 and 829-838, Book 1027, Pages 801-813, Book 1028, Pages 723-735, Book 1053, Pages 28-39, Book 1085, Pages 642-654, Book 1086, Pages 505-517, Book 1206, Pages 1014-1022, Book 1231, Pages 588-597, Book 1424, Pages 443-453, Book 1491, Pages 764-777, Book 1563, Pages 33-46, Book 1637, Pages 134-147, Book 1747, Pages 79-89, Book 1829, Pages 122-136, Book 1870, Pages 404-420, Book 1961, Pages 303-316,Book 2006,Pages 763-777 and in the office of the Register of Deeds of Nash County, North Carolina, in Book 1050, Pages 344-348, Book 1058, Pages 304-307, Book 1468, Pages 549-558, Book 1503, Pages 967-979, Book 1540, Pages 548-559, Book 1767, Pages 827-835, Book 1809, Pages 31-40, Book 2076, Pages 42-52, Book 2166, Pages 614-628, Book 2258, Pages 778-791, Book 2478, Pages 31-44, Book 2582, Pages 936-950, Book 2634, Pages 172-188 Book 2742, Pages 485-498, Book 2793, Pages 1-15 ;

WHEREAS, pursuant to the Restrictive Covenants recorded in the office of the Register of Deeds of Franklin County and Nash County, North Carolina, the owners of property within Lake Royale Subdivision, formerly Lake Sagamore Subdivision, joined together and formed a non-profit membership corporation originally chartered as Lake Sagamore Property Owners Association, Inc. and by amendment thereof, the name was changed to Lake Royale Property Owners Association, Inc.; that all property owners are a member of the Property Owners Association and they have duly elected a Board of Directors to govern the administration of the Restrictive Covenants and By-laws of the Association; and,

WHEREAS, by unanimous vote of the Board of Directors, it was resolved that the By-laws of the corporation should be consolidated and amended to provide an updated version of the By-laws to comply with the current needs of the Association and that the new By-laws as consolidated and amended should be presented to the annual meeting of the Property Owners Association on July 21, 2012, for ratification as provided in the existing Restrictive Covenants and By-laws; and,

WHEREAS, it is the intent and purpose of these By-laws to provide for the orderly administration of the Restrictive Covenants of the subdivision, and to provide the maximum benefits and protection to each of the members.

WHEREAS, THE Board of Directors has resolved to reclassify the nomenclature of lots in Lake Royale currently known as camping lots to multi-use lots to reflect the change in nature of the usage, the term multi-use will be used on any changes to this document and will mean the same as camping until the changeover is complete in the document; 16

ARTICLE I
OFFICES

The principal office of the Association in the State of North Carolina shall be located at Lake Royale Subdivision, Franklin County, North Carolina, 9022 Lake Royale, Louisburg, North Carolina 27549; the Association may have such other offices as the Board of Directors may determine or as the affairs of the Association may require from time to time.

ARTICLE II
MEMBERS

SECTION 1. **Class of Members**: The Association shall have only one (1) class of members. A member shall consist of the owners of a lot, whether residential or camping, within Lake Royale Subdivision upon the recording of a Deed for such lot in the Office of the Register of Deeds of Franklin or Nash County, North Carolina, or upon entering into an Agreement to Purchase from North Carolina American Realty Service Corporation or Lake Royale Corporation. The owner or owners of a lot, whether residential or camping, shall be considered as one member for voting purposes subject to subsection 6; however, each owner shall be considered a member of the Association with the rights to use the amenities of the Association as hereinafter provided.

SECTION 2. **Members in Good Standing**: Only members in good standing or their families and guests shall be entitled to the use of the various amenities within the Lake Royale Subdivision, however, all property owners shall have the right of access to their property whether or not they are in good standing. Eligibility to vote on specific issues before the Association is hereinafter set out. A member is in good standing when he is current in the payment of his dues as assessed by the Association or is not delinquent in such payment for more than thirty (30) days, and who has not been declared by the Board of Directors to be in violation of the Restrictive Covenants, By-laws or rules and regulation of the Association, after opportunity for hearing. 1 Any property owner having whole or part ownership in any lot, on which dues are delinquent, will considered not in good standing.

SECTION 3. **Dues**: All property owner within Lake Royale Subdivision is subject to the Restrictive covenants, which provide that each property owner would be subject to paying dues to the Property Owners Association on the first day after **TAKING TITLE TO** a lot, which dues are to be used for the use and benefit of all of the property owners in maintaining the amenities of the Subdivision. All costs and attorney's fees accrued in the collection of delinquent accounts shall be at the expense of the delinquent property owner.

The original dues were set at $60.00 per annum payable each year in advance for the fiscal year of the Association. That the Board of Directors as provided in the By-laws, has increased said dues to $84.00 as of July 1, 1982; to $120.00 as of October 1, 1987; to $125.50 as of April 1, 1990; to $131.50 as of April 1, 1991; to $136.32 as of April 1, 1992; to $150.00 as of April 1, 1993; to $165.00 as of April 1, 1994; to $181.50 as of April 1, 1995, to $199.65 as of April 1, 1996, to $209.60

as of April 1, 1997, to $230.56 as of April 1, 1998, to $253.60 as of April 1, 1999, to $278.96, as of April 1, 2001, to $306.86, as of April 1, 2002, to $325.00, as of April 1, 2003, to $357.50, as of April 1, 2004, to $393.25, as of April 1, 2005, to $432.58, as of April 1, 2006, to $454.21, as of April 1, 2007, to $499.63, as of April 1, 2008, to $549.59, as of April 1, 2009, to $577.06, as of April 1, 2010, to $605.91, as of April 1, 2011,as of April 1, 2012, to $636.20, as of April 1, 2013, to $668.00 as of April 1, 2014, to $702.00. as of April 1, 2015 to $736.00, as of April 1, 2016 to $773.00, as of April 1 2017 to $811.00, as of April 1 2018 to $852.00, as of April 1 2019 to $895.00, as of April 1 2020 to $939.00. The dues charged, except for interval ownership property, commences on the first day after taking title to a lot 3, or upon entering into an agreement to purchase said lot from Carolina American Realty Service Corporation, or Lake Royale Corporation or received a deed from the developer, whichever occurred first. That thereafter, said annual dues are due and payable on or before the first day of each fiscal year for the Association which runs from April 1st through March 31st of each year. An optional payment plan is available from the POA management. A 1 1/2 (one and one-half) percent per month late fee will be assessed against all delinquent accounts. Any multi-family unit property owner will be assessed one set of annual dues for each of the single-family units contained within the multi-family building. 12

The Board of Directors by a two-thirds (2/3) majority shall have the authority to set the annual dues, based upon the needs of the Association, but not more than 5% unless approved by a two-thirds majority of the members present and/or voting by absentee ballot and/or electronic means at any annual meeting of the Lake Royale Property Owners Association. 15 21

For the purpose of computing the dues owed by a member, the following table shall govern:

A. If a single family unit owns a single lot, whether camping or residential, said family unit shall owe a single due. 15

B. Applicable to any Property Owner granted adjoining lot status prior to August 1, 2015. If a single family unit owns one, two, or three adjoining or abutting lots, either camping lots or residential lots, and use said lots as a single lot, then such lots owners shall owe one single dues charge so long as all such lots remain in the ownership of a single family unit and are maintained and used by said single family unit as a single unit. If ownership of any one of said lots is ever transferred from the single family unit, then and in that event, the new owner of the said lot will owe the Lake Royale POA dues from that day forward unless lots are legally combined. 4 15 20

C. If a single family unit owns more than one lot which are not adjoining, then such single family unit shall owe a separate annual dues charge for each lot which the single family unit owns. 15

D. If a corporation or unincorporated association owns property within Lake Royale Subdivision, then said corporation shall be considered a single family unit as here in above defined and shall owe the same dues as a single family unit; however, the use of the amenities of the Association shall be limited to no more than five (5) persons owning stock therein being directors of the corporation or members of the association at any one time. Such corporation or unincorporated association may pay a Facility fee in the same amount as the prevailing Association dues, which would allow use of the amenities in the ratio of five (5) persons for each fee paid.

E. If more than one single family unit owns a lot within Lake Royale Subdivision only one vote would be allowed per said lot.

F. If two (2) persons who own a single lot are legally named on the property deed, whether related or not, they shall collectively owe a single due. All other owners of said lot who are legally listed on the same property deed shall be assessed a Facilities Fee in the amount of 50% of the prevailing Association dues. 5

The above-stated dues shall be paid to Lake Royale Property Owners Association, Inc., its successors or assigns, for the use and benefit of the Association to carry out the objectives set out in the Restrictive Covenants, the property reports filed with HUD and the By-laws of the Corporation.

Dues shall be payable by those holding "developer" status for all lots which it has developed or sold within three years. Once streets are in place, the lot(s) shall be deemed developed.

SECTION 4. **Responsibility of the Property Owners Association**: The Lake Royale Property Owners Association, Inc. shall be responsible for the collection of dues from its members at the rate established by the Board of Directors in compliance with the Restrictive Covenants, property reports and By-laws of the corporation. The corporation

shall maintain a current and accurate record of all dues payments and all other receipts. Furthermore, the corporation shall maintain a current and accurate record of all disbursements and shall maintain a Fixed Asset Inventory of all property, both real and personal owned or maintained by the Association for its membership.

The dues and other receipts received by the Association shall be used for the day to day cost of the Association to carry out the objectives set out in the restrictive covenants and in the By-laws. Pursuant to the agreement of the developer and the member of the Association, all areas within the Subdivision are shown on the above-referenced plats and the same are subject to the restrictive covenants recorded in the office of the Register of Deeds of Nash and Franklin Counties. This agreement provides that all areas within the Subdivision which are not designated as property to be sold or to be developed by the developer will become the property of the Association at intervals based on completion of the various sections of the project by the developer. Upon acceptance of each of these areas by the Association for the developer, it shall be the Association's responsibility to maintain each and every area in a state of good repair and maintenance. The above-referenced recorded maps of Lake Royale Subdivision are incorporated herein by reference thereto for identification of the areas which are to be delivered to and maintained Association and designated as recreation, beach, comfort centers, greenways, lake access areas, dam and spillway areas, clubhouses, bath houses, tennis courts, docks, marina, golf course, guard houses and other building and improvements and other areas and improvements which are for the general use and benefit of all of the members of Lake Royale Property Owners Association which are herein called amenities. It is the Association's affirmative obligation to inspect each amenity prior to acceptance of the same from the developer and to only accept the amenities when they are in a state of good condition and repair. Once the Association has accepted the amenities, ,then it is the Association's obligation and responsibility to maintain each and every amenity in the Subdivision in a state of good repair and in good order so that the same may be used by all members of the Association in good standing to their fullest enjoyment in the proper use thereof. As finances permit, the Association is to acquire additional amenities which are to be for the sole use and benefit of the members and to maintain said additional amenities in a state of good repair and in good order.

The Association is to maintain a security force out of the membership dues which shall provide security for the Association's members and their property. The security force is to be known as the 'Lake Royale Company Police', and is to be a subsidiary of Lake Royale Property Owners Association, Inc. and is to be financed and maintained out of the Association dues for the use and benefit of the Association members.

The Association is further authorized and directed to acquire and maintain personal property which may be reasonably necessary to carry out the purposes stated herein and to keep the property owned by the Association in a state of good repair and order which are to be purchased and maintained out of Association dues. The Association is further to provide recreational facilities and events for the use and benefit of the membership which shall be financed totally or in part out of membership dues.

The Association is to employ such personnel as the Board of Directors may deem necessary and proper to carry out the objectives set out herein and to pay such employees reasonable salaries based on such employees' experience and expertise; that further, the Association is to operate the facilities and the business of the Association and to pay for reasonable office and other expenses of the Association all out of the dues paid by the membership.

It is the objective of these By-laws to provide a safe, wholesome and attractive private recreational community for the Association members in which each member is an integral part and which is solely supported by its members without outside government intervention, control or support and for that purpose, each property owner has covenanted each with the other to pay the dues as assessed to finance the reasonable operation and maintenance thereof.

SECTION 5. **Use of Amenities**: Only members in good standing and their authorized guests may use the amenities of the Association in Lake Royale Subdivision, however, all property owners shall have access to their property even though they may not be in good standing in the Association. 1 A member not in good standing, as here in above defined, may not be considered as a guest or authorized guest.

SECTION 6. **Voting Rights**: Each single family unit as here in above described shall be entitled to one vote for each annual dues assessment which such single family unit pays to the Association. Where title to a lot or lots is or is to be held by more than one person, whether jointly or as joint tenants with rights of survivorship, or a corporation, only one vote shall be allowed for each assessment of annual dues. Only member's current in their annual dues may vote.

A. Based on the above definition of a member's right to vote, only members in good standing may vote on amendments to By-laws and Restrictive Covenants.

B. Only members in good standing may vote on all other matters and issues which might come before the Association.

SECTION 7. **The Secretary and Treasurer** of the Corporation and the Elections Committee shall determine those members who are eligible to vote on any matter which may come before the Association based on the definition of a member, a member in good standing, and the right to vote on particular issues as here in above defined.

SECTION 8. **Rules and Regulations**: Each member and his or her family and their guests shall be subject to the following rules and regulations.

A. Members admitting guests to Lake Royale are accountable for any misconduct or violation of the restrictive Covenants, By-Laws and Rules and Regulation of the Association as adopted by the Board of Directors.
B. Members desiring to rent their lots must first obtain approval from the Board of Directors or its designated agents or committees and shall in all events be accountable for actions of any persons to whom they rent. The tenant shall not be entitled to use the community areas or other facilities of the Association until membership cards are issued to them by the appropriate officials of the Association. If the property owner is an absentee landlord (meaning he does not own property in the Subdivision for his sole use and pleasure) and still wants to use the amenities, he must pay a full set of dues in addition to the dues paid on the property owned and held for rental. Tenants shall have no voting rights.
C. A non-member of the Association who uses the community areas or facilities of the Association who does not have permission by a member, the Lake Royale Company Police, or the Association (as further described in the Lake Royale Rules and Regulations) shall be considered a trespasser under the laws of the State of North Carolina unless personally accompanied by a member of the Association in good standing.

D. No vehicle shall be operated within the Subdivision except on roads or road easements or in designated parking areas or as an owner may direct on his own property. [6] Motor vehicles not licensed by the State of North Carolina or some other state or the District of Columbia for road use shall not be operated within the Subdivision. NC Senate specifically passed Senate Bill 156 (Session Law 1999-11) to allow the use of unlicensed motor vehicles (golf carts, ATV's and dirt bikes) between the hours of darkness and 8:00 am. See Senate Bill 156 for particulars. It includes the following exception from existing law for both Franklin and Nash Counties within Lake Royale:

Section 3.1 (c): Golf carts, all terrain vehicles (ATVs), and dirt bikes may be operated within the confines of the Lake Royale Community only if all of the following conditions are met:
1) The vehicle displays a banner or pennant of not less than 24 square inches and which is attached to a support or antenna extending at least six feet above the pavement.
2) The vehicle is registered with the Lake Royale Property Owners Association, Inc., and has affixed to it a current Lake Royale registration sticker.
3) The vehicle is not operated between dusk and sunrise unless equipped with front and rear lights as described in G.S. 20-131.
4) The vehicle is operated on streets, roadways, alleys, and designated trails by a person holding a valid drivers license. [10]

All vehicles will be operated in a safe and careful manner and in obedience to the posted traffic signs and of rules and regulations promulgated from time to time by the Association and in accordance with the rules of the road established by the General Assembly of North Carolina for use on public roads. Chapter 20 of the North Carolina General Statutes is hereby adopted by the Association for rules governing operation of motor vehicles on the roads within the Subdivision and incorporated herein by reference thereto.
E. Use of open fires must be in accordance with applicable state and local ordinances.
F. All members must comply with each and every Restrictive Covenant pertaining to Lake Royale Subdivision as the same is recorded in the Office of the Register of Deeds of Franklin County and in the Office of the Register of Deeds of Nash County, North Carolina.
G. The Board of Directors of Lake Royale Property Owners Association, Inc. is hereby authorized and directed to promulgate such rules and regulations as they deem to be in the best interest of the Association for implementing the Restrictive Covenants and By-laws of the Association which shall be enforceable to the same extent as the

Restrictive Covenants for Lake Royale Subdivision. The violation of any of the rules and regulations set out herein or any rules or regulations duly adopted by the Board of Directors shall be considered appropriate grounds for declaring a person to be not in good standing in the Association and such violations may be enforced in accordance with Paragraph 15 of the Consolidated and Amended Restrictive Covenants for Lake Royale Subdivision as set out for enforcement of the rules and regulations of the By-laws of Lake Royale Property Owners Association, Inc.

ARTICLE III
MEETINGS OF MEMBERS

SECTION 1. **Annual Meeting**: The annual meeting of the members of the Lake Royale Property Owners Association, Inc. shall be held at the Lake Royale Clubhouse, Lake Royale Subdivision, Franklin County, North Carolina, or as otherwise provided by these regulations, on the third Saturday in the month of July of each year at an hour set by the Chairman of the Association for the purpose of electing a Chairman and a Vice-chairman of the Association and members of the Board of Directors of the Association whose terms have expired, and for the transaction of any and all other business as may come before the meeting. All elections and voting on other matters lawfully brought before the members of the Association may be conducted by absentee ballot or by mail in such manner as the Board of Directors may determine and as herein provided. If the election of the Chairman, Vice-chairman or any Director shall not be held on the day designated herein for the annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members or to be conducted by mail as soon thereafter as may be convenient.

SECTION 2. **Special Meetings**: Special meetings of the members of the Association may be called by a majority of the Board of Directors or by a petition signed by ten percent (10%) of the members having voting rights.

SECTION 3. **Notice of Meetings**. Written or printed notice of the place, date and hour of any meeting of the members of the Association shall be delivered, either personally or by mail, to each member entitled to vote at such meeting not less than 30 nor more than 60 days before the date of the meeting by or at the direction of the Chairman of the Association or the other officers or persons calling said meeting. In the case of a special meeting or when required by statute or these By-laws, the purpose or purposes for which the meeting is called shall be stated in said notice. If mailed, the notice of meeting shall be deemed to be delivered when deposited in the United States mail addressed to the member, postage prepaid, his address as it appears on the records of the Association.

SECTION 4. **Quorum**: A quorum for the transaction of business at any meeting of the members shall be not less than five percent (5%) of the qualified voting members. For the election of all officers of the Association, and for voting on issues properly submitted to the membership to include amendments to Restrictive Covenants and By-laws, the signed ballot, either personally or by absentee ballot or by electronic means, shall be considered as a member present for the item of business under consideration. If a quorum is not present at any meeting of the membership, a majority of the members present may adjourn the meeting from time to time without further notice. [21]

SECTION 5. **Absentee Ballots**: At any meeting of the members, a member entitled to vote may vote by absentee ballot executed in writing by a member or by his duly authorized attorney-in-fact. A member may direct his attorney-in-fact how to vote on issue-announced in advance and for officers and directors of the Association or any other matter properly submitted to the membership for action. An absentee ballot shall be valid for the meeting for which it is designated or any adjournment thereof. A member may attend in person and recall a previously issued absentee ballot prior to the call to order of a meeting. [7]

SECTION 6. **Voting** at any meeting of the members of the Lake Royale Property Owners Association, Inc. shall be those ballots cast at the meeting, together with absentee ballots and/or those cast by electronic means received prior to the meeting. Voting by proxy is not allowed. The POA shall keep all records of all absentee ballots cast so that only those members present at the annual meeting who have not previously submitted an absentee ballot or ballot by electronic means may cast a ballot at the meeting itself. The deadline to receive the absentee ballot and/or electronic ballot is seven (7) days prior to the noticed meeting date. Absentee ballots may be mailed or hand delivered to the POA office; if hand delivered, ballots must be received during business hours, which are normally between 9:00a.m. and 5:00p.m. on weekdays, unless otherwise posted. [8] [21]

SECTION 7. **Inspection of Elections**: The Chairman of the Association shall appoint and announce prior to each election or other voting, two (2) Inspectors of Election whose duty it shall be, to the best of their skill and ability, to receive and canvass the votes cast and to otherwise conduct such election and to thereafter certify the result of said election or voting to the Chairman. The Chairman shall thereafter notify the members of the Association of the results of said voting and notify any person elected to office and to request that such person accept the office to which he has been elected. If one declines, the candidate receiving the next high number of votes for said position shall be considered duly elected, subject to his acceptance thereof.

SECTION 8. **Installation of Officers**: The President of the Association or his designated representative shall install the Chairman and Vice-chairman of the Association with an appropriate ceremony at the annual meeting, if feasible.

SECTION 9. **The Chairman** of the Association or the presiding officer at the meeting of the Association shall appoint a parliamentarian whose duties shall be to insure the proper conduct of the meeting. Robert's Rules of Order shall govern the conduct of all meetings.

ARTICLE IV
BOARD OF DIRECTORS

SECTION 1. **General Powers**: The affairs of the Association shall be managed by the Board of Directors.

SECTION 2. **Number, Tenure and Qualification**:

A. The Board of Directors (BOD) shall consist of ten members in good standing. The BOD shall be comprised of:
   1) Four (4) members owning camping lots and, all of whom shall serve for a three year period, and
   2) Four (4) members owning residential lots, all of whom shall serve for a three year period, and
   3) One (1) member at large who shall be the Chairman of the Association, and who shall serve for a one (1) year term, and
   4) One (1) member at large who shall be the Vice-Chairman of the Association, and who shall serve for a one (1) year term. Said member shall be a non-voting member except in the absence of the Chairman of the Association, when he will assume the duties of the Chairman.

B. Commencing with the election of Directors at the 1987 Annual Meeting of the Association, the Board of Directors shall be reconstituted as follows:
   1) One of the three seats which become vacant and up for election in 1987 shall be filled henceforth by the Chairman of the Association as elected annually thereafter by the Association. He shall be a general Board Member and may not hold any other office in the Association.
   2) The two remaining seats which become vacant and up for election in 1987 shall be elected for a three year term. The three seats which become vacant and up for election in 1988 and 1989, respectively, shall be elected for three year terms each.

C. The Chairman of the Association is a general Board Member and must be a member in good standing of the Association. All Directors, including the Chairman, must be 18 years of age or older. All Directors shall continue to serve until his successor shall have been duly elected and qualified.

D. Commencing with the Directors elected in 1987 and thereafter, except the Chairman, all Directors shall be elected for a three year term of office and may be elected for a single three-year, additional, successive term of office only.

E. The Nominating Committee, as provided in Article IV, Section 10, shall recommend to the Board of Directors two (2) or more candidates in good standing to run for each available seat on the Board which is up for election each year, providing a sufficient number of candidates apply and are qualified. 17 In addition, any incumbent who is eligible to run for re-election to the Board of Directors would be automatically added to the Nominating Committee's recommendation list, unless the incumbent chooses not to run. 5 Said Committee shall consider anyone on whose behalf a petition is submitted pursuant to Article IV, Section 11.
   The Board of Directors shall receive the Nominating Committees recommended list of candidates plus any incumbents eligible to run for re-election, and in addition, shall accept petitions from members in good standing desiring to be placed on the ballot. The Board of Directors shall then nominate to the Association two or more members in good standing to fill each seat, providing a sufficient number of candidates apply. 5 In addition to the Board's nominee, the name of any qualified person on whose behalf a petition has been filed pursuant to Article IV, Section 11, who was not the Board's nominee, shall be placed on all ballots. Directors shall be

elected by the Association by a simple majority vote of the members present at the meeting or voting by absentee ballot or by electronic means. 21

SECTION 3. **Regular Meetings**: The regular annual meeting of the Board of Directors shall be held, without other notice, immediately after, and at the same place as, the annual meeting of the members of the Association. The Board of Directors may provide by resolution the time and place, either within or without the State of North Carolina, for the holding of additional regular meeting of the Board without other notice than such resolution.

SECTION 4. **Special Meetings**: Special meeting of the Board of Directors may be called by or at the request of a majority of the members of the Board. The person or persons authorizing the call of such special meetings of the Board may fix any place and time, either within or without the State of North Carolina, as the place for holding such special meeting of the Board called by them.

SECTION 5. **Notice**: Notice of any special meeting of the Board of Directors shall be given at least two days prior thereto by telephone or by written notice delivered personally or sent by mail or telegram to each Director at his address as shown by the records of the Association. If mailed, such notice shall be deemed to have been delivered when deposited in the U. S. Mail, postage prepaid, addressed to the Director. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. The business to be transacted at the meeting needs to be specified in the notice or waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. The business to be transacted at the meeting need not be specified in the notice or waiver of notice of such meeting, unless specifically required by the laws of the State of North Carolina or by these By-laws.

SECTION 6. **Quorum**: A majority of the Board of Directors shall constitute a quorum for the transacting of any business at any meeting of the Board; however, if less than a majority of the Directors are present at a meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

SECTION 7. **Manner of Acting**: The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these By-laws.

SECTION 8. **Vacancies**: Any vacancy occurring in the Board of Directors shall be filled by the Board of Directors. A Director elected by the Board of Directors to fill a vacancy on the Board shall serve for the unexpired term of his predecessor in office.

SECTION 9. **Compensation**: Directors shall not receive any stated salaries for their services; however, the Board of Directors may authorize payment of expenses of the Directors actually incurred in carrying out the business of the Association.

SECTION 10. **Nominating Committee**: The Board of Directors shall appoint, in December of each year, a Nominating Committee of at least five (5) and not more than seven (7) members of the Association in good standing, with representation from both Residential and Multi-use areas, who may not be members or spouses/significant others of members of the Board of Directors. The Nominating Committee shall serve at the pleasure of the Board of Directors and at its direction. The Nominating Committee shall present to the Board two (2) or more candidates in good standing (providing a sufficient number of candidates apply and are qualified) for the office 19 of Chairman of the Association, Vice-chairman of the Association and each seat on the Board of Directors which comes up for election in July at the annual meeting of the Association. The report of the Nominating Committee shall be submitted to the President and the Board of Directors not less than 120 days prior to the annual meeting. 17

SECTION 11. **Petition for Office**: Any member of the Association in good standing may petition the Association for election to any elected office or position in the Association by a written petition signed by a minimum of 50 members in good standing with voting rights to elect such officers; said petition shall be received by the Secretary of the Association not less than 90 days prior to the annual meeting and if appropriate submitted to the Nominating Committee

SECTION 12. No **employee** of the Property Owners Association shall serve as a member of the Board of Directors of Lake Royale Property Owners Association.

ARTICLE V
OFFICERS

SECTION 1. **Officers**: The officers of the Association shall be a Chairman and Vice-chairman, President and Vice-president, Secretary and Treasurer. The Board of Directors may elect and/or appoint a General Manager and Assistant Manager and Recreational Director and such other officers as it deems desirable. All appointed officers shall have authority to perform the duties prescribed by the Board and to serve at the pleasure of the Board.

SECTION 2. **Election, Qualifications and Term of Office**:

A. The Chairman of the Association and Vice-chairman of the Association shall be elected annually at the annual meeting of the Association by the membership of the Association for a one-year term of office with the right to succeed themselves on one additional, successive one-year term. Both officers must be members in good standing in the Association.

(1) Candidates for the positions of Chairman and Vice-Chairman of the Association will be obtained pursuant to Article IV, Section 2, Paragraph E, and Sections 10 and 11 of the same article. 17

(2) The Board of Directors shall nominate two (2) or more candidates in good standing (providing a sufficient number of candidates apply and are qualified) 19 for the office of Chairman of the Association and one member for the office of Vice-chairman of the Association to be submitted to the membership at the Annual Meeting.

(3) All ballots shall include the name of the nominee of the Board of Directors for each office and also the name of any member on whose behalf a petition has been submitted pursuant to Article IV, Section 11, who was not nominated by the Board of Directors. The candidate receiving the greatest number of votes, by members present 9 and absentee ballots and electronic means **21**, for each office shall be declared elected.

B. The President, Vice-president, Secretary and Treasurer of the Association shall be elected annually by the Board of Directors from its membership at the regular annual meeting of the Board of Directors held immediately after the annual meeting of the Association.

(1) The President and Vice-president shall be members of the Association in good standing and may be re-elected to such office so long as they are duly elected and qualified members of the Board of Directors.

(2) The Secretary and Treasurer shall be elected annually by the Board of Directors and shall serve for such periods as the Board of Directors may deem appropriate and at the will of the Board.

C. Each officer shall hold office until his successor shall have been duly elected and shall have qualified.

D. All officers of the Corporation shall be 18 years of age or older and in good standing.

SECTION 3. **Removal of Officers**: Any officer or Board member elected or appointed may be removed by a two-thirds (2/3) majority vote of the Board whenever, in its judgment, the best interest of the Association would be served thereby but such removal shall be without prejudice to the contract rights, if any, of the officer removed.

SECTION 4. **Vacancies**: A vacancy in the office of Chairman of the Association shall be automatically filled by the Vice-chairman. Upon a vacancy occurring in the office of Vice-chairman, the Board shall appoint a new Vice-chairman to serve the unexpired portion of the term of his predecessor. A vacancy in any other office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

SECTION 5. **Chairman of the Association**: The Chairman of the Association shall preside over all regular and special meetings of the general membership of the Association and shall serve as a member of the Board of Directors with full powers and authority to act as a general Board member but shall hold no other office in the Association.

SECTION 6. **Vice-chairman**: The Vice-chairman of the Association shall, in the absence of the Chairman, or in the event of his inability or refusal to act, perform the duties of the Chairman and when so acting, shall have all the powers

of and be subject to all the restrictions of the Chairman, and shall perform such other duties as from time to time may be assigned to him by the Chairman or by the Board of Directors.

SECTION 7. **President**: The President shall be the principal executive officer of the Association and shall in general supervise and control all of the business and affairs of the Association. He may sign with the Secretary or any other appropriate officer of the Association authorized by the Board of Directors any Deeds, mortgages, bonds, contracts or other instruments which the Board of Directors have authorized to be executed except in the case where the signing and execution thereof shall be delegated by the Board of Directors or by these regulations or by statute to some other office or agent of the Association. In general, the President shall perform all duties incident to the office of the President and such other duties as may be prescribed by the Board of Directors from time to time. The President of the Board of Directors, or in the President's absence, the Vice-President or his or her designee, shall preside over all meetings of the Board of Directors. 5 The President shall hold no other office in the Association.

SECTION 8. **Vice-president**: In the absence of the President or in the event of his inability or refusal to act, the Vice-president shall perform the duties of President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice-president shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors. He shall not hold any other office in the Association.

SECTION 9. **Treasurer**: If required by the Board of Directors, the Treasurer shall give a bond for the faithful performance and discharge of his duties in such sums and with such surety or sureties as the Board of Directors may determine. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Association, receive and give receipts for monies due and payable to the Association from any source whatsoever, deposit all such sums in the name of the Association in such banks, trust companies or other depositories as shall be selected in accordance with these By-laws and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned the Treasurer by the President or by the Board of Directors.

SECTION 10. **Secretary**: The Secretary shall keep the minutes of the meeting of the Board of Directors and the minutes of the annual meeting and all special meetings of the Association in one or more books provided for that purpose. The Secretary shall insure that all notices are duly given in accordance with the provisions of these regulations and the statutes of North Carolina and be the custodian of the corporate records and of the seal of the Association and see that the seal of the Association is affixed to all documents, the execution of which on behalf of the Association under its seal is duly authorized in accordance with the provisions of these regulations. The Secretary shall keep a register of the post office address of each member which shall be furnished to the Secretary by each member and such other duties as from time to time may be assigned to the Secretary by the President or by the Board of Directors.

SECTION 11. **Assistant Treasurers** and **Assistant Secretaries**: If required by the Board of Directors, the Assistant Treasurer shall give bond for the faithful discharge of his duty in such sums and with such sureties as the Board shall determine. The Assistant Secretary and Treasurer, in general, shall perform such duties as shall be assigned to them by the Treasurer or Secretary or by the President or the Board of Directors.

ARTICLE VI
COMMITTEES

SECTION 1. **Committees of the Board of Directors**: The Board of Directors by resolution adopted by a majority of the Directors may designate one or more committees, any of which shall consist of two or more Directors, which committees, to the extent provided in said resolution, shall have and exercise the authority of the Board of Directors in the management of the Association; however, the designation of such committees and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed by law. 10

SECTION 2. **Other Committees**: The President of the Association shall have the authority to appoint such other committees as the President deems to be in the best interest of the Association, such committees shall serve at the pleasure of the Association, such committees shall serve at the pleasure of the President and for such times and for such purposes as directed by the President. 17

SECTION 3. **Term of Office**: Each member of a committee shall continue as such until the next annual meeting of the Board of Directors or until his or her successor is appointed, unless the committee shall be sooner terminated, or unless such member be removed from such committee by the Board or the President who made such appointment or unless such member shall cease to qualify as a member of the Association.

SECTION 4. **Chairman**: One member of each committee shall be appointed Chairman by the person or persons authorized to appoint the member thereof.

SECTION 5. **Vacancies**: Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the original appointments.

SECTION 6. **Quorums**: Unless otherwise provided in the appointment of such committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

SECTION 7. **Rules**: Each committee may adopt rules for its own government not inconsistent with these regulations or with regulations adopted by the Board of Directors.

SECTION 8. All property owners appointed to committees of the Association must be in good standing.

ARTICLE VII
Ownership of Property, Entering into Contracts, Checks, Deposits, and Assets of the Association

SECTION 1. **Contracts**: The Board of Directors may authorize any officer or officers, agent or agents of the Association, in addition to the officers so authorized by these regulations, to enter into any contract or execute and deliver any instrument in the name and on behalf of the Association, and such authority may be general or confined to specific instances.

SECTION 2. **Checks, Drafts and Other Negotiable Instruments**: All checks, drafts or other negotiable instruments or orders for payment of notes, money or evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall from time to time be determined by the resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer and countersigned by the President or Vice-president of the Association.

SECTION 3. **Deposits**: All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board of Directors may select.

SECTION 4. **Gifts**: The Board of Directors may accept on behalf of the Association any contribution, gift, bequest, or devise for the general purpose or for any special purpose of the Association if it deems that such is in the best interest of the Association.

SECTION 5. **Assets of the Association**: The Association shall hold legal title to all real property acquired by the Association in the furtherance of the objectives of the Restrictive Covenants and By-laws of the Association. It shall be the responsibility of the Association upon acceptance or acquisition of any property, both real and personal, tangible and intangible, to take possession of said property and to maintain it in a state of good repair and to use or invest the same in the best interest of the members of the Association.

SECTION 6. **Legal Documents**: Any legal document, be it note, deed or contract or other document requiring the official execution of the Association shall be executed in the name of the Association by its President or Vice-president, and duly notarized if required, and its corporate seal affixed thereto upon resolution of the Board of Directors duly authorizing such execution. 18

ARTICLE VIII
BOOKS AND RECORDS

The Association shall keep current, accurate and complete books and records of accounts and shall also keep minutes of the proceedings of its members, Board of Directors, and committees having any of the authority of the Board of Directors, and shall keep at the registered or principal office of the Association a record giving the names and addresses of the members entitled to vote. All books and records of the Association may be inspected by any member, or his agent or attorney, for any proper purpose at any reasonable time. The Association shall keep a Fixed Asset Inventory of all its property.

ARTICLE IX
EVIDENCE OF MEMBERSHIP

Evidence of membership in the Association shall be a person's duly recorded Deed vesting fee simple marketable title in and to a lot, be it camping or residential in Lake Royale Subdivision, Franklin and Nash Counties, North Carolina, or upon entering into a binding sales agreement to purchase a lot, be it residential or camping, in Lake Royale Subdivision from North Carolina American Realty Service Corporation.

ARTICLE X
FISCAL YEAR

The fiscal year of the Association shall begin on the first day of April and end on the last day of March of each year.

ARTICLE XI
SEAL

The Board of Directors shall provide a corporate seal, which shall be in the form of a circle and shall have inscribed thereon the name of the Association, a copy of which is affixed hereto.

ARTICLE XII
WAIVER OF NOTICE

Whenever any notice is required to be given under the provision of the Non-profit Corporation Law of North Carolina or under the provisions of the Articles of Incorporation of the Association or the By-laws of the Association, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XIII
AMENDMENT TO THE BY-LAWS

These By-laws may be altered, amended, repealed, consolidated and new By-laws may be adopted in whole or in part by the owners of the lots in the Subdivision whenever the owners of at least two-thirds of said lots so agree in writing or by action of the Lake Royale Property Owners Association, Inc., at a meeting duly called for said purpose by a vote of at least two-thirds of the members present thereat, voting by ballot or voting by absentee ballot or voting by electronic means, 21 if a copy of the proposed change is mailed to the members of the Association no less than 30 nor more than 60 days before the date of the meeting. Proposed changes may be submitted by the Board of Directors or by a petition submitted and signed by at least fifty (50) members in good standing. 17

Whenever a By-law amendment is approved, the POA will post online. Meanwhile, you can always access www.lrpoa.com to view and/or download the latest version, if so desired. The entire By-laws will be printed out and sent to each property owner once every 10 years beginning in 2020. Meanwhile, you can always access www.lrpoa.com to view and/or download the latest version, if so desired. 13 22 23

Any proposed Amendment to these By Laws, whether submitted by a member of the Association (includes Board of Directors) or by written petition, must be received by the General Manager of the Association not later than March 1st of the current year prior to the Annual Meeting. Note: Prior to submission of an amendment or petition, the property owner may consult the By-laws and Covenants Committee for assistance in drafting and/or formatting the proposal.

In early March, the By-laws and Covenants Committee will submit to the Board of Directors a summation of all proposed amendments received on or before March 1st. The Board of Directors will review these amendments and those approved by the Board of Directors will be processed by the By-laws and Covenants Committee, and then resubmitted to the Board of Directors for placement on their ballot form.

The Board of Directors may approve or disapprove placing an amendment on the ballot, but not a petition. If a property owner submits an amendment to the Board of Directors and it is turned down by them, the property owner may resubmit the amendment as a written petition. A property owner may also bypass the Board of Directors entirely and submit a petition on his/her own. The petition form on which signatures will be collected must include a reasonable amount of written explanation, but must not tell a member how to vote. A property owner in good standing may only sign the petition form once, regardless of the number of properties owned. This does not hinder the property owner's ability to vote on ballots multiple times based on the number of lots owned.

The completed petition form must be submitted in duplicate:

A. The **original** petition form must be received by the General Manager of the Association by March 1st of the current year. The General Manager may ascertain the legality of the proposed amendment with our POA attorney, then promptly forward the petition on to the By-laws and Covenants Committee to ascertain the conformity of the proposed amendment with POA documents, review it for accurate wording, make necessary changes (if needed) and format it to the prevailing standards prior to having it mailed to the members of the Association.
B. A **copy** of the petition form must be received by the Secretary of the Lake Royale Board of Directors by March 1st of the current year. [14]

ARTICLE XIV
DISSOLUTION

In the event of dissolution of the Association any and all assets remaining after the cost of such dissolution shall be donated to a charitable, civic or other non-profit organization as may be determined and decided upon by the Board of Directors but in no event shall such assets remaining after dissolution inure to the benefit of any Officer, Trustee, Director, Member or other private individual.

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[1] Added at annual meeting - July 19, 1997
[2] 1999-2000 Dues $253.60, 2000-2001 Dues $278.96, 2001-2002 Dues $306.86, 2002-2003 Dues $306.86, 2003-2004 Dues $325.00, 2004-2005 Dues $357.50, 2005-2006 Dues $393.25
[3] Amended at Annual meeting - July 15, 1995
[4] Amended at Annual Meeting July 15, 2000
[5] Added or Amended at Annual Meeting - July 16, 2005
[6] With the passage of NC House Bill 42 which provides for enforcement of NC Motor Vehicle Laws, the following sentence becomes null and void.
[7] No longer applies as a result of Annual Meeting July 15, 2000
[8] Amended at annual meeting - July 19, 2003
[9] Does not apply as a result of Annual Meeting 7/15/2000
[10] Amended at Annual Meeting - July 15, 2006
[11] Added at annual meeting - July 21, 2007
[12] Amended at Annual Meeting - July 18, 2009
[13] Added at Annual Meeting - July 18, 2009
[14] Added at Annual Meeting - July 17, 2010
[15] Amended at Annual Meeting - July 17, 2010
[16] Added new at Annual meeting – July 16, 2011
[17] Amended at Annual meeting – July 16, 2011
[18] Amended at Annual meeting – July 21, 2012
[19] Amended at Annual meeting – July 19, 2014

20 Amended at Annual meeting – July 18, 2015
21 Amended at Annual meeting – July 16, 2016
22 Amended at Annual meeting Amendment 13 removed - September 19, 2020
23 Amended at Board of Directors meeting Amendment 13 reinstated – March 1, 2021

April, 2021

NORTH CAROLINA
FRANKLIN/NASH COUNTY

The undersigned, being the duly elected President, Vice-President and Secretary of Lake Royale Property Owner's Association, Inc., does hereby certify that at the Annual Meeting of the members of Lake Royale Property Owner's Association, Inc., duly called and held on the 19th day of September , 2020, at the Clubhouse at Lake Royale Subdivision, Cypress Creek Township, Franklin County, North Carolina, upon notice being given as prescribed, the following proceedings were held;

That the Consolidation and Amendments of the By-Laws of Lake Royale Property Owner's Association, Inc. were duly adopted by the members of the corporation at the Annual Meeting of the corporation held on the 19th day of September, 2020, after due notice to the membership; and amended at the Board of Directors meeting held January 28, 2021; that the attached copy of the Consolidation and Amendments of the By-Laws of Lake Royale Property Owner's Association Inc., are a true and accurate copy of the Consolidation and Amendments of the By-Laws of Lake Royale Property Owner's Association, Inc.

Marcia Winn 10-14-21
Marcia Winn, President Date

10-14-21
Lance Carlson, Vice-President Date

(CORPORATE SEAL)

10/14/21
Erin Rieber, Secretary Date

LAKE ROYALE PROPERTY OWNERS ASSOCIATION INC. CORPORATE SEAL 1972 NORTH CAROLINA

North Carolina, Franklin County

This 14th day of October, 2021, personally came before me, Patricia Hyatt, Notary Public for said County and State, Marcia Winn, who, being by me duly sworn says that he is of the Lake Royale POA a Corporation, and that the seal affixed to the foregoing instrument in writing was signed and sealed by him in behalf of said corporation by its authority duly given. And the said acknowledged the said writing to be the act and deed of said corporation.

Witness my hand and official seal, this the 14th day of October, 2021.

PATRICIA HYATT
Notary Public, North Carolina
Franklin County
My Commission Expires
October 29, 2025

Notary Public

(Official Seal)
My Commission expires 10-29-25.

April 1, 2021

Doc No: 10051508
Recorded: 10/21/2021 11:26:14 AM
Fee Amt: $30.00 Page 1 of 16

Franklin County North Carolina
Brandi S. Brinson, Register of Deeds
BK 2275 PG 1206 - 1221 (16)

NORTH CAROLINA

ALL REFERENCES TO GENDER WILL BE MEANT TO INCLUDE ALL GENDERS

FRANKLIN COUNTY
NASH COUNTY

CONSOLIDATION AND AMENDMENTS FOR RESTRICTIVE **COVENANTS** OF LAKE ROYALE SUBDIVISION (FORMERLY LAKE SAGAMORE SUBDIVISION)

THAT WHEREAS, North Carolina American Realty Service Corporation began the development of a subdivision in Cypress Creek Township, Franklin County, North Carolina, known as Lake Sagamore Subdivision; that the said North Carolina American Realty Service Corporation subdivided certain lands in Cypress Creek Township of Franklin County, North Carolina, and recorded the plats thereof and recorded Restrictive Covenants governing the various uses and establishing control over said lands for the enhancement of the subdivision and for the mutual benefit of all persons owning property within the subdivision; and,

WHEREAS, Lake Royale Corporation became the successor developer to North Carolina American Realty Service Corporation and continued to develop the project formerly known as Lake Sagamore and in addition thereto, added three additional tracts or parcels of land to the subdivision in Cypress Creek Township, Franklin County, and in Mannings Township, Nash County, North Carolina; that furthermore, Lake Royale Corporation renamed the development as Lake Royale Subdivision and the undeveloped lands of the former project and the newly acquired lands were subdivided and plats prepared thereof and recorded in the offices of the Register of Deeds of Franklin County, and in Mannings Township, Nash County, North Carolina; that Restrictive Covenants were recorded by Lake Royale Corporation for the additional lands to protect the best interest of all of the property owners in the total subdivision which were essentially the same as those previously recorded for Lake Sagamore Subdivision; that said Restrictive Covenants were designed to improve and protect the property and were for the mutual advantage of all property owners within Lake Royale Subdivision; and,

WHEREAS, Lake Royale Property Owners Association, Inc. is the duly organized and chartered governing body of the property owners within Lake Royale Subdivision which includes the former Lake Sagamore Subdivision; that all property owners are a member of the Property Owners Association and they have duly elected a Board of Directors to govern the administration of the Restrictive Covenants and By-laws of the Property Owners Association; and,

WHEREAS, by unanimous vote of the Board of Directors of Lake Royale Property Owners Association, Inc., it was resolved that the various Restrictive Covenants as recorded in the offices of the Register of Deeds of Franklin County and Nash County, North Carolina, covering the uses, benefits and other aspects of life within Lake Royale Subdivision should be consolidated and updated to provide all members and property owners with a consolidated and current set of Restrictive Covenants for the subdivision; and,

WHEREAS, at the annual meeting of the Lake Royale Property Owners Association held at the clubhouse on September 19, 2020 the members of the Corporation, as provided in the Restrictive Covenants for Lake Royale Subdivision and the By-laws for the Lake Royale Property Owners Association, Inc. did, after appropriate notice to the membership of the Association, enact the following Consolidated and Amended Restrictive Covenants for Lake Royale Subdivision, formerly known as Lake Sagamore Subdivision, and directed that the Secretary record a copy of the Consolidated and Amended Restrictive Covenants in the office of the Register of Deeds of Franklin County, North Carolina, and in the office of the Register of Deeds of Nash County, North Carolina, and to post a copy thereof on the official Lake Royale website; and

April 1, 2021

WHEREAS, Lake Royale Corporation is the developer of Lake Royale Subdivision and is the owner of numerous unsold lots within said subdivision; that Lake Royale Corporation did not vote in the Property Owners Association ballot on the following Consolidated and Amended Restrictive Covenants but does join in this instrument for the purpose of adopting and approving of said Restrictive Covenants as they affect the lands still owned by the developer 1; and,

WHEREAS, the lands which comprise Lake Royale Subdivision, formerly known as Lake Sagamore Subdivision, have been subdivided and the plats of said subdivision are recorded in the office of the Register of Deeds of Franklin County, North Carolina, in Plat Book 12, Pages 1-75, and Plat Record File 1, Slides 99-105, 114, 125-129A, 138A-139, 131 and 131A, 180 and 180A, 181-185A, 191A and 192; and said plats are recorded in the office of the Register of Deeds of Nash County in Plat Book 13, Pages 168-177 and 207-210; 11

WHEREAS, the Board of Directors has resolved to reclassify the nomenclature of lots in Lake Royale currently known as camping lots to multi-use lots to reflect the change in nature of the usage, the term multi-use will be used on any changes to this document and will mean the same as camping until the changeover is complete in the document; 19

That the prior Restrictive Covenants for Lake Sagamore Subdivision, now Lake Royale Subdivision, are recorded in the office of the Register of Deeds of Franklin County, North Carolina, in Book 696, Pages 406-414 and in Plat Book 12, Page 5; that the Restrictive Covenants for the remaining portion of the old Lake Sagamore Subdivision and for the new lands of Lake Royale Subdivision are recorded in the office of the Register of Deeds of **Franklin** County, North Carolina, in Book 762, Pages 203-208, Book 772, Pages 81-86, Book 773, Pages 186-191, Book 794, Pages 191-195 and 198-204, Book 876, Pages 23-32, Book 892, Pages 133-144, Book 907, Pages 614-624, Book 909, Pages 747-756, Book 975, Pages 905-912, Book 977, Pages 383-392, Book 1005, Pages 127-134 and 829-838, Book 1027, Pages 801-813, Book 1028, Pages 723-735, Book 1053, Pages 28-39, Book 1085, Pages 642-654, Book 1086, Pages 505-517, Book 1206, Pages 1014-1022, Book 1231, Pages 588-597, Book 1424, Pages 443-453, Book 1491, Pages 753-763, Book 1563, Pages 21-32, Book 1637, Pages 122-133, Book 1747, Pages 64-75, Book 1829, Pages 137-153, Book 1870, Pages 404-420 , Book 1919, Pages 491-507, Book 1961, Pages 317-332, Book 2006, Pages 778-794,Book 2056, Pages 755-770, Book 2184, pages 1441-1456 and in the office of the Register of Deeds of **Nash** County, North Carolina, in Book 1050, Pages 344-348, Book 1058, Pages 304-307, Book 1468, Pages 549-558, Book 1503, Pages 967-979, Book 1540, Pages 548-559, Book 1767, Pages 827-835, Book 1809, Pages 31-40, Book 2076, Pages 42-52, Book 2166, Pages 602-613, Book 2258, Pages 778-791, Book 2340, Pages 969-980, Book 2478, Pages 19-30, Book 2582, Pages 951-967, Book 2634, Pages 172-188; Book 2695,Pages 586-602, Book 2742, Pages 499-514, Book 2793, Pages 16-31, Book 2841, Pages 1-16, Book 3002, Pages 655-670.

NOW, THEREFORE, pursuant to the authority granted to the Lake Royale Property Owners Association, formerly Lake Sagamore Property Owners Association, and with the concurrence of Lake Royale Corporation, and as an inducement and an incentive to prospective property owners in Lake Royale Subdivision and for the protection of the rights and interests of all persons or entities owning property in Lake Royale Subdivision, Cypress Creek Township, Franklin County, and in Mannings Township, Nash County, North Carolina, which lands are more particularly described on the above-referenced plats which are recorded in the office of the Register of Deeds of Franklin County, North Carolina, and Nash County, North Carolina, the above-referenced Restrictive Covenants for Lake Royale Subdivision, formerly Lake Sagamore Subdivision, are hereby consolidated and amended into the following Consolidated and Amended Restrictive Covenants for Lake Royale Subdivision which are for the mutual advantage of the owners and/or purchasers in said Subdivision, which restrictions shall run with the property by whomsoever owned and all subsequent conveyances thereof and all property therein shall be subject to the terms, restrictions and conditions of the following Restrictive Covenants as specified and for the periods of time indicated and all Deeds for said properties shall be made subject to said Restrictive Covenants which supersede, in full if any conflict arises in interpretation of any of the Restrictive Covenants, all of the above-referenced Restrictive Covenants; that the Consolidated and Amended Restrictive Covenants for Lake Royale Subdivision, formerly Lake Sagamore Subdivision, are as follows, to-wit:

1. Use:

Each lot on the plats of the above-referenced lands in Lake Royale Subdivision have been designated as residential, camping, commercial, multiple dwelling, recreational, greenways or reserved for future development; undesignated lands within the Subdivision are for the mutual use of all property owners and their successors in title agree that each lot shall be subject to the use so designated as hereinafter defined and the rules and regulations promulgated by Lake Royale Property

Owners Association; residential lots are designated by numbers only, camping lots have a prefix of the letter "C": and all other areas are specifically designated.

Plans and specifications must be submitted to Lake Royale Property Owners Association for any structure or improvement to be erected on or moved upon or to any lot and the proposed location thereof on said lot or lots, the construction material to be used, the roof and exterior color schemes, as well as all remodeling, reconstruction, alteration, or additions thereto on any lot shall be subject to and shall require the approval of the Building Committee of Lake Royale Property Owners Association, Inc., or its duly authorized agent, before any such work is commenced. Said Association shall have the right to disapprove any plans, specifications or details submitted to it in the event the same are not in accordance with all of the provisions of these restrictions or the rules and regulations promulgated by said Association or when (1) the design or color scheme of the proposed building or other structure is not in harmony with the general surroundings of such lots or with the adjacent buildings or structures, (2) the plans and specifications submitted are incomplete, or (3) the Association deems the plans, specifications or details or any part thereof, to be contrary to the interest, welfare or rights of all or any part of the real property subject hereto, or the owners thereof; however, approval will not be arbitrarily or unreasonably withheld. The decisions of the Board of Directors of the Association shall be final. Neither the Association, its agents nor Lake Royale Corporation or its agents shall be responsible for structural deficiencies or any other defects in plans or specification submitted, revised or approved in accordance with the foregoing provisions. Each property owner shall be allowed to place watercrafts, watercraft trailers and one (1) maximum sixteen (16) foot total length utility trailer on their lot, providing they comply with road right-of-way setback regulations. The only construction permitted prior to construction of a house in the residential area or a cottage in the camping area or the placement of a camping unit in the camping area, is the construction of a boat shelter, boat slip, bulkhead (seawall) and/or dock, with the exception that in the entire camping area a storage building may be constructed or installed at any time. Effective July 17, 2005, and thereafter, all property owners installing a new driveway must put in a minimum fifteen (15) foot long by twelve (12) foot wide concrete or asphalt apron abutting the road. 2 No structures of any kind shall be placed on POA property without the written consent of the Lake Royale Board of Directors. Examples of POA property include, but are not limited to, road rights-of-way, greenways, buffer zones, beaches and comfort centers. Exception: In those instances where POA property is located between the property owner's lakefront property line and the shoreline, the lakefront property owner may, with the proper permits, construct a bulkhead, boat ramp, boat shelter, and/or boat slip on POA property that abuts the shoreline. 12

2. Residential Lots:

A. Not more than one single-family dwelling house may be erected or constructed on any one residential lot. No more than two unattached accessory structures for storage purposes (garage or carport or storage building) will be allowed. No accessory or temporary building shall be used or occupied as living quarters. No structure shall have tar paper, roll brick siding or similar material on outside walls. Each residential property owner shall be allowed to place one (1) registered self-propelled or towable camping vehicle that he owns (RV, 5th wheel, travel trailer) on his lot. The camping vehicle may not be used for living quarters at any time while on the owner's lot. Mobile homes are prohibited. Tents will be allowed to be set up for forty-eight (48) hours. Modular homes will be allowed which meet the specifications and standards adopted by the Lake Royale Building Committee and approved by the Board of Directors. 2 All building exteriors must be completed within six months from the date the construction commences. The area between the ground and lower floor of the dwelling shall be enclosed with a material compatible to the material used on the exterior of the building. 3 Only new construction will be approved.

B. MINIMUM SQUARE FEET: Effective August 1, 2019 and thereafter, no residence shall have less than 1600 square feet of total heated living space, with a minimum 900 square feet of heated living space on the ground floor, or first floor, exclusive of porch or other unheated area. This minimum square footage requirement shall exist for all areas of the residential sections of Lake Royale. 29

C. No outside toilet shall be allowed on the premises. No untreated waste from any lot shall be permitted to enter any lake or stream within Lake Royale Subdivision. No sewage, garbage, liquid or solid waste disposal systems, pits, "post holes", buried metal drums, or other similar structures or operations shall be permitted on any residential lot except for waste storage containers as approved by the Franklin County or Nash County Health Departments and approved by the Lake Royale POA Board of Directors. 12 Each residential dwelling shall have an individual sanitary unit and the owner of said lot shall install a type of unit that complies in all respects with the requirements of the

Franklin County Health Department or other governing legal authority. Each lot owner shall obtain approval from the appropriate legal authority prior to the installation of any sanitation system and shall further be bound by all orders or recommendations of such authority and/or authorities with regard to water supply to said lot, repair, alteration or replacement of the installed sanitary unit. No drain field or other disposal system shall be allowed nearer than sixty (60) feet to the normal water elevation of any lake located within Lake Royale Subdivision.

D. **SETBACKS (Residential only)** 17

NOTE - Setbacks shall be measured horizontally from the property line to the nearest part of the structure, including all projections (bay windows, chimneys, cantilevered decks and the like). Roof overhangs are excluded.

All the following setbacks match or exceed NC state requirements and/or Franklin County's Unified Development Ordinance (UDO) regulations.

1. **MAIN DWELLING** (house)
   a. **Residential Lots EXCEPT those in Section 16** (see #b below for Section 16 lots).

   No **part** or projection of any building (house) shall extend nearer than:

   1. 10' to any SIDE property line not bordering a road right-of-way.
   2. 25' to any REAR property line not bordering the shoreline (if house is on lake, see e)
   3. 30' to any FRONT road right-of-way property line.
   4. 30' to any FRONT road right-of-way property line on a CORNER lot. (Note: a corner lot has 2 fronts).
   5. 50' to any waterway/shoreline. At Lake Royale this includes, but is not limited to, creeks, rivers, streams and ponds located within this Subdivision.
      NOTE: The NC Division of Water Quality (DWQ) has adopted the "Riparian Buffer Protection Rule" that requires structures (houses) be back 50' from the normal water elevation of any lake located within the Lake Royale Subdivision, except as shown on recorded plats, and all other riparian waterways in the Neuse and Tar-Pamlico River Basins. This includes any man created shoreline, such as takes place when digging out a boat slip. Contact DWQ for information regarding their house setback requirements for your lot.
      Exception: Structures constructed on the waterfront (boat ramps, boat shelters, boat slips. bulkheads and docks) shall be excluded.
   6. In no event shall any dwelling be erected below an elevation of five (5) feet above the normal water elevation of any lake located within Lake Royale Subdivision. Note: See E. below titled 'Franklin County Flood Zone' for further information.

   b. **Residential Lots in Section 16 (only)** ('The River' golf course)

   No **part** or projection of any building (house) shall extend nearer than:

   1. 10' to any SIDE property line not bordering a road right-of-way (street).
   2. 25' to any REAR property line, unless it abuts the golf course (if on golf course, see e).
   3. 30' to any FRONT road right-of-way property line.
   4. 30' to any FRONT road right-of-way property line on a CORNER lot (a corner lot has 2 fronts).
   5. 40' to any REAR property line abutting the golf course.
   6. 50' to any waterway. At Lake Royale this includes, but is not limited to, creeks, rivers, streams and ponds located within this Subdivision.
      NOTE: The NC Division of Water Quality (DWQ) has adopted the "Riparian Buffer Protection Rule" that requires structures (house) be back 50' from the normal water elevation of any lake or other riparian waterways in the Neuse and Tar-Pamlico River Basins, except as shown on recorded plats. Contact DWQ for information regarding their house setback requirements for your lot.

2. **ACCESSORY STRUCTURES (Unattached)** (examples include unattached: carport, garage, storage building/shed, deck, gazebo, etc.).

   Effective July 20, 1991, new construction or installation of unattached storage buildings/sheds and/or unattached garages may not be located nearer than ten (10) feet to the property line of any abutting property owner.

a. **Residential Lots EXCEPT those in Section 16** (see #b below for 'Section 16 lots)

No **part or** projection of any ACCESSORY structure shall extend nearer than:

1. 10' to any SIDE property line not bordering a road right-of-way (street).
2. 10' to any REAR property line.
3. 10' to any other structure (includes the main dwelling), unless it has a common wall.
4. 30' to any FRONT road right-of-way property line.
5. 30' to any FRONT road right-of-way property line on a CORNER lot (a corner lot has 2 fronts).
6. 50' to any waterway/shoreline. At Lake Royale this includes, but is not limited to, creeks, rivers, streams and ponds located within this Subdivision.
   NOTE: The NC Division of Water Quality (DWQ) has adopted the "Riparian Buffer Protection Rule" that requires accessory structures be back 50' from the normal water elevation of any lake located within the Lake Royale Subdivision, except as shown on recorded plats, and all other riparian waterways in the Neuse and Tar-Pamlico River Basins. This includes any man created shoreline, such as takes place when digging out a boat slip. Contact DWQ for information regarding their accessory setback requirements for your lot.
   Exception: Structures constructed on the waterfront (boat ramps, boat shelters, boat slips, bulkheads and docks) shall be excluded.
   NOTE - Accessory buildings or uses shall be placed in the rear yard only on corner lots, and in the rear or side yard of other lots. Exceptions: Accessory structures may be placed in the front yard on waterfront lots, but must still abide by applicable setback regulations.

b. **Residential Lots in Section 16 (only)** ('The River' golf course)
   Effective July 20, 1991, new construction or installation of unattached storage buildings/sheds and/or unattached garages may not be located nearer than ten (10) feet to the property line of any abutting property owner.

No **part or** projection of any ACCESSORY structure shall extend nearer than:

1. 10' to any SIDE property line not bordering a road right-of-way (street).
2. 10' to any REAR property line not bordering a road right-of-way (street). If accessory structure abuts golf course, see f.
3. 10' to any other structure (includes the main dwelling), unless it has a common wall.
4. 30' to any FRONT road right-of-way property line.
5. 30' to any FRONT road right-of-way property line on a CORNER lot (a corner lot has 2 fronts).
6. 40' to the REAR property line that abuts the golf course.
7. 50' to any waterway. At Lake Royale, this includes, but is not limited to, creeks, rivers, streams and ponds located within this Subdivision.
   NOTE: The NC Division of Water Quality (DWQ) has adopted the "Riparian Buffer Protection Rule" that requires accessory structures be back 50' from the normal water elevation of any lake or other riparian waterways in the Neuse and Tar-Pamlico River Basins, except as shown on recorded plats. Contact DWQ for information regarding their house setback requirements for your lot.
   NOTE - Accessory buildings or uses shall be placed in the rear yard only on corner lots, and in the rear or side yard of other lots. Exception: Accessory structures may be placed in the front yard on lots abutting the golf course, but must still abide by applicable setback regulations.

E. **Franklin County Flood Zone:** All waterfront and some other lots (notably water view and several lots in Section 13 and Section 16 ("The River"), which borders on the Tar River, may be subject to Franklin County flood zone regulations which require that no dwelling shall be erected below an elevation of five (5) feet above the normal water elevation of any lake located within this Subdivision.

NOTE - check with Franklin County's Planning Dept. to make sure your lot is not in a flood zone area.

F. **Septic System Setbacks:**
No drain field or other disposal system shall be allowed nearer than fifty (50) feet to any creek, river or stream located within the Lake Royale Subdivision nor within sixty (60) feet of the lake's shoreline.

G. **DECK** - This applies to residential decks constructed AFTER the dwelling is built. 12

1. A property owner must have a Building Permit from the BC prior to the start of installation or construction.
2. May be any size.
3. Must comply with all setback regulations.
4. Must not be located over any part of a septic system.
5. Railings must be open and decorative, not solid.

NOTE: Refer to County Ordinances for additional rules and regulations.

H. **STORAGE BUILDING/SHED (Unattached):** 17

1. Property owner must have a Building Permit from the BC prior to the start of installation or construction.
2. May have up to two (2) unattached accessory structures for storage purposes on each lot. The following **COMBINATIONS** of unattached accessory structures shall be permitted.
   Either:
   a) An unattached garage and an unattached storage building/shed, OR
   b) An unattached carport and an unattached storage building/shed, OR
   c) Two unattached storage buildings/sheds.
3. It must comply with all setback regulations.
4. It must be a four-sided enclosed structure.
5. It must not be metal, but may consist of a non-metal structure; such as, but not limited to, rubber or a wooden pre-fabricated unit or a stick (wood) built storage building/shed. Metal roofs will be allowed.
6. It must be used for storage purposes only, not for living quarters at any time.
7. It must not exceed two hundred eighty eight (288) sq. ft. (example: 16'x18').
8. It must be ten (10) feet from any other structure, including the main dwelling.
9. It must not be placed over any part of a septic system.
10. It must not be for the garaging of motor vehicles (cars or trucks).

I. **CARPORT (Unattached):** 11

1. Property owner must have a Building Permit from the BC prior to the start of installation or construction.
2. Property owner shall be allowed to construct one (1) site built carport or place one (1) pre-fabricated carport on each lot.
3. May have up to two unattached accessory structures for storage purposes on each lot. 6
   a) The following **COMBINATIONS** of unattached accessory structures shall be permitted.
   Either:
   1) An unattached garage and an unattached storage building, OR
   2) An unattached carport and an unattached storage building, OR
   3) Two unattached storage buildings.
   b) A combination of a carport and a garage shall not be allowed. 7
4. Said carport must not exceed 24 feet by 30 feet in size.
5. It must comply with all setback regulations.
6. It must be single story.
7. It must not be located over an existing or future septic tank, or its drain fields.
8. It may have screening and/or open lattice. 8

J. **Restrictions Applicable to Lots in Section 16 ONLY:**

The following lots: 3103 through 3121, inclusive; 3155 through 3165, inclusive; 3181 through 3184, inclusive; 3194 through 3218, inclusive; 3221; 3222; 3225 through 3256, inclusive; 3295; 3363; 3383; 3384; 3403 through 3418, inclusive; 3420 through 3461, inclusive; 3487 through 3520, inclusive; 3538 through 3556, inclusive; which abut the golf course, have a shaded area reflected on Map 16. The shaded area of each lot is subject to a 25-foot surface easement reserved by Lake Beech, L.P., its successor PNC of NC starting in 6/99 or assigns as part of the golf course. Lots 3194, 3195, 3221 and 3222 are also subject to a 12 ½-foot easement for a golf cart path which is designated on the recorded plats by a shaded area and so denoted. The property owner of each lot so shaded shall have the subterranean use of said shaded area for the placement of such items as he may deem advisable to include leach fields or other disposal systems in compliance with local health regulations. 17

K. Nothing herein shall prevent the Building Committee of the Lake Royale Property Owners Association from issuing a permit to locate a temporary building on a residential lot after the construction of a dwelling house has commenced.

3. Camping Lots:

A. Camping lots as defined herein are those lots to be used exclusively for temporary camping purposes and for the placement thereon of travel trailers, tent trailers, commercially produced recreational vehicles, pick-up truck campers, motor homes, tents and other vehicles commercially produced to be used for camping; provided, however, no more than two units may be placed on any one lot at any given time except guest campers which may be allowed on a lot for a period not to exceed ten (10) days provided the owner of said lot has received written permission from the Property Owners Association for the location of guest campers on a lot.

B. Camping lots and installation shall be inspected 3 at the direction of said Association or its duly authorized agent to insure strict compliance with all restrictions set forth herein, and in compliance therewith. 6

C. Except as herein provided, no structures, including, but not limited to, dwellings, mobile homes shall be constructed or be permitted to remain on camping lots. Only travel trailers, tent trailers, commercially produced recreational vehicles, pick-up truck campers, motor homes, tents and other vehicles commercially produced to be used for camping which must comply with Federal and State laws, rules and regulations and in any event may not exceed 400 square feet of living space in the set-up mode will be allowed. This restriction 7 does not extend to prohibiting hard camping vehicle parking spaces or tent floors; nor does it include vegetation planted or trimmed for landscaping purposes, nor does it prohibit the use of tent or awning frames. No vehicle, tent, deck or shed as herein described shall be placed nearer than thirty (30) feet to any road right-of-way property line nor nearer than five (5) feet to any property line of any abutting property owner, nor within fifty (50) feet of the normal water elevation of any lake located within Lake Royale Subdivision. In those cases where a camping lot is bounded by two roads (corner lot), no vehicle, tent, deck or shed as herein above described shall be placed nearer than twenty (20) feet to any side-road right-of-way property line, (see county UDO). 2 16

In lieu of a camping unit, **COTTAGES** will be permitted if they meet Franklin County's Ordinances, North Carolina Building Codes and Lake Royale building regulations. A minimum 12,000 sq. ft. lot size and a County approved Septic System with repair area are required and all setbacks for a house must be met except that the rear setback for a cottage is a minimum of 10 feet from the property line. 20 The maximum living space of the cottage may not exceed 1199 sq. ft. with a maximum 21 foot ridge height and the cottage must be new site-built construction or new true off-frame modular construction which meets the specifications and standards adopted by Lake Royale Building Committee and approved by the Board of Directors (may not be a mobile home, Park Model trailer or any other similar type structure).16 21 An attached garage is permitted but may not be used or occupied as living quarters. 25 Each cottage lot property owner shall be allowed to store one (1) registered self- propelled or towable camping vehicle (RV, 5th wheel, travel trailer) on their lot. The camping vehicle may be used for living quarters while the cottage is being constructed under the following provisions: 1) The term of use shall not exceed seven days subsequent to the issuance of a Certificate of Occupancy for the cottage or life of the original Lake Royale Building Permit, whichever is shorter. 2) Only one camping unit as listed above may be on the lot during construction. 3) If the camper was connected to a septic system prior to the start of construction, it must remain connected to the system while on the lot and used as living quarters. 4) The POA General Manager must be notified within two work days after the Certificate of Occupancy for the cottage is issued 12 23 when the cottage receives a County Certificate of Occupancy (CO), it would become eligible for permanent occupancy, providing all County regulations are met. Multiple lots for cottage construction must be deeded as one and the deed must stipulate that it may not be subdivided. Cottages cannot be rented or leased for more than 90 days in any one calendar year.

D. **STORAGE BUILDING/SHED (Unattached):** 13 16

1. Property owner must have a Building Permit from the BC prior to the start of installation or construction.
2. May have up to two (2) unattached accessory structures for storage purposes on each lot. The following COMBINATIONS of unattached accessory structures shall be permitted.

   Either:
   a) An unattached garage and an unattached storage building/shed up to 144 square feet, OR
   b) An unattached carport and an unattached storage building/shed up to 144 square feet, OR
   c) Two unattached storage buildings/sheds up to 144 square feet, OR
   d) One unattached storage building/shed up to 288 square feet. 26
3. It must comply with all setback regulations.
4. It must be a four-sided enclosed structure.
5. It must not be metal, but may consist of a non-metal structure; such as, but not limited to, rubber, a wooden pre-fabricated unit or a stick (wood) built storage building/shed. Metal roofs will be allowed.
6. It must be used for storage purposes only, not for living quarters at any time.
7. It must be ten (10) feet from any other structure, including the main dwelling.
8. It must not be placed over any part of a septic system.
9. It must not be for the garaging of motor vehicles (cars or trucks).

E. **CARPORT (Unattached):** 11

1. Property owner must have a Building Permit from the BC prior to the start of installation or construction.
2. Property owner shall be allowed to construct one (1) site built carport or place one (1) pre-fabricated carport on each lot.
3. May have up to two unattached accessory structures for storage purposes on each lot. 6
   a) The following **COMBINATIONS** of unattached accessory structures shall be permitted.
   Either:
   1) An unattached garage and an unattached storage building, OR
   2) An unattached carport and an unattached storage building, OR
   3) Two unattached storage buildings.
   b) A combination of a carport and a garage shall not be allowed. 7
4. Said carport must not exceed 24 feet by 30 feet in size.
5. It must comply with all setback regulations.
6. It must be single story.
7. It must not be located over an existing or future septic tank, or its drain fields.
8. It may have screening and/or open lattice. 8

One (1) enclosed **ADDITION** is allowed per camping lot which may contain one or more wall partitions. The Addition's width may not extend more than fourteen (14) feet from the camping unit, nor its length extend beyond the ends of the camping unit. It may only be one story. The roof may extend over the camping unit to prevent leaking between the two. 11

In addition, each camping lot may have one open **ROOFED DECK**. It may not have any solid walls, but may be screened, and during the winter months only (October 1 through April 1 of the following year), the property owner may install clear removable plastic panels (includes acrylic) of ¼ inch or greater, or removable Plexiglas panels of 1/8th inch or greater; panels may not be of any other type material. Panels must be installed on the inside only. Prior to installing these panels, a property owner must file a notice with the POA office (notice forms are available at the office). 14 It may abut the camping unit, or abut the room addition, or sit independently, like a gazebo. Roofed decks are allowed on three (3) walls provided all setbacks outlined in these Restrictive Covenants are met. 16

DECKS extending more than fourteen (14) feet 8 from the camping unit shall not have walls, roofs or enclosed areas. 11

F. No outside toilet shall be allowed on the premises. No treated or untreated waste from any lot shall be permitted

to enter any lake or stream within Lake Royale Subdivision. No sewage, garbage, liquid or solid waste disposal systems, pits, "post holes", buried metal drums, or other similar structures or operations shall be permitted on any camping lot except for waste storage containers as approved by the Franklin County or Nash County Health Departments and approved by the Lake Royale Property Owners Association Board of Directors; septic tanks are permitted on Franklin County camping lots which are approved by the Franklin County Health Department and the Lake Royale Property Owner's Association. All travel trailers, tent trailers, commercially produced recreational vehicles, pick-up campers, motor homes and other camping vehicles having sewage drains shall have said drains sealed for the duration of their stay on any camping lot. All sewage, solid wastes and trash must be disposed of at maximum time intervals of three days duration at dumping or trash stations or other places provided therefore off of camping lots. Any person using a camping installation without holding tank capabilities must use comfort centers provided for the disposal of all wastes, both liquid and solid, as required.

G. **GARAGE** (Unattached) 2 16

1. Property owner must apply for a Building Permit from the BC and have it approved by them prior to the start of installation or construction.
2. One (1) unattached garage will be allowed on each camping lot, in lieu of a carport.
3. It must comply with all setback regulations.
4. It must be ten (10) feet from any other structure, including the camping unit, (see County UDO).
5. It must be a four-sided enclosed structure.
6. It must have a minimum eight (8) foot wide garage door.
7. It must be one story.
8. Roof pitch may not be less than 4/12 nor more than 7/12. 11
9. It must not exceed 24 feet by 30 feet in size.
10. It must not be placed over any part of an existing or future septic system.
11. It must be used for storage purposes only, not for living quarters at any time.

H. **RESERVED AREAS**: Any area designated on the above referenced-recorded maps as being reserved shall mean reserved for residential, commercial or multiple dwelling use as the developer may desire so long as the future development is, in the sole discretion of the developer, compatible with the overall development of the subdivision, however, no camping areas shall be allowed in Section 16.

1. Multiple dwelling shall include, but is not limited to, townhouses, duplexes or other multiple family dwelling.
2. Time sharing and/or interval ownership shall be a permitted use in reserved areas.

4. Commercial Lots:

Commercial lots as defined herein are those lots to be used exclusively for general business and/or commerce, including but not limited to motel, hotel, restaurant, clubhouse and/or convenience store.

5. Recreational Areas:

Recreational areas as defined herein are those areas to be owned in common by all members of Lake Royale Property Owners Association, Inc., such as but not limited to greenways, roads, picnic areas, bridle paths, beaches, recreational areas, clubhouses and swimming pools. Said areas are for the exclusive recreational use of Association members and their invitees and developer's guests and are to be kept and maintained in a state of good repair by the Property Owners Association out of the dues paid by its members. Camping will not be permitted on recreational areas. For the purposes of this section, the golf course and golf course clubhouse in Section 16 are not considered recreational areas.

6. Golf Course and Country Club Area:

The golf course and its facilities comprise Parcels 3062, 3221, 3254, 3255, 3256, 3405, 3541, 3557, 3558 and the Clubhouse/Pro Shop area parcel 3563. 2 These areas shall be developed by the developer and operated as a golf course and golf course pro shop/clubhouse. The golf course shall be operated for the use and enjoyment of the Lake Royale Property Owners' Association membership, other golf members and the developer or its successors or assigns, invitees, guest and the

general public. The golf course shall be operated and administered by Lake Royale Corporation or its successor or assigns in consultation with the Lake Royale Property Owners' Association as same relates to the establishment of rules and regulations. The developer has the right to deed the golf course and pro shop/clubhouse area to the Property Owners' Association or sell same to any third party 9 provided the party receiving title to the facility is required to continue a golf operation whereby the green fees/cart fees charged any Lake Royale Property Owners' Association Member 24 are at a rate of $10.00 less than the regular fees charged to any guest, invitee, or any other non-member. Nothing contained herein shall preclude guests and invitees of the developer from playing the golf course and using the facility.

7. Property Owners Association (POA):

Each property owner within Lake Royale Subdivision, formerly Lake Sagamore Subdivision, shall automatically become a member of the Lake Royale Property Owners Association upon purchasing a lot or entering into an Agreement to Purchase from the developer within Lake Royale Subdivision; the members of Lake Royale Property Owners Association have heretofore joined together to form a non-profit corporation which has been duly chartered by the Secretary of State of North Carolina as Lake Royale Property Owners Association, Inc., a copy of said charter being recorded in the office of the Register of Deeds of Franklin County; that thereafter, said Corporation elected directors and adopted a set of By-laws governing the operation of said Corporation, which said By-laws as amended, are on file with the duly elected Secretary of the Corporation; that said By-laws, as amended, are designed to carry out the objectives set forth in these Restrictive Covenants.

That in order for the Corporation to carry out the objectives of the Restrictive Covenants and to provide all the members of the Lake Royale Property Owners Association the fullest possible enjoyment and use of their property, each property owner agrees to pay a dues charge to the Lake Royale Property Owner's Association, its successors or assigns as provided in the Corporate By-Laws, immediately upon taking title to said property. 8 The dues charge was originally established at a rate of $60 per lot per annum due on or before the first day of each fiscal year of the Association. An optional payment plan is available from the POA management. The Board of Director's, as provided in the By-laws have increased dues as follows: $84.00 as of July 1, 1982; to $120.00 as of October 1, 1987; to $125.50 as of April 1, 1990; to $131.50 as of April 1, 1991; to $136.32 as of April 1, 1992; to $150.00 as of April 1, 1993; to $165.00 as of April 1, 1994; to $181.50 as of April 1, 1995, to $199.65 as of April 1, 1996, to $209.60 as of April 1, 1997, to $230.56 as of April 1, 1998, to $253.60 as of April 1, 1999, to $278.96, as of April 1, 2001, to $306.86, as of April 1, 2002, to $325.00, as of April 1, 2003, to $357.50, as of April 1, 2004, to $393.25, as of April 1, 2005, to $432.58, as of April 1, 2006, to $454.21, as of April 1, 2007, to $499.63, as of April 1, 2008, to $549.59, as of April 1, 2009, to $577.06, as of April 1, 2010, to $605.91, as of April 1, 2011, as of April 1, 2012, to $636.20, as of April 1, 2013 to 668.00, as of April 1, 2014 to 702.00, as of April 1,2015 to $736.00, as of April 1, 2016 to $773.00, as of April 1, 2017 to $811.00 as of April 1, 2018 to $852.00, as of April 1, 2019 to $895.00, as of April 1, 2020 to $939.00.

Any multi-family unit property owner will be assessed one set of annual dues for each of the single-family units contained within the multi-family building.

Each property owner, for himself, his heirs, executors, successors and/or assigns, covenants that the charge of said annual dues as herein set out shall be and constitute a debt of said property owner, his heirs, executors, successors and/or assigns, which may be collected by Lake Royale Property Owners Association, Inc., its successors and assigns, by suit in any Court of competent jurisdiction, or otherwise. Furthermore, each property owner, for himself, his heirs, successors, and/or assigns, covenants and agrees that upon the conveyance of any portions of the lands within Lake Royale Subdivision, that they will, as part of the consideration for said conveyance, make said conveyance subject to the obligations to pay said dues; and that upon such conveyance the purchaser thereof and each and every successive owner(s) shall, from the time of acquiring said property, covenant and agree, as aforesaid, to pay to Lake Royale Property Owners Association, Inc., or its successors or assigns, all charges past and/or future as provided herein, and in accordance with the terms and provisions hereof.

The above-stated dues shall be paid to Lake Royale Property Owners Association, Inc., its successors or assigns, for the use and benefit of the Association to carry out the objectives set out in the Restrictive Covenants, property reports and By-laws of the Corporation. The Corporation shall maintain a current and accurate record of all dues payments and all other receipts and an accurate record of all disbursements. 8 All costs and attorney's fees accrued in the collection of delinquent accounts shall be at the expense of the delinquent property owner.

Pursuant to the agreement of the developer and the members of the Association all areas within the Subdivision as shown on the above-referenced plats are subject to the Restrictive Covenants. This agreement provides that all areas within the Subdivision which are not designated as property to be sold or to be developed by the developer will become the property of the Association at intervals based on completion of the various sections of the project by the developer. Upon acceptance of each of these areas by the Association from the developer it shall be the Association's responsibility to maintain each and every area in a state of good repair and maintenance. The above-referenced recorded maps of Lake Royale Subdivision are incorporated herein by reference thereto for identification of the areas which are to be delivered to and maintained by the Association and designated as recreation, beach, comfort center, greenway, lake access marina, dam and spillway areas. In addition thereto, all roads shown on said maps, and all improvements and structures on said areas such as pools, tennis courts, bath houses, clubhouses, docks, marinas, golf courses, guard houses and other buildings and improvements on such areas as may be built or acquired by the Association for the use and benefit of the members of the Association, which are called amenities, shall be maintained in a state of good repair and order by the Association. The Association will, as funds permit, acquire additional amenities which shall be for the sole use and benefit of the membership of the Association and to be maintained by the Association.

The Corporation is further authorized and directed to acquire and maintain such personal property as may be reasonably necessary to carry out the purposes stated herein and keep such property in a state of good repair; said property to include motor vehicles, maintenance equipment, tools and materials which are to be purchased and maintained from Association dues.

The Association is to maintain a security force out of the membership dues which shall provide security for the Association's members and their property. The Security Force is to be known as the 'Lake Royale Company Police', and is to be a subsidiary of the Lake Royale Property Owners Association, Inc. and is to be financed and maintained out of the Association dues for the use and benefit of the Association members. 22

In addition to these requirements, the Association is to provide recreational facilities and events for the use and benefit of the membership financed totally or in part out of the dues, and the Association shall maintain a Fixed Asset Inventory of all of its property, both real and personal.

It is the objective of these Covenants to provide a safe, wholesome and attractive private recreational community for the Association members in which each member is an integral part and which is solely supported by its members without outside government intervention or control (such provision does not preclude applying for and using such grants as may benefit the community) and for that purpose each property owner covenants he will pay the dues to finance the reasonable operation and maintenance thereof. 11

8. Nuisances:

No noxious or offensive trade or activity shall be permitted on any lot, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood. No animals or fowl shall be kept or maintained on said lot except customary household pets, which shall not be allowed to run at large. No signs of any kind shall be displayed on any lot except name signs and/or physical address signs 10 and "For Sale" signs not exceeding 2' x 2' without the written permission of the Lake Royale Property Owners Association, Inc., or its successors or assigns, unless otherwise required/allowed by North Carolina law.

Exceptions:

A. Physical address and lot number signs must be displayed during construction. Lot number sign shall be removed once construction is complete.
B. Political signs not exceeding 2' x 2' may be displayed on a property owner's lot no earlier than forty-five (45) days before the day of the elections or later than seven (7) days after the election. No political signs shall be displayed on common areas, easements, rights-of-way, or other areas owned by others. 11

No debris, waste, garbage, trash or rubbish shall be allowed to accumulate on any lot. Owners shall maintain all dwelling, trailers, recreation vehicles, storage buildings and any other structure of any kind in good repair and appearance. Condition of said lot and appearance of structures shall be determined by the Lake Royale Company Police and/or POA Manager or Assistant Manager and such determination may be appealed to the Board of Adjustments. 11 Failure to correct same when notified by the Association may result in maintenance of said lot by the Association in which event a proper charge will be assessed for same and shall be paid by the property owner.

9. Boat Docks:

A. No Boat Docks, floats or other structures on camping or residential lots extending into the Lake shall be constructed or placed into or on any Lake within the Lake Royale Subdivision without prior written approval of Lake Royale Association or its successors or assigns. Use of the Lake shall be in compliance with the rules and regulations of the Lake Royale Property Owners Association and the North Carolina Wildlife Commission.

B. Each waterfront camping lot or residential lot owner may construct one (1) dock and/or boathouse per waterfront lot which may not extend more than ten (10) feet into the lake and the boathouse may not be more than one (1) story in height. All plans for docks and boathouses must be submitted to the Association for approval and no construction may be begun on a boat dock or boathouse prior to approval of the Association.

10. Utility Easements:

The developer for itself, its successors, assigns and licensees, reserves an easement upon all sixty (60) foot road rights-of-way, reserves a fifteen (15) foot wide easement along all road rights-of-way and a five (5) foot wide easement along the side and rear lines of each and every lot for the purpose of installing, operating and maintaining television cables, utility lines and mains thereon together with the right to locate guy wires, braces and anchors wherever necessary for said installations, operations or maintenance together with the right to install, operate and maintain gas and water mains, sewer lines, culverts, and drainage ditches and other services and appurtenances thereto for the convenience of the property owners, reserving also the rights of ingress and egress to such areas for any of the purposes mentioned above. Exceptions: (1) where an owner of two or more adjoining lots constructs a building which shall cross over or through a common lot line, said common lot line shall not be subject to the aforementioned five (5) foot easement unless it is shown on recorded plats; (2) no easement shall exist on that portion of any water front lot running along or abutting the shoreline of any lake within Lake Royale Subdivision unless shown on the recorded plats, except, however, Lake Royale Corporation, for itself, its successors, assigns, and licensees, reserves the right to cause or permit drainage of surface water over and/or through said lots. Lake Royale Corporation and any utility companies, their successors or assigns and licensees, reserves an easement on, over or under all road rights-of-way for the purpose of installing, operating, and maintaining the above-mentioned utilities and drainage. The owner of said property shall have no cause of action against Lake Royale Corporation, its successors, assigns or licensees either at law or in equity, excepting in case of any damages caused said property, by reason of willful negligence in installing, operating, removing or maintaining the above-mentioned installations. Lake Royale Corporation, its successors and assigns, reserves all mineral rights to the lands hereto, and the rights for the installation of television cables.

11. Water Wells:

No individual **water wells** shall be allowed on any camper or residential lot and each property owner shall use the water supply from the water company owning and operating water works facilities within Lake Royale Subdivision; Lot 3061 is reserved for water and utility supply, storage, distributions and support facilities.

12. Clearing Easements:

In order to preserve the natural state of portions of Lake Royale Subdivision, the cutting of trees, shrubs, and natural ground cover in those areas designated as drainage easements as appear on plats of Lake Royale Subdivision as recorded in the Offices of the Register of Deeds of Nash and Franklin Counties is prohibited except for the installation of utility services or the written approval of Lake Royale Property Owners Association, Inc.

13. Board of Adjustments:

A. The Board of Directors may provide for the appointment of a Board of Adjustment consisting of five (5) or more members, each to be appointed for three (3) years. In appointing the original members of the Board of Adjustment or in the filling of vacancies caused by the expiration of the terms of existing members, the Board of Directors may appoint certain members, the Board of Directors may, in its discretion, appoint alternate

members to serve on the Board in the absence of any regular members. Alternate members shall be appointed for the same term, at the same time and in the same manner as regular members. Each alternate member, while attending any regular or special meeting of the Board and serving in the absence of any regular member, shall have and may exercise all the powers and duties of a regular member.

B. The Board of Adjustment shall hear and decide appeals from and review any decision, requirement or determination made by the Property Owners Association Manager or any other official or committee of the Property Owners Association charged with the enforcement of any of the Restrictive Covenants and By-laws applicable to Lake Royale Subdivision. A complaint alleged by any person against: 2

1. A POA employee, other than the General Manager, should be taken to the POA General Manager for resolution.
2. A Lake Royale Company Police officer, other than the Lake Royale Chief of Police, should be taken to the Lake Royale Chief of Police for resolution.
3. A committee member, a Board (BC, BOA) member, the Lake Royale Chief of Police, the POA General Manager or any Director should go before the Lake Royale Board of Directors.
4. All other alleged complaints shall go before the Board of Adjustments.

C. Appeals shall be taken within times prescribed by the Board of Adjustment by general rule, by filing with the Manager of the Lake Royale Property Owners Association and with the Board of Adjustment a Notice of Appeal specifying the grounds therefore. Once appeal is taken to the Board of Adjustment, all papers constituting the record upon which the action appealed from was taken shall be immediately transmitted to the Board of Adjustment. The Board of Adjustment shall fix a reasonable time for the hearing of the appeal, give due notice thereof to all parties and decide it within a reasonable time. The Board of Adjustment may reverse or affirm wholly or partly or may modify the order, requirement, decision or determination appealed from and shall make any order, requirement, decision or determination that in its opinion ought to be made in the premises. To this end, the Board shall have all the powers of the person or committee from whom the appeal is taken.

D. The Board of Adjustment shall have the power to provide for special exceptions to the restrictions applicable to the Lake Royale Subdivision in accordance with the principles, conditions, safeguards and procedures specified in the restrictions.

E. When practicable difficulties or unnecessary hardships would result from the carrying out of the strict letter of the restrictions, the Board of Adjustment shall have the power in passing upon appeals to vary or modify any of the regulations or restrictions relating to the use, construction or alteration of buildings or structures or the use of land so that the spirit of the restrictions shall be observed, possible safety and welfare secured, and substantial justice done.

F. The concurring vote of four-fifths (4/5ths) of the members of the Board of Adjustment shall be necessary to reverse any order, requirement, decision or determination of any official or committee charged with the enforcement of the Restrictions applicable to Lake Royale Subdivision or to decide in favor of the applicant any matter upon which it is required to pass under any Restrictive Covenant or to grant a variance from the provisions of the Restrictive Covenants. Every decision of the Board shall be subject to review by the Board of Directors of the Lake Royale Property Owners Association. Any petition for review by the Board of Directors of Lake Royale Property Owners Association shall be filed with the Secretary of the Lake Royale Property Owners Association within thirty (30) days after the decision of the Board of Adjustment is filed in the office of the Manager of the Lake Royale Property Owners Association.

14. Covenants Running with the Land, Duration of Restrictions:

These restrictions shall be considered as covenants running with the land, and shall bind each and every property owner, their heirs, executors, administrators, successors, and assigns, and if said property owner, their heirs, executors, administrators, successors or assigns, shall violate or attempt to violate any of the covenants or restrictions herein contained, it shall be lawful for the Association or any person, persons, or legal entity owning any land in the Subdivision to prosecute by proceeding at law or in equity against the person, persons or entities violating or attempting to violate any such covenants or restrictions either to prevent such violations, or to recover damages for such violation.

The restrictions, conditions, covenants or agreements set forth above shall continue for a period of twenty (20) years from the 16th day of March, 1972, and shall be automatically extended for successive periods of ten (10) years unless changed, altered, amended or revoked in whole or in part by the owners of the lots in the Subdivision whenever the owners of at least two-thirds of the said lots so agree in writing, or by action of the Lake Royale Property Owners Association, Inc. at a meeting duly called for said purpose by a vote of at least two-thirds of the members present thereat or voting by absentee ballot or by electronic means. Any invalidation of any one of these covenants or restrictions shall in no way affect any other of the provisions thereof which shall thereafter remain in full force and effect. 27

Whenever a Restrictive Covenant amendment is approved, the POA will post online. Meanwhile, you can always access www.lrpoa.com to view and/or download the latest version, if so desired. The entire By-laws will be printed out and sent to each property owner once every 10 years beginning in 2020. Meanwhile, you can always access www.lrpoa.com to view and/or download the latest version, if so desired. 15 30 31

15. Amendment to the Restrictive Covenants: 18 27

These Restrictive Covenants may be altered, amended, repealed, consolidated and new Restrictive Covenants may be adopted in whole or in part by the owners of the lots in the Subdivision whenever the owners of at least two-thirds of said lots so agree in writing or by action of the Lake Royale Property Owners Association, Inc., at a meeting by a vote of at least two-thirds of the members present thereat, voting by ballot or voting by absentee ballot or voting by electronic means, if a copy of the proposed change is mailed to the members of the Association no less than 30 nor more than 60 days before the date of the meeting. Any proposed Amendment to these Covenants, whether submitted by a member of the Association (includes Board of Directors) or by written petition signed by at least 10% of property owners in good standing must be received by the General Manager of the Association not later than March 1st of the current year. Note: Prior to submission of an amendment or petition, the property owner may consult the By-laws and Covenants Committee for assistance in drafting and/or formatting the proposal.

In early March, the By-laws and Covenants Committee will submit to the Board of Directors a summation of all proposed amendments received on or before March 1st. The Board of Directors will review these amendments and those approved by the Board of Directors will be processed by the By-laws and Covenants Committee, and then resubmitted to the Board of Directors for placement on their ballot form.

The Board of Directors may approve or disapprove placing an amendment on the ballot but not a petition. If a property owner submits an amendment to the Board of Directors and it is turned down by them, the property owner may resubmit the amendment as a written petition. A property owner may also bypass the Board of Directors entirely and just submit a written petition on his/her own. The petition form on which signatures will be collected must include a reasonable amount of written explanation, but must not tell a member how to vote. A property owner in good standing may only sign the petition form once, regardless of the number of properties owned. This in no way hinders the property owner's ability to vote on ballots multiple times based on the number of lots owned.

The completed petition form must be submitted in duplicate:

A. The **original** petition form must be received by the General Manager of the Association by March 1st of the current year. The General Manager will then promptly forward the written petition on to the By-laws and Covenants Committee to ascertain the legality of the proposed amendment, review it for accurate wording, make necessary changes (if needed) and format to the prevailing standards prior to having it mailed to the members of the Association.
B. A **copy** of the petition form must be received by the Secretary of the Lake Royale Board of Directors by March 1st of the current year.

1 Lake Beech L.P. became successor developer July 1997, PNC of NC became successor developer June 1999
2 Added or Amended at Annual Meeting - July 16, 2005
3 Added or Amended July 1997
4 Purchased by a private investor in year 2000
5 Added July 21, 2001
6 Amended July 1996
7 Amended July 1997
8 Added or Amended July 1995
9 Tar River Assoc. became successor owner February 1994
10 Franklin County mandated Street Numbers April 1996
11 Amended at Annual Meeting - July 15, 2006
12 Added at Annual Meeting - July 15, 2006
13 Amended at Annual Meeting - July 21, 2007
14 Amended at Annual Meeting - July 18, 2009
15 Added at Annual Meeting - July 18, 2009
16 Amended at Annual meeting – July 17, 2010
17 Added new in residential area – July 17, 2010
18 Added new at Annual meeting – July 17, 2010
19 Added new at Annual meeting – July 16, 2011
20 Amended at Annual meeting – July 16, 2011
21 Amended at Annual meeting – July 21, 2012
22 Amended at Annual meeting – July 21, 2012
23 Amended at Annual meeting – July 20, 2013
24 Amended at Annual meeting – July 20, 2013
25 Amended at Annual meeting – July 19, 2014
26 Amended at Annual meeting – July 18, 2015
27 Amended at Annual meeting – July 16, 2016
28 Amended and removed Section 11 at Annual meeting – July 21, 2018
29 Amended at Annual meeting – July 20, 2019
30 Amended at Annual meeting and Amendment 15 removed – September 19, 2020
31 Amended at Board of Directors meeting Amendment 30 reinstated – March 1, 2021

Note: There were NO ballots submitted in 2008, 2017

April 1, 2021

IN TESTIMONY WHEREOF, Lake Royale Property Owners Association, Inc., by authority of the powers granted it by the owners of property in Lake Royale Subdivision and the Restrictive Covenants heretofore recorded in the office of the Register of Deeds of Franklin and Nash Counties has caused this instrument to be executed in its corporate name by its President, Vice-President and attested by its Secretary and its corporate seal affixed hereto this 19th day of September, 2020 and amended at the Board of Directors meeting held January 28, 2021; and has directed its Secretary to record the same in the office of the Register of Deeds for Franklin and Nash Counties.

ATTEST: Lake Royale Property Owners Association

Marcia Winn 10-14-21
Marcia Winn, President Date

10-14-21
Lance Carlson, Vice-President Date

(CORPORATE SEAL)

10/14/21
Erin Rieber, Secretary Date

LAKE ROYALE PROPERTY OWNER'S CORPORATE ASSOCIATION INC. SEAL 1972 NORTH CAROLINA

North Carolina

Franklin County

This 14th day of October, 2021, personally came before me, Patricia Hyatt, Notary Public for said County and State, Marcia Winn, who, being by me duly sworn says that he is an authorized agent of the Lake Royale POA a Corporation, and that the seal affixed to the foregoing instrument in writing was signed and sealed by him in behalf of said corporation by its authority duly given. And the said _____ acknowledged the said writing to be the act and deed of said corporation.

Witness my hand and official seal, this the 14th day of October, 2021.

PATRICIA HYATT
Notary Public, North Carolina
Franklin County
My Commission Expires
October 29, 2025

Notary Public

(Official Seal)

My Commission expires 10-29-25.

Lake Royale

Rules

&

Regulations

Each member and their family, as well as their guests, in both Franklin and Nash Counties, shall be subject to the following Rules and Regulations (R&R) adopted and promulgated by the Lake Royale Board of Directors (BOD). The POA (Property Owner's Association) and/or individual property owners (PO) are the only party(s) that can enforce the R&R, Restrictive Covenants, and By-laws. The Lake Royale Company Police may report infractions to the POA, but compliance shall be enforced by the POA.

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REFERENCES TO GENDER WILL BE MEANT TO INCLUDE ALL GENDERS

Lake Royale

Rules & Regulations

Article 1 Organization of the Property Owner's Association, Inc. (POA) and General Description of Areas Within This Subdivision

Section 1.1 Powers of the Association

1) When a property owner accepts a deed or in any other way accepts ownership of the property, the provisions of the Lake Royale By-Laws, Restrictive Covenants and Rules and Regulations are binding on the property and the property owner.
2) Where the Restrictive Covenants and Rules and Regulations are more restrictive than those of the Federal, State or County, then the POA shall be the enforcing agency (i.e., POA can be more restrictive, but not less restrictive than other governing bodies).
3) The Board of Directors of the Lake Royale POA is hereby authorized and directed to promulgate such rules and regulations as they deem to be in the best interest of the Association for implementing the Restrictive Covenants for this Subdivision (per Article II, Section 8, Paragraph G of the Lake Royale By-Laws).
4) Lots shall be inspected at the direction of the Association, or its duly authorized agent, to ensure strict compliance with all applicable restrictions.
5) The Association shall not be involved in disputes between property owners unless:
   a) An illegal act is committed, in which case the property owner may seek enforcement through the Lake Royale Company Police, or
   b) A dispute involves two property owners in a non-compliance issue.
6) The Franklin County Ordinances for Lake Royale will be enforced and monitored by the Lake Royale POA through its Company Police force.

Section 1.2 Rights and Responsibilities for a Better Lake Royale

All members must comply with all Restrictive Covenants, By-Laws, and Rules and Regulations pertaining to Lake Royale Subdivision as the same is recorded in the Office of the Register of Deeds of Franklin County and in the Office of the Register of Deeds of Nash County, North Carolina. Following are some extracts from the Community Association Institute (CAI) that have been adopted and applied to Lake Royale:

1) Property owner's have the Right to:
   a) A responsive and competent community association.
   b) Honest, fair, and respectful treatment by community leaders and managers.
   c) Access appropriate association books and records.
   d) Participate in governing the community association by attending meetings, serving on committees, and standing for election.
   e) Prudent expenditure of fees and other assessments.
   f) Live in a community where the property is maintained according to established standards.

g) Fair treatment regarding financial and other association obligations, including the opportunity to discuss payment plans and options with the association before foreclosure is initiated.
h) Receive all documents that address rules and regulations governing the community association.
i) Appeal to appropriate community leaders those decisions affecting non-routine financial responsibilities or property rights.

2) Property owners have the Responsibility to:
   a) Read and comply with the governing documents of the community.
   b) Maintain their property according to established standards.
   c) Treat association leaders honestly and with respect.
   d) Vote in community elections and on other issues.
   e) Pay association assessments and charges on time.
   f) Contact association leaders or managers, if necessary, to discuss financial obligations and alternative payment arrangements.
   g) Request reconsideration of material decisions that personally affect them.
   h) Provide current contact information to association leaders or managers to help ensure they receive information from the community.
   i) Ensure that those who reside on their property (e.g., tenants, relatives, and friends) adhere to all rules and regulations.
   j) Remain a member in good standing to use POA facilities/amenities.
3) Community Leaders have the Right to:
   a) Expect owners and non-owner residents to meet their financial obligations to the community.
   b) Expect property owners to know and comply with the rules and regulations of the community and to stay informed by reading materials provided by the association.
   c) Respectful and honest treatment from property owners.
   d) Conduct meetings in a positive and constructive atmosphere.
   e) Receive support and constructive input from owners and non-owner residents.
   f) Personal privacy at home and during leisure time in the community.
   g) Take advantage of educational opportunities (e.g., publications, training workshops) that are directly related to their responsibilities, and as approved by the association.
4) Community Leaders have the Responsibility to:
   a) Fulfill their fiduciary duties to the community and exercise discretion in a manner they reasonably believe to be in the best interests of the community.
   b) Exercise sound business judgment and follow established management practices.
   c) Balance the needs and obligations of the community as a whole with those of individual property owners and residents.
   d) Understand the association's governing documents and become educated with respect to applicable state and local laws, and to manage the community association accordingly.
   e) Establish committees or use other methods to obtain input from owners and non-owner residents.
   f) Conduct open, fair, and well-publicized elections.
   g) Welcome and educate new members of the community - owners and non-owner residents alike.
   h) Encourage input from property owners on issues affecting them personally and the community as a whole.
   i) Encourage events that foster neighborliness and a sense of community.
   j) Conduct business in a transparent manner when feasible and appropriate.
   k) Allow property owners access to appropriate community records, when requested.
   l) Collect all monies due from owners and non-owner residents.
   m) Devise appropriate and reasonable arrangements, when needed and as feasible, to facilitate the ability of individual property owners to meet their financial obligations to the community.
   n) Provide a process property owners can use to appeal decisions affecting their non-routine financial responsibilities or property rights, where permitted by law and the association's governing documents.
   o) Initiate foreclosure proceedings only as a measure of last resort.
   p) Make covenants, conditions, and restrictions as understandable as possible, adding clarifying "lay" language or supplementary materials when drafting or revising the documents.
   q) Provide complete and timely disclosure of personal and financial conflicts of interest related to the actions of community leaders, e.g., officers, the Board and committees.

Section 1.3 Lake Royale Company Police

1) The Lake Royale Company Police enforces NC state laws and county ordinances enacted by Franklin and Nash Counties.
2) They shall provide security for the Association, its members and their property and shall also oversee the main entrance gate at 105 Cheyenne Drive and all other gates to the Lake Royale Subdivision established in the future.
3) See By-Laws and Franklin County Ordinances for Lake Royale for additional details.

Section 1.4 Common Property (Includes Recreational Areas)

1) Encroaching, building or cutting down trees or underbrush on POA common property is not allowed.
2) Vehicles and/or trailers parked for more than twenty-four (24) hours on POA property will be towed and stored at owner's expense. An exception is vehicles and/or trailers that park at POA designated boat launch sites and/or POA designated Comfort Centers up to a maximum of forty-eight (48) hours. See Section 2.21 Watercraft Dockage/Storage.
   a) Contact POA office or the Lake Royale Company Police to locate a towed vehicle and/or trailer.
   b) Standard towing and storage fees apply and must be paid before receiving said vehicle and/or trailer.
3) See Franklin County Ordinances for Lake Royale for additional details.

Section 1.5 Greenway/Buffer Areas

Permission from the POA must be obtained before disturbing any greenway/buffer area. The greenway/buffer areas are not to be used by POA members for, but not limited to:

1) Storing of vehicles, trailers, watercraft, personal property, and/or dumping of debris.
2) Construction of any type.
3) Any subterranean use.
4) Any type of camping and/or cooking except in designated areas.
5) Encroaching upon or cutting down trees or underbrush unless necessitated by a hostile act of nature.

Section 1.6 Sub-Associations Within Lake Royale

Sub-association(s) or its Successor(s) within Lake Royale Boundaries:

1) All roadways within a sub-association that are within the boundaries of the Lake Royale Subdivision are to be maintained by the sub-association's property owners and/or developers.
2) Sub-association(s) shall have their own Board of Directors.
3) Sub-association(s) are subject to all the Lake Royale POA regulations, including the Restrictive Covenants, By-Laws, and Rules and Regulations. Sub-associations have the option within their own documents to be more restrictive than the Lake Royale POA documents, but not less restrictive.

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Article 2 Administration and Other Guidelines

Section 2.1 Burning (Open & Closed)

Effective 12-21-07, the NC Dept. of Environment and Natural Resources (DENR) and its representative the NC Forest Service (NCFS) have authorized the security personnel at the Lake Royale Guard House to issue burning permits for brush and debris within Franklin and Nash Counties.

1) Obtaining permits: Open burn permits must be obtained from the security personnel at the main gate (under the supervision of the Lake Royale Company Police). The Lake Royale Company Police shall allow issuance of such permits unless permits for the area in question have been prohibited or cancelled under G.S. 113-60.25 or 113-60.27. (1981, c. 1100, s. 2). No charge shall be made for the granting of the permit.
2) Permit conditions: Permits issued under this Article shall be issued in the name of the person undertaking the burning and shall specify:
    a. The specific area in which the burning is to occur.
    b. The type and amount of material to be burned.
    c. The duration of the permit. Up to a three (3) day permit may be issued at any one (1) time.
    d. Such other factors as are necessary to identify the burning, which is allowed under the permit. (1981, c. 1100, s. 2.).
3) Under the state open burning rule, homeowners can burn leaves, branches and other plant growth.
    a) In all cases, it is illegal to burn trash, lumber, tires, newspapers, plastics, and/or other non-vegetative materials.
    b) No unattended burning is permitted.
    c) For more information on the air quality rules related to burning, visit the Dept. of Air Quality (DAQ) web site at www.daq.state.nc.us.
4) No open burning is permitted on POA property including, but not limited to, the POA rights-of-way (includes drainage ditches).

Section 2.2 Businesses (Home Based)

1) Activities such as home office or customary home occupations shall be permitted but must be conducted by the owner of the property or an immediate family member who resides on the premises.
2) No lot is intended for use as commercial property except for lots so designated by the POA for commercial use.
    a) Such use shall not create a nuisance upon other property owners within the Subdivision.
    b) Owner(s) must register the business at the POA office.
3) No commercial operations including, but not limited to, auto repair, auto or camping or watercraft sales or repair, day care center, a breeding, boarding and/or grooming kennel for dogs, cats or other animals and/or commercial farming operation shall be maintained on any lot.
4) Any loud noise created by business-related activity shall be considered a nuisance.
5) No noxious or offensive trade or activity shall be permitted on any lot, nor shall anything be done thereon which may be or become an annoyance or nuisance to a neighbor or the neighborhood.
6) No mechanical equipment shall be installed or used except such that is normally used for domestic purposes and which does not cause noises or other interference in radio or television reception.
7) No outside storage of business related materials shall be allowed.
8) Activities such as, but not limited to, the assembly or disassembly of motor vehicles and other mechanical devices which might lead to disorder, noise, or unsightly conditions that can be construed as a nuisance, are prohibited.
9) See Section 2.16 Signs in this listing for additional information.
10) See Franklin County Ordinances for Lake Royale for additional details.

Section 2.3 Clubhouse Regulations

1) Days of Operation: The facility hours are as advertised. Hours for the facility will be posted and may periodically change.
2) Conduct: All persons must conduct themselves in a civil and courteous manner at all times and must not jeopardize or interfere with the rights and privileges of others. Loud, profane, indecent, or abusive language is prohibited. No person's actions shall compromise the safety of another. All persons using the facility shall obey all safety rules and shall cease unsafe activity when directed to do so by the POA staff.

3) Ages: An adult shall accompany children under the age of fourteen (14) when in the Clubhouse facilities. (Adult shall be defined as a person age eighteen (18) years and up).
4) Guests: Property Owners shall always accompany their guests when in the clubhouse.
5) Alcoholic Beverages: The sale of alcoholic beverages is prohibited in the facility, except as licensed to the clubhouse restaurant. Alcoholic beverages consumed in or on any Association common area should be done with discretion. Drunkenness is not condoned and consumption beyond the State established legal limit is not allowed. Intoxicated individuals will be asked to leave the facility. In accordance with state law, absolutely no consumption of alcohol will be allowed by minors (those under the age of twenty one (21). Unless restricted by the POA (i.e. during a children or teen event), unfortified wine (wine made by fermentation with no greater than 16% alcohol by volume) and malt beverages (with no more than 15% alcohol by volume) are permitted in the clubhouse. Fortified wine (with more than 16% alcohol by volume) spirituous liquor and mixed beverages are prohibited in the clubhouse unless the person in charge of a private function for which the clubhouse had been leased, has obtained a Limited Special Occasion Permit as permitted under the provisions of North Carolina General Statutes, Chapter 18B.
6) Pets: Pets are not allowed in the facility (except for certified service animals).

Section 2.4 Damage to Roads and POA Property

1) A property owner is responsible for the repair of any damage done to POA roads and common property by the property owner, his or her family members, guests, tenants, vendors, contractors, employees, or assigns.
2) All utility providers are responsible for the repair of any damage to the roads or common property of the Association to its original state.
3) When damage occurs to any POA roads and/or POA property, initial repairs shall be made within twenty four (24) hours of the time the damage occurred. Final repairs must be completed within sixty (60) days of occurrence. If, after sixty (60) days the damage still exists, the Association may make the necessary repairs and bill the responsible entity for all associated costs. If repair bill is not paid and responsible entity is a property owner a lien will be filed against the owner's property.
4) Road Repair Standards
   a) For excavated areas:
      1) For initial repairs, remove all wet soils from damaged area and replace with clean dry suitable soils, properly compacted to within six (6) inches of finished grade. Final six (6) inches shall be filled with crush and run or ABC stone and compacted level with final grade.
      2) For final repairs, the damaged area needs to be saw-cut on all sides. Two (2) inches of crush and run or ABC stone shall be removed and install two (2) inches of asphalt surface. The asphalt patch shall be rolled or compacted to a smooth surface and all edges sealed. Final repairs must be approved by Maintenance Director and General Manager.
   b) For surface damage:
      Any damage to the surface of roads or asphalt surfaces shall be reported to the POA office immediately after occurrence. General Manager shall meet with Maintenance Director to determine proper repairs of damaged area. POA shall communicate with responsible entity for proper repairs. Final repairs shall be completed within sixty (60) days. Final repairs must be approved by Maintenance Director and General Manager.
5) POA Property Repairs:
   Damage to POA property shall be reported to POA office immediately after occurrence. General Manager shall meet with Maintenance Director to determine proper repairs of damaged area. POA shall communicate with responsible entity for proper repairs. Final repairs shall be completed within sixty (60) days. Final repairs must be signed off by Maintenance Director and General Manager.

Section 2.5 Disposal of Garbage, Refuse, Waste, and Debris

1) No household or construction debris of any type shall be left or disposed of on any POA property (includes taking advantage of POA picnic trashcans). Nearby County run dumpsites are available for those that do not use available disposal services.
2) No lot shall be used as a dumping ground.
3) Dumping or blowing of leaves, grass clippings and other debris into the lake and/or drainage ditches is prohibited.

4) No property owner or occupant of any lot shall deposit or leave garbage, waste, putrid substances, junk, or other waste materials on any property owner's lot, nor in the lake, nor on any portion of the POA's property. Failure to correct same when notified by the Association may result in maintenance of said lot by the POA in which event an appropriate charge will be assessed and shall be paid by the property owner.
5) Franklin County has established a household waste station on Sledge Road, within a short driving distance of the Main Gate. This waste station can also be accessed within Lake Royale off of Shawnee Drive.
   a) Operating hours at the dumpsite must be observed.
   b) When not open, do not leave debris, old appliances, and the like outside the dumpsite fenced area.
6) The Franklin County dumpsite on Timberlake Road (off Highway 56 west of Louisburg) is for items (appliances, furniture, hazardous material, etc.) that will not be accepted at the County dumpsite on Sledge Road.
7) Trash put out for pick-up by a trash collector shall be in a trash container and is the responsibility of the property owner until collected.
8) If trash becomes strewn, it shall be the responsibility of the property owner to clean it up.
9) See Franklin County Ordinances for Lake Royale for additional information.

Section 2.6 Document Request Procedures

The Non-Profit Act (55A) and the Planned Community Act (47F) provide for the books, records and memoranda of the Association to be open to reasonable inspection of the owners or beneficiaries at the Association's place of business during normal business hours upon reasonable notice. The procedures, outlined below, allow maximum access while protecting the privacy of all the individual property owners, beneficiaries, vendors, contractors, and financial institutions.

1) Types of documents:
   a) Permitted documents (Many of the permitted documents listed below are also available on the Lake Royale website at http://lrpoa.com.)
      1) Governing documents - Covenants, By-Laws, Franklin County Ordinances for Lake Royale, and Rules and Regulations.
      2) Board of Directors Meetings (open sessions) for twelve (12) months including executive sessions.
      3) Membership meetings.
      4) Royale Reporter.
      5) Financial Information:
         a) Assessment records for requesting property owner for current year and two (2) previous years.
         b) Income tax returns for current and two (2) previous years.
         c) Financial statements for current and two (2) previous years.
         d) Real estate tax records for current and two (2) previous years.
         e) Insurance policies and certificates for current and two (2) previous years.
         f) Investment statements for current and two (2) previous years.
         g) Annual budget for current and two (2) previous years.
         h) Other committee and Board of Adjustment (open session only) minutes.
         i) Current employee job descriptions.
   b) Protected documents:
      1) Contract bids and proposals.
      2) Employee applications.
      3) Employee files.
      4) Payroll records.
      5) Legal files.
      6) Property owner lists.
      7) Individual pension information.

2. Availability:
   a) Current permitted documents, upon submission of a specific written request, will be available at a mutually agreed time between the requestor and the administration, within five (5) business days for review at the business office. Current permitted documents are those maintained on site at the business office.
   b) Archived permitted documents will be available upon submission of a specific written request within twenty (20) business days of the receipt of the request, for review at the business office.

The Property Owner Association (POA) will impose an administrative fee of $25.00 per hour, after the first hour, for researching and locating documents.

c) Protected Documents: Documents protected by provisions of the Non-Profit Act (55A) and the planned Community Act (47F) include, but are not limited to, documents that constitute an invasion of privacy, pending litigation or contract negotiations, documents falling within attorney-client privilege and documents involving the employment, promotion, discipline or dismissal of a specific officer or employee. These documents are not available for review or copying.

3. Administration:
   a) Redundancy of requests, or number of requests, that places an undue burden on the administration may be denied.
   b) Copies of documents, when permitted, will be at the prevailing rate of the Association.
   c) No documents that are the property of the Association may be removed from the premises.
   d) Access is limited to members in good standing at the time of the written request. Members not currently in good standing are permitted access to only those documents reasonably related to the owner's or beneficiary's loss of good standing.

Section 2.7 Dumping and Sanitation

If a lot is not equipped with a County approved septic system, there are dump sites provided by the POA for use in dumping camping unit holding tanks.

Section 2.8 Encroaching on POA Property

1) A property owner shall be responsible for the installation and maintenance of improvements on POA rights-of-way (includes approved structures, culvert pipes, plantings, etc.) at their own expense.
2) Because this is an encroachment on the POA rights-of-way, the property owner must sign an 'Encroachment Agreement' (available at the POA office) or receive a Driveway permit prior to installation of the above mentioned approved structure(s), culvert pipe, etc.
3) The POA will charge a maintenance fee, if not done regularly by the property owner.
4) A property owner shall have no cause of action against the POA, its successors, assigns or licensees either at law or in equity, excepting in case of any damages caused said property, by reason of willful negligence in installing, operating, removing or maintaining the above-mentioned installations.

Section 2.9 Maintenance of Lot

1) It shall be the responsibility of the property owner to maintain his or her property, including general repair and maintenance of any structure or any improvements thereon, as well as maintenance of any landscaping, trees and lawns in a neat and orderly condition. Trees that fall into the lake from a member's waterfront lot must be removed within a reasonable time by the property owner.
2) If, in the opinion of the General Manager and/or CC&R (Covenants, Conditions & Restrictions) Inspector a property owner fails to maintain his or her property in a neat and orderly appearance, the POA shall give written notice of the infraction to the property owner, and, if the violation has not been dealt with within a reasonable time period, the POA may enter the property and correct the offending condition, charging the cost thereof to the property owner. Such cost shall become part of the assessment and payable as defined in the By-Laws.

Section 2.10 Non-conforming Situations

1) Approved non-conforming situations for which a permit was issued or otherwise approved through documentation of a POA official body (Committee, General Manager, and CC&R Inspector) shall be allowed to continue without correction required from the Property Owner's Association. No person may engage in any activity that causes an increase in the extent of the nonconformity of a non-conforming situation. Nor can a non-conforming use be extended to additional buildings or to land outside the original structure.
2) The administrator shall issue documentation to be included in the property owner's file describing the current non-conforming situations.

Section 2.11 Pets and Animals

The Association shall follow the NC General Statutes, the NC Planned Community Act (47F), and Franklin County Ordinances for Lake Royale regarding penalties and/or owner liability for all damages done if household pets are not under control while off the owner's property.

1) Animals are not to be bred nor maintained for any commercial purpose.
2) All dogs and all cats allowed outdoors must wear a collar and have a current rabies tag and an address tag.
3) All dogs, cats, and any potentially dangerous animals must be on a leash and under control when outside the bounds of the owner's property.
4) No animal weighing more than one hundred (100) pounds (other than a dog) may be maintained on any property.
5) No horses, livestock, poultry, or fowl of any kind shall be raised, bred, kept or maintained on any property.
6) No repetitious noises (such as constant dog barking) shall be tolerated.
7) The Association shall not be held accountable for any loss, damage or liability caused by any property owner's pet.
8) Restraint of animals (Tethering)
   a) Tethering will not be allowed unless the following conditions are met:
      1. The animal is not tethered to a stationary object unless an adult (18 years or older) is in the immediate presence of the dog.
      2. Tether is attached to a buckle type collar or harness and under no circumstance shall the tether itself be placed directly around the animal's neck.
      3. Tether is a minimum of ten (10) feet in length and must be appropriately sized to match the size of the animal.
9) See Franklin County Ordinances for Lake Royale for additional details.

Section 2.12 POA Cards and Their Use

1. Membership Cards:
   a) Available to all qualified property owners on deed of record and family members living under the same roof.
   b) Proof of residency shall be determined by driver's license or non-driver's picture ID for those ages sixteen (16) and over.
2. Guest Access.
   a) Property Owners in good standing may grant permission for guests to enter Lake Royale by entering their information into the CapSure system. This is accessed online through the LRPOA website.
   b) A non-member of the Association who uses the Association areas or facilities of the Association who has not been admitted to Lake Royale through the procedures outlined above shall be considered a trespasser under the laws of the State of North Carolina unless personally accompanied by a member of the Association in good standing.
   c) Property Owners admitting guests to Lake Royale are accountable for any misconduct or violation of the restrictive Covenants, By-Laws and Rules and Regulation of the Association by their guests.
3. Functions/Events:
   a) Private: An unlimited number of guests may attend a private function as long as they are not using POA facilities.
   b) POA Sponsored:
      1) Guests for POA functions are limited to four (4) per property. If capacity has not been met fifteen (15) days prior to the event, members may register additional guests.
      2) Sign up guests in advance of the function/event at the POA office. Call the POA office at (252) 478-4121 for details.
      3) Property owner's POA card must be shown at the door.

Section 2.13 POA Facilities

POA Facilities are not to be used for profit or gain by a property owner or business with the following exceptions:

1) Events/Activities sponsored by the Recreation Committee for the benefit of the membership that have an admission charge/materials fee/reservation fee.
2) Organizations sanctioned by the Board of Directors.

Section 2.14 Rental of POA Campsites

1) POA campsites are available for rental to POA members for their guests.
   a) Camper and/or tent campsites are located at Comfort Center #1.
   b) Maximum stay at the rental campsite is fourteen (14) days per six (6) months.
2) Reservation Procedure/Deposit:
   a) Property owner must make the reservation at the POA office prior to guest arrival.
   b) Lake Royale POA campsite rental form is completed at the POA office. Payments for reservation(s) and deposit(s) are required at the time of the reservation(s).
3) Access to Lake Royale: The POA staff will provide a copy of the campsite rental form to the security gate. Property owner must notify the security gate for their guest to obtain a hangtag.
4) Refund of Deposit:
   a) After the guest's departure, the POA Maintenance Dept. will conduct an inspection.
   b) If the POA Maintenance Dept. signs off that the campsite was left in good condition, a refund of the original deposit will be returned to the property owner who made the reservation(s).

Section 2.15 Rentals of Property by Owners

1) Members desiring to rent their property:
   a) Must be members in good standing.
   b) Must first obtain approval from the Board of Directors or its designated agent or designated committee.
   c) Shall in all events be accountable for actions of any persons to whom they rent.
   d) Obtain a current copy of the Lake Royale POA Application to Lease form. This form is available at the POA office or may be downloaded from the Lake Royale website: www.lrpoa.com.
2) General Standards-applies to all lots:
   a) A copy of the lease must accompany the application to lease.
   b) Property owner must sign that he/she has provided a copy of the By-Laws, Restrictive Covenants and Rules and Regulations of Lake Royale to the tenant signifying that they understand their responsibilities as defined in these documents.
   c) The property owner must provide to the POA office a copy of the National Criminal Background Review of the lessee(s) and all other adult tenants (can be acquired through www.sentrylink.com) dated no more than ten (10) days prior to the application. The source of this review must be acceptable to the Lake Royale POA. Any potential tenant with misdemeanor or felony convictions in the last ten years of theft, assault, crimes sexual in nature, robbery, murder, drug related or convicted of any other conviction which gives the POA substantial, legitimate concerns relating to Lake Royale resident safety or the protection of property will not be approved. (Applies to new and transfer lessees)
   d) The tenants shall not be entitled to use the community areas or other facilities of the Association until appropriate officials of the Association issue membership cards to them.
   e) If the property owner is an absentee landlord (meaning he/she does not own property in Lake Royale for his/her sole use and pleasure) and still wants to use the amenities, he/she must pay a full set of dues in addition to the dues paid on the property owned and held for rental.
   f) Tenants shall have no voting rights.
   g) A copy of this application and all attached documents will be retained by the POA.

3) Residential Lots Only: The duration of the lease must be for twelve (12) months or more. After twelve (12) months, a month-to-month agreement is allowed. Lessor must notify the POA when the lease is terminated.
4) Multi-use Cottage Lots Only: Multi-use cottage lots cannot be rented for permanent residency. Any rental of multi-use cottage property is by definition for a short term (ninety (90) days per year or less) and for vacation purposes only.

Section 2.16 Signs

1) A permanent street address number shall be displayed on all improved property.
2) Temporary signs: Signs for garage sales, open houses, and social events may only be displayed on personal property beginning one (1) week before the event and must be removed at the conclusion of the event or the following day. Signs must not exceed 2 x 2 feet in size.
3) Temporary directional signs may be erected not earlier than twenty four (24) hours before an event and must be removed within twelve (12) hours of completion of the event and must not exceed 11 x 11 inches. They are not allowed to be placed on road signs, telephone poles, or electric poles.
4) Realty signs (whether realtor or property owner) must be placed within the property owner's property lines on a cleared lot. On an uncleared lot, a realty sign may be placed parallel to the wood line, as close to the property line as possible. Signs that interfere with the POA mowing will be removed.
5) Business signs on personal lots are not permitted; however, temporary "workman" signs not exceeding 2 x 2 feet are allowed during the construction phase.
6) Signs must be displayed in an upright, orderly fashion within the confines of the property pins except for realty signs as noted above.
7) Caution signs (beware of dog, posted, etc.) not exceeding 8 x 12 inches are allowed on personal property.
8) No more than two (2) commercial signs per property may be posted, with not more than one realty sign per property line.
9) Yard ornaments and novelty signs should be complementary to the architecture and landscape design of the house. They should be appropriate, tasteful, and limited to a reasonable number of small items in keeping with the traditional look of the neighborhood.

Section 2.17 Solicitations

No person or group shall make any door-to-door solicitations, whether for commercial, political, religious or charitable purposes.

Section 2.18 Swimming Pools (POA)

Pool rules will be published annually by the BOD. They will be posted at the pool and will be available on the POA website.

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Section 2.19 Uses of Lake

1) Fishing: North Carolina Wildlife Commission regulations apply.
2) Watercraft:
   a) North Carolina Wildlife Commission regulations apply.
   b) Only POA members in good standing may bring their own watercraft inside the gate. Watercraft includes both powered and non-powered vessels.
   c) POA member must provide proof of ownership (registration, certificate of title or bill of sale) of the watercraft at the POA office or the main gate. See Section 2.20 Vehicles (general information) in this listing. If acceptable, the POA will provide the property owner with one (1) sticker, applied by the POA, which will be prominently displayed on the left bow or windshield of the watercraft.
   d) Property owners are responsible for informing guests on the appropriate use of watercraft and rules and regulations peculiar to North Carolina and Lake Royale.
3) Swimming/Public Beaches:
   a) Public beaches are provided at the Pavilion and the Clubhouse. These beaches do not have lifeguards and swimmers must swim at their own risk.
   b) Swimming is allowed from boats and private property at the swimmer's own risk.
   c) Swimmers are cautioned against swimming in the open water without a boat accompanying them.

Section 2.20 Vehicles (General Information)

1) General:
   a) All vehicles including, but not limited to cars, trucks, ATVs, golf carts, motorcycles, and scooters, in this subdivision must be clearly identified by a proper POA pass on the inside rear view mirror, dashboard or windshield which must remain visible at all times.
   b) No vehicle including, but not limited to cars, trucks, ATVs, golf carts, motorcycles, and scooters shall be operated within the Subdivision except on roads or parked in designated parking areas or as an owner may direct on his own property.
   c) Parking on POA easements (includes rights-of-ways) is not permitted except for one time special events
   d) All vehicles including, but not limited to cars, trucks, ATVs, golf carts, motorcycles, and scooters shall be operated in a safe and careful manner and in compliance with the posted traffic signs and of Rules and Regulations and in accordance with the rules of the road established by the General Assembly of North Carolina for use on public roads.
   e) Chapter 20 of the North Carolina General Statutes is hereby adopted by the Association for rules governing operation of motor vehicles on the roads within the Subdivision and incorporated herein by reference thereto.
2) Property owners in good standing may obtain a POA sticker upon presenting proof of ownership of the vehicle (vehicle registration or bill of sale) for each vehicle to be registered. This includes, but is not limited to cars, trucks, ATVs, golf carts, motorcycles, and scooters. Mini-motorcycles are not legal on POA roads. When a bill of sale is presented, a hangtag will be issued until a registration is obtained. Property owners not in good standing are eligible for red tags only. POA stickers are issued for the fiscal year April 1 to March 31 of the following year.
3) Guests of Property Owners:
   Property Owners in good standing may grant permission for guests to enter Lake Royale by entering their information into the CapSure system. This is accessed online through the LRPOA website. Property owners may also call the security personnel in advance to have their guests admitted. The security personnel shall provide a pass with the last date of admittance to Lake Royale recorded thereon. This pass shall be remain visible at all times while on Lake Royale property. A pass may be issued for a period not to exceed fourteen (14) days.

Section 2.21 Watercraft Dockage/Storage

1) On Private Property:
   a) In the water-Watercraft may be stored in the water at a boat slip, moored at the dock, moored to the shore, or anchored at the property owner's lot or at a lot of another property owner with that property owner's approval.
   b) Out of the water - Only currently registered watercraft and watercraft trailers with a current, valid license may be stored in the open on private property. Watercraft trailers without a valid license will be considered abandoned.
   c) No abandoned watercraft and/or watercraft trailers are allowed to remain on any lot.
2) On POA Property:
   a) In the water:
      1) Public docks and launch sites are provided by the POA for the use of members in good standing. Long term rental use of POA owned boat slips is available for a fee and pursuant to written lease agreement with the POA. Day docks are available by use of members in good standing on a first come, first served basis during the hours of 6 am to 11 pm only. Any Watercraft docked in a slip without a valid, paid lease, or docked at a Day Dock outside of the allowed hours, will be towed and stored at the owner's expense.
      2) Persons using public docks and launch sites do so at their own risk.
      3) In the event of high water, high wind, or other extremely bad weather, all watercraft should be removed to protected areas or high ground.
      4) Watercraft owners are responsible for all damage caused by their vehicles or watercraft to POA property, private property, adjacent vessels, public docks, and/or launch sites.
      5) The POA neither assumes nor accepts responsibility for damage caused by non-POA watercraft or vehicles at these facilities.
      6) All watercraft parked at Lake Royale POA reserve dock space or open dock spaces are required to have a current Lake Royale POA watercraft sticker displayed on the watercraft.
      7) All watercraft parked at Lake Royale POA docks must be kept clean and in working order.
   b) Out of the water:
      1) With a valid license plate: Only currently registered vehicles, watercraft (with a NC Wildlife and/or POA boat sticker) and watercraft trailers with a current, valid registration/license plate may be parked temporarily (not more than 48 hours) at public launch sites and on POA property designated for that purpose.
      2) Without a valid license plate: Vehicles, watercraft and watercraft trailers without a valid license plate on POA property designated for that purpose will be considered abandoned and will be towed away at owner's expense.

See Franklin County Ordinances for Lake Royale for additional details

Section 2.22 Outdoor Play equipment

1) All play equipment, except portable, including but not limited to; treehouses, play houses, trampolines, skate/bike ramps, and or other stick built structures require a building permit from the BC prior to the start of installation or construction.
2) All play equipment must be located in the rear or side yard and must be located within setbacks. Exception portable play equipment (ex. basketball goals, soccer nets, bikes, scooters, etc.) may be used in any portion of the yard but must be removed from view when not in use.
3) A commercially produced permanent basketball goal may be placed in the front of the home utilizing an existing driveway.
4) The size and number of play equipment is to be compatible with the size of the lot.

Article 3 General Guidelines - All Lots

1. All construction must conform to the North Carolina building codes as minimum standards.
2. Extensions on any permit issued by the BC or the CC&R Inspector and/or General Manager (issued for six (6) months) may be renewed once for an additional six (6) month period for a combined total of twelve (12) months from the date of the original issued permit for the particular work described thereon. The extension may be issued by the BC or the CC&R Inspector and/or General Manager. No fee shall be required. After the twelve (12) month period has expired, if the work has not been started, a new permit is required including all fees. If the work has not been completed, project may be considered a nuisance and forwarded to the BOA for non-compliance. As of June 1, 2020 all structures/activities requiring a building permit must have a professional as-built survey provided to the POA office within one (1) year from permit issuance to close out building permit.

Section 3.1 Awnings

1) Awnings are permitted.
2) No building permit is required from the BC.

Section 3.2 Breezeway

1) Property owner must have a building permit from the BC prior to the start of installation or construction.
2) A property owner may build a breezeway between their main dwelling and an unattached structure, like an unattached garage. May not attach to recreational vehicles or temporary structures.
3) All setback regulations apply.

Section 3.3 Bridge (Auto and Foot)

1) Property owner must have a building permit from the BC prior to the start of installation or construction.
2) A bridge may be built on their property to span a creek, stream, waterway, etc.

Section 3.4 Cabana (Poolside)

Property owner must have a building permit from the BC prior to the start of installation or construction.

Section 3.5 Carport (Unattached)

1) Property owner must have a building permit from the BC prior to the start of installation or construction.
2) The "sides" of the roof cannot extend more than twenty four (24) inches down from the top of the roof.
3) Roofline of the carport cannot be higher than the roofline of the principal building (house or camping unit).
4) Roof pitch shall not be less than 4/12 nor more than 7/12.
5) Carports may be metal or stick (wood) built.
6) A carport being used as a roof-over is not permitted.
   Exception: Metal carports that have been used as a roof-over a camper with a permit dated prior to March 2, 2004 will be permitted. If the carport is removed or destroyed, it will not be allowed to be replaced as a roof-over.

Section 3.6 Construction Debris

1) All blowable debris shall be placed in at least a three (3') foot high-confined area.
2) Construction debris shall be confined in one (1) location on a lot which is out of sight from the road (where possible).
3) All debris shall be removed as needed.

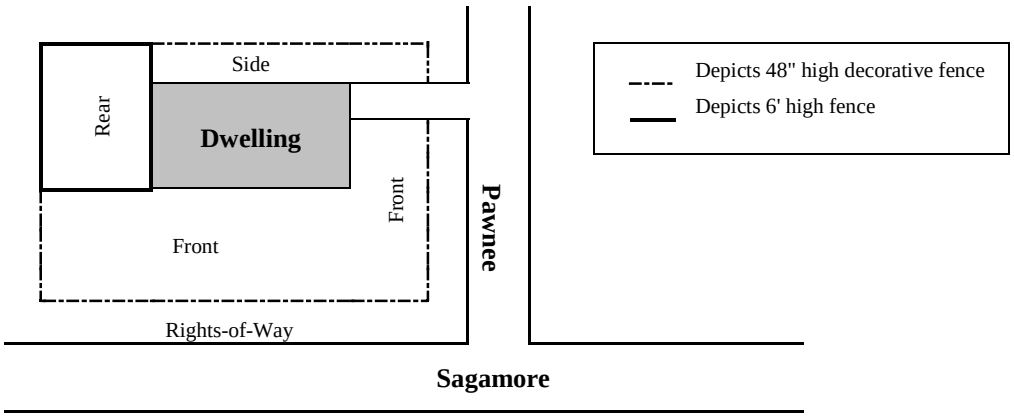
Section 3.7 Fences

1) Property owner must have a building permit from the BC prior to the start of installation or construction.
   Exception: See # 8 (Pet Enclosure) below.
2) A fence may be placed one (1) foot from the property line, or on the property line if agreed to by the adjacent property owners. This matter shall not be verbal but agreed upon between the two property owners in writing, and passes to subsequent property owners, with written record of this on file at the POA office.
3) Placement: Be aware of the easements described in the existing Restrictive Covenants under Section 10 Utility Easements. Although property owners are allowed to place a fence within these easements on their property,

they could be required to remove the fence at some later date if it causes difficulties for the assigns/licensees working within the easement.

4) Non-Waterfront and Non-Corner Lot: A maximum six (6) foot high fence of chain link, vinyl, wood, wrought iron, or wood split rail fencing will be allowed from the back corners of the house or camping unit to the rear of the lot and along the rear lot line. A minimum 14 gauge, 2”x4” square sized wire may be installed on the inside of a split rail fence.
5) Waterfront Lot: Only chain link, vinyl, wood, wrought iron fences, or wood split rail fencing (all fence types shall be open) will be allowed from the back corners of the house or camping unit to the rear of the lot and along the rear lot line (shoreline). A minimum 14 gauge, 2”x4” square sized wire may be installed on the inside of a split rail fence. These fences may not exceed four (4) feet in height. Exception: See # 8 (Pet Enclosure) below.
6) Corner Lot:
   a) A maximum six (6) foot high fence may enclose the rear yard. Only chain link, vinyl, wood, wrought iron, or wood split rail fencing will be allowed from the back corners of the house or camping unit to the rear of the lot and along the rear lot line. A minimum 14 gauge, 2”x4” square sized wire may be installed on the inside of a split rail fence. See diagram below.
   b) All other property may be enclosed with a decorative fence not to exceed forty eight (48) inches in height.

NOTE: A corner lot setback has two (2) front yards. See following example:



7) Front and Side Yard: A decorative fence not to exceed forty eight (48) inches in height will be allowed to enclose the front and side yard.
8) Pet Enclosure: A separate chain link fence up to six (6) feet in height may be installed in the backyard for the purpose of enclosing pets.
   a) Enclosure fence may not exceed two hundred (200) square feet (ex: 10’ x 20’).
   b) No permit is required from the BC.
9) Permanent Walls: See Section 3.18 Walls in this listing for additional information.
10) Swimming Pool Enclosure: See Section 3.17 Swimming Pool (Private) in this listing for additional information.

Section 3.8 Gazebo (Unattached)

1) Property owner must have a building permit from the BC prior to the start of installation or construction.
2) One (1) gazebo is allowed per lot. It may be a pre-fabricated unit, or site built.
3) It must be ten (10) feet from any other structure (includes the main dwelling).
4) The gazebo may remain open or may be screened.
5) All setback regulations apply.

Section 3.9 Geothermal System

1) Property owner must have a building permit from the BC prior to the start of installation or construction.
2) All Geothermal Systems shall be limited to a closed loop system.

Section 3.10 <u>Greenhouse</u>

1) Property owner must have a building permit from the BC prior to the start of installation or construction.
2) One (1) greenhouse is allowed per lot for personal use only, not for commercial use.
3) It may only be one story.
4) It may only be a maximum two hundred (200) square feet (ex: 10' x 20').
5) If roofed, the roof must be transparent or opaque.
6) It may be a pre-fabricated unit or site built.
7) All setback regulations apply.

Section 3.11 <u>Handicapped Structures</u>

1) Property owner must have a building permit from the BC prior to the start of installation or construction.
2) No fee is required for the permit.

Section 3.12 <u>Lean-to</u>

1) Property owner must have a building permit from the BC prior to the start of installation or construction.
2) Roof extends from an unattached storage structure and one (1) side must be open.
3) Roof must attach to the structure below the eave.
4) No more than two (2) lean-tos per property are allowed.
5) Two sides may be covered with open lattice.
6) All setback regulations apply.

Section 3.13 <u>Post Construction Permits – Structures Older Than 01/01/2000 and Permits for Existing Structures After Purchasing Property</u>

Compliance Procedure:

1) A post construction building permit will be placed in the property owner's file in lieu of a normal building permit issued by the building committee provided the property owner submits a plot plan showing all existing structures and fences, distances from all property lines, the location of the driveway(s) and parking areas, and septic tank and its drain field. This permit will apply only to structures erected prior to 1/1/2000, that do not currently have a permit or within the first ninety (90) days of the new owner's purchase closing date.
2) The post construction building permit will not have a fee attached to it.
3) The property must meet all federal, state, county, and Lake Royale guidelines. Noted violations of the guidelines will require the property owner to resolve them with the appropriate agency prior to the permit being granted.
4) The post construction permit will be issued upon verification of the plot plan and will be signed by the CC&R Inspector or the General Manager.

Section 3.14 <u>Non-Permanent Storage Structures</u>

1) Applies only to temporary structures substituting as garages (unattached), carports, and storage sheds.
2) Must be a commercially produced structure consisting of a frame of metal, plastic, or wood with a fitted fabric or fitted fabric with plastic coating that is securely affixed to the frame.
3) The frame must be secured to the ground.
4) The covering must be in good repair and if replaced must be replaced with a commercially produced cover similar in construction to the description above. Tarps do not meet the requirements for a replacement cover.
5) All setback requirements must be met.
6) Limit of one temporary/non-permanent structure.
7) May not exceed 288 square feet.
8) A temporary/non-permanent structure will substitute for a permanent (permitted) like structure. A property may not have any combination of permanent and temporary structures that exceeds the total allowable like structures in this document or in the Lake Royale Covenants.

Section 3.15 Propane Tanks

1) The location for a propane tank on any lot must abide by all industry setback regulations.
2) No permit is required from the BC.

Section 3.16 Replacing an Existing Structure

1) Property owner must have a building permit from the BC prior to the start of installation or construction.
2) No fee is required to obtain a building permit providing it was permitted originally and the dimensions are not changed.
3) Replacement must comply with current By-Laws, Restrictive Covenants and Rules and Regulations.
4) Metal carports that have been used as a camper roof-over with a permit dated prior to March 2, 2004 will be permitted, but if the carport is removed or destroyed, it will not be allowed to be replaced as a roof-over.

Section 3.17 Swimming Pool (Private)

1) Property owner must have a building permit from the BC prior to the start of installation or construction. Exception: Children's pools not exceeding three hundred (300) gallons of water do not require a permit.
2) All setback regulations apply, including fifty (50) feet from the shoreline.
3) All pools must be equipped with Cartridge type filtering systems.
4) Fence Enclosure: Private swimming pools must be fenced and maintained in accordance with Franklin County regulations.

Section 3.18 Walls

Walls can be made of concrete, stone, brick, masonry, or like materials.

1) Property owner must have a building permit from the BC prior to the start of installation or construction.
2) Placement: Subject to all easement restrictions.
3) Permanent masonry walls shall have the same height and design guidelines as fences. See Section 3.7 Fences.
4) No permanent wall (concrete, stone, brick, masonry, etc.) shall be closer than five (5) feet to any property line and must be inside the owner's property line pins.

Section 3.19 Retaining Walls

1) Property owner must have a no fee building permit from the BC prior to the start of installation or construction if taller than two (2) feet; excluding raised gardens.
2) May require a Franklin County Permit.
3) May be made out of wood or masonry products.

Section 3.20 Patios and Pads

1) Property owner must have a building permit from the BC prior to the start of installation or construction for:
   a) All paver or like products over 288 square feet to make a patio or pad.
   b) All continuous pours over 36 total square feet to make a patio or pad.
2) Patios and pads may be constructed of masonry, stone, brick, concrete or asphalt.
3) If a permit is required, all setbacks apply.
4) Patio or pad must not be placed over the septic system.

Section 3.21 Storm Shelter

1. Property owner must have a building permit from the BC prior to the start of installation or construction if the footprint exceeds forty nine (49) square feet. Structure cannot exceed one hundred forty-four (144) square feet.
2. No storm shelter shall be over one story and shall not exceed eleven (11) feet in total height, as measured from the floor surface to the top of the ridgepole.
3. Must be ten (10) feet from any other structure (including the main dwelling) if above ground.
4. Roof pitch shall not be less than 4/12 nor more than 7/12 if above ground.
5. Shelter will constitute one of the two allowed storage buildings if above ground.
6. If below ground (under a camper, camper addition, deck, garage, shed or open area) it may not be used for storage except for emergency items for a period not to exceed 48 hours.
7. The shelter must adhere to all set back and septic tank restrictions.
8. If above ground the structure must have a finished external surface (ex. Rock, vinyl, etc.).

Article 4 Lot Developments/Improvements Guidelines - All Lots

All construction must conform to the North Carolina building codes as minimum standards.

Prior to the start of any clearing, development on a lot, or disturbance of soil greater than one hundred (100) square feet, a property owner must first obtain one or both of the following permits from the POA office:

1) Soil erosion permit.
2) Driveway construction permit.
3) Unless approved soil erosion measures are established within 24 hours of disturbance of the soil, a maximum fine of up to one hundred (100) dollars per day will be imposed, subject to validation by the Board of Adjustment.

Section 4.1 Clearing of Lot

1. A boundary survey must be obtained and submitted to POA office prior to any permits being issued for clearing.
2. A soil erosion permit must be obtained at the POA office before any clearing or mechanical activity takes place on a lot.
3. After clearing a lot, the property owner must have an active building permit or ground covering must be established within six (6) months of soil erosion permit issuance.
4. A silt fence or other approved measures must be installed in accordance with Section 4.7 Soil Erosion Measures within twenty four (24) hours whenever any portion of the ground in excess of one hundred (100) square feet (excluding gardens) is laid bare.
5. Lot number and street address must be posted on the lot and be visible from the street. Lot number is to be removed after project is completed.
6. All boundary survey stakes must be clearly visible.
7. See Section 4.7 Soil Erosion Measures in this listing for additional information.

Section 4.2 Construction Driveways

When first clearing a lot, the construction driveway must be constructed with soil and compacted by the equipment on site. Course aggregate, class A or larger must be installed to a minimum depth of four (4) inches covering the entire driveway with a minimum length of forty (40) feet from the paved street and a minimum width of twelve (12) feet. Crush and run may be used for a base only with larger stone installed on top. Compacting and gravel installation must be accomplished within forty eight (48) hours of initiation of lot clearing.

Section 4.3 Requirements for Driveways

All conditions will be evaluated by the CC&R Inspector and/or Maintenance Director on a case-by-case basis.

1) Driveway culvert pipe material may consist of reinforced concrete or double walled corrugated plastic when placed in rights-of-way.
2) Driveway culvert pipe diameter must be approved by CC&R Inspector and/or Maintenance Director and recorded on driveway construction permit.
3) Driveway culvert pipe minimum is sixteen (16) feet in length. The maximum pipe length for a one (1) entrance driveway is thirty-two (32) feet and twenty-four (24) feet per entrance for a two entrance driveway.
4) The minimum driveway width is twelve (12) feet. The maximum driveway width for a one (1) entrance driveway is twenty-four (24) feet and for a two (2) entrance driveway eighteen (18) feet per entrance. The minimum length is forty (40) feet including driveway apron if applicable. Ribbon driveways are to be a minimum of two (2) feet wide and located so they are separated a minimum five (5) feet on center with grass in between.
5) Grading of driveway shall minimize runoff of water and other material onto the road.
6) Driveway apron must be completed within one year of the driveway permit issue date for all permits issued after July 15, 2005. Properties that are on un-paved roads and receive a driveway permit after July 17, 2005 will have six (6) months to install a concrete or asphalt apron once the road has been paved in front of their property.
    a. Minimum fifteen (15) foot long is measured from the road into the lot.
    b. Minimum twelve (12) foot wide is measured along the roadway. Entire driveway entrance must be encompassed in driveway apron.
7) Approved driveway materials
    a. Gravel: A minimum depth of four (4) inches of gravel is required for all gravel driveways. Follow up grading should be anticipated as normal traffic and heavy equipment further compact the drive.

b. Concrete: At the junction where the end of the drive intersects the paved street, the shoulder of the paved street shall be dug out a minimum depth of four (4) inches for the concrete. No portion of the finished concrete drive shall extend beyond the design edge of the paved street. Edged lip shall not be poured more than one (1) inch above the road's edge. Concrete trucks shall not wash their equipment out onto POA property or roads. Concrete grid pavers may be used to complete driveway after road right of way.

c. Asphalt: At the junction where the end of the driveway intersects the paved street, the shoulder of the paved street shall be dug out a minimum of three (3) inches for the asphalt. At that point, provided that the existing condition of the street is stable, the joint shall be tacked and sealed to prevent moisture penetration. Edged lip shall not be poured more than one (1) inch above the road's edge.

d. Paver blocks and bricks laid in sand may also be used to complete driveway length after road right of way.

Section 4.4 Reserved Areas

1) When lots 2972A and 3562 are developed the following restrictions shall apply:
   a) Plans for development must first be approved by Franklin County, and then must be presented to the BC for consideration and then presented to the Lake Royale Board of Directors.
   b) Developer of this property is responsible for construction of all roadways and shoulders within the area as well as providing all necessary utilities. All roadways must be constructed to at least meet North Carolina minimum standards and all shoulders graded and seeded in a manner as to prevent future drainage damage to the pavement.
   c) All development is subject to the Restrictive Covenants and Rules and Regulations.
   d) Owner/developer is responsible for:
      1) Advising the POA in writing of the name and address of all new owners immediately upon transfer.
      2) Having a copy of the property owner's deed filed in the POA office.
   e) All assessment fees shall be determined under the authority of the By-Laws of this Association.
   f) If the area or any part thereof is fenced off, gated, or in any way set apart as private, then the owner/developer shall retain possession of the roadways and be responsible for all maintenance of the road Rights-of-Way.
2) Extension of Taopi Drive is subject to the following restrictions:
   a) Plans for development must first be approved by Franklin County, and then must be presented to the BC for consideration and then presented to the Lake Royale Board of Directors.
   b) Developer is responsible for construction of all roadways and shoulders as well as providing all necessary utilities:
      1) All roadways must be constructed to at least meet North Carolina minimum standards and all shoulders graded and seeded in such a manner as to prevent future drainage damage to the pavement.
      2) No lots may be sold until the roadways and utilities are installed.
      3) Lots 3462-3475 cannot have an entrance onto Sledge Road because of an existing buffer zone. All driveways on these lots must exit on Long Run Road.
   c) All development is subject to these Restrictive Covenants and Rules and Regulations.
   d) Developer is responsible for:
      1) Advising the POA in writing of the name and address of all new owners immediately upon transfer.
      2) Having a copy of the property owner's deed filed in the POA office.
   e) All assessment fees shall be determined under the authority of the By-Laws of this Association.
   f) If the area or any part thereof is fenced off, gated, or in any way set apart as private, then the owner shall retain possession of the roadways and be responsible for all maintenance of the road rights-of-ways.

Section 4.5 Riparian Buffer Protection Rules

The State of North Carolina has adopted Riparian Buffer Protection Rules, which are in effect in the Tar-Pamlico River basin. These rules apply to fifty (50) foot wide riparian buffers directly adjacent to surface waters in the Tar-Pamlico Basin (lakes, rivers, creeks, intermittent streams, perennial streams, ponds, existing shorelines and estuaries), excluding wetlands. The following rule applies only to areas where vegetation is already established within the first fifty (50) feet from the shoreline. This fifty (50) foot area is broken down into two (2) zones:

1) Zone 1 - refers to the first thirty (30) feet of land bordering the shoreline and/or creeks, intermittent streams, perennial streams, ponds or rivers within the Subdivision. The rule deems it illegal to remove most existing "forest vegetation" (trees, shrubs, etc.) in this thirty (30) foot area. Trees and shrubs may be trimmed but not removed.

2) Zone 2 - consists of an additional twenty (20) feet adjacent to Zone 1 and allows a very limited amount of harvesting in this area. NOTE: See the NC Riparian Buffer Protection Rules which may be obtained from the Division of Water Resources.

<u>NOTE</u>: ANY VIOLATION OF THE RIPARIAN BUFFER PROTECTION RULES MAKES THE VIOLATOR SUBJECT TO A DAILY FINE OF $25,000, AND WILL BE ENFORCED BY THE NC DWR.

Section 4.6 <u>Septic System</u>

1) All Franklin County residential lot owners with a dwelling thereon must have a septic system.
2) Section 16 requires a septic system, with repair area.
3) All Franklin County multi-use lot owners with a dwelling thereon may have a septic system (recommended). Effective June 1, 2011, all Park models must have an attached, permanent, environmental health approved waste disposal system or county approved septic system prior to occupancy of the structure.
4) Nash County does not allow septic systems on camping lots.
5) All cottages in the multi-use area are required to have a Franklin County approved septic system, with repair area.
6) Permits Required:
   a) A Lake Royale soil erosion permit is required and is available at the POA office.
   b) Property owner must get approval from the Franklin County Health Dept. to install a septic system. The Franklin County Health Department shall determine if the land is permeable (perks).
   c) A copy of both the soil erosion permit and the Franklin County Health Dept. Permit must be provided to the BC and will be kept in the property owner's file.
7) No drain field or other disposal system shall be allowed nearer than fifty (50) feet to any creek, river, or stream at Lake Royale nor within sixty (60) feet of the lake's shoreline.

Section 4.7 <u>Soil Erosion Measures</u>

1) A soil erosion permit must be obtained from the POA office.
2) Silt Fence
   a) A temporary silt fence must be installed within twenty–four (24) hours whenever any portion of the ground in excess of one hundred (100) square feet (excluding gardens) is disturbed, and remain in place until the project is completed and the ground is permanently covered (e.g., structure, gravel, pavement, vegetative cover).
   b) The following installation rules apply:
      1) A three (3) foot high silt fence shall be properly installed along a contour line on a slope of equal elevation. Minimum of 6 inch trench for burial.
      2) Where silt fencing is required, both ends of the silt fence shall be extended an additional panel length ten (10) feet and turned uphill.
      3) If located in an area of concentrated flow additional measures should be used.
      4) Must install with geotextile fabric attached to the fence posts on the uphill side, toward the disturbed soil.
      5) 18" overlap required when splicing.
   c) Division of Water Resources approval must be obtained if any disturbance is to occur within the fifty (50) foot buffer from the lake or a creek.
3) Other soil erosion measures must be approved by the CC&R Inspector and/or the Maintenance Director.

Section 4.8 <u>5' Elevation Above Flood Zone Level</u>

1) Homes built with a crawl space: The top of the poured footer or bottom of the block foundation must be at least five (5) feet above the normal water level. All exterior heating units must be at least five (5) feet above normal water level and all plumbing or electrical units contained within the crawl space must be at least five (5) feet above the normal water level.
2) Homes built with a basement: The top of the poured footer/bottom of the block foundation must be at least five (5) feet above the normal water level. In no event can the bottom of the lowest floor of any useable level be lower than five (5) feet above the normal water level.
3) Homes built on slabs: The entire house slab, and all exterior heating units, must be above the five (5) feet elevation mark.

Article 5 Lot Development Guidelines - Waterfront Lots

Section 5.1 Waterfront Lots

1) Property owners of waterfront property are responsible for shoreline stabilization of their lots.
2) For lakefront lots, a construction permit shall not be issued until plans have been submitted for proper shoreline protection. Specific lot approved shoreline protection shall be installed prior to commencement of any construction or improvement.

Section 5.2 Shoreline Erosion

1) Erosion controls shall be properly maintained at all times.
2) Shoreline erosion measures must be approved by the CC&R Inspector and/or the Maintenance Director.
3) Undeveloped lots will be required to address shoreline erosion stabilization only if a problem exists and they are notified as such.

Section 5.3 Bulkhead Regulations

1) Property owner must have a building permit from the BC prior to the start of installation or construction.
2) Permits needed:
    a. A soil erosion permit must be obtained from the POA office.
    b. A permit from the Corps of Engineers is required and copy must be provided to the BC.
    c. A permit from the NC Division of Water Resources is required and a copy must be provided to the BC.
3) A bulkhead must not project more than two (2) feet into the water from the natural shoreline.
4) The accepted method of shoreline protection shall be the proper installation of rip rap.
    a. An approved geotechnical filter cloth shall be placed between rip rap and earth or between bulkhead and gravel backfill. An inspection must be requested and approved prior to final gradework.
5) The accepted method of shoreline protection shall be rip rap with limited use of bulk heads as outlined below:
    a) Coinciding with access to boat house/boat slip location to protect vessels
    b) For lake accessibility up to 8’ in length parallel to shoreline
    c) Within posted No Wake zones.
6) Other shoreline erosion measures must be approved by the CC&R Inspector and/or the Maintenance Director prior to submission to the BC.

Section 5.4 Boat Ramp

1) Property owner must have a building permit from the BC prior to the start of installation or construction.
2) Permits needed:
    a. A soil erosion permit must be obtained from the POA office.
    b. A permit from the Corps of Engineers is required and a copy must be provided to the BC.
    c. A permit from the NC Division of Water Resources is required and a copy must be provided to the BC.
3) It must comply with all applicable setback regulations, including side setback requirements.
4) Members may use the boat ramps provided by the Association.

Section 5.5 Boat Shelter

1) Property owner must have a building permit from the BC prior to the start of installation or construction.
2) Permits needed:
    a. A soil erosion permit must be obtained from the POA office.
    b. A permit from the Corps of Engineers is required and copy must be provided to the BC.
    c. A permit from the NC Division of Water Resources is required and a copy must be provided to the BC.
3) It must be built over water.

4) It may be built over a new or existing boat slip.
5) It may have an abutting deck area, covered or not covered.
6) It may have a sloped or flat roof: if sloped, roof pitch may not exceed 4/12. If flat and accessible, a railing is required.
7) It may have up to a four (4) foot high storage chest on the land side only. No restriction as to the width as long as the storage container stays within the confines of the boathouse (this storage chest will not be considered a storage building).
8) Its sides may be open or closed.
9) It must comply with all applicable setback regulations, including side setback requirements.
10) A residential waterfront lot may have two (2) unattached storage structures and one (1) boathouse.

Section 5.6 Boat Slip

The fifty (50) foot setback regulation requiring all structures be back fifty (50) feet from the shoreline must be adhered to when planning a boat slip; i.e., all structures must be back fifty (50) feet from the "new" shoreline created when digging out the boat slip. Any earth disturbed by construction must be protected from erosion using materials recommended by the Corps of Engineers, the NC Division of Water Resources and the POA.

1) Property owner must have a building permit from the BC prior to the start of installation or construction.
2) Permits needed:
   a) A soil erosion permit must be obtained at the POA office.
   b) A permit from the Corps of Engineers is required and a copy must be provided to the BC.
   c) A permit from the NC Division of Water Resources is required and a copy must be provided to the BC.
3) It must comply with all applicable setback regulations, including side setback requirements.
4) It may have an abutting deck area, but may not be covered except by a permitted boat shelter.

Section 5.7 Dock (Fixed or Floating)

1) Property owner must have a building permit from the BC prior to the start of installation or construction.
2) No permit is required from the Corps of Engineers, but if any soil is disturbed at all, a permit is required from the Division of Water Resources.
3) A soil erosion permit may need to be obtained at the POA office.
4) If disturbing the land, a permit is required from the NC Division of Water Resources and a copy must be provided to the BC.
5) Maximum extension of dock from shoreline into the lake is ten (10) feet.
6) Side setback requirements are excluded.
7) Should dock be located at the property line, the property line shall extend into the lake.
8) Riparian Buffer Protection Rules must be considered whenever building over any land bordering the shoreline.
   a) The shoreline vegetation must be preserved and disturbed as little as possible.
   b) Also see Section 4.5 Riparian Buffer Protection Rules in this listing for additional information.
9) A roofed dock is permitted providing the following requirements are met:
   a) All sides must be open.
   b) Roof size may not exceed one hundred forty four (144) square feet.
   c) Roof structure:
      1) Constructed of wood or wood like material.
      2) Shall have asphalt shingles, metal or thatched roof.
      3) May have a sloped or flat roof. If sloped, roof pitch may not exceed 4/12. If flat and accessible, a railing is required.

Article 6 Residential Area - General Guidelines

1) All accessory structures must be ten (10) feet from any other structure.
2) On new construction or remodeling, the lot number is to be displayed only on the permit inspection box. All permits must be placed inside the permit inspection box, which must be clearly visible from the road.
3) The street number must be permanently posted and be clearly visible from the road.
4) Lots should be surveyed and all corner pins and lot lines clearly marked.
5) Temporary structures may be erected for outdoor functions or parties, but must be removed at the conclusion of the event.
6) A waterfront lot may have two (2) unattached storage structures and one (1) boathouse.
7) Metal roofs are allowed.
8) A pre-existing permitted covered porch does not need a permit to be screened (the screening is allowed because the footprint of the existing porch structure is not being altered).
9) All accessory buildings must be placed behind or on the side of the main dwelling. May not be located in front of the main dwelling. Exception waterfront lots and golf course lots where lakefront/golf course may be considered the front of the lot.
10) As of June 1, 2020 all structures/activities requiring a building permit must have a professional as-built survey provided to the POA office within one (1) year from permit issuance to close out building permit.

Section 6.1 Residential - Garage (Unattached)

1. Property owner must have a building permit from the BC prior to the start of installation or construction.
2. No metal garage is permitted. Also see 'Roof' (5c) below.
3. No unattached garage shall exceed one and a half stories.
4. Must be 10 feet from any other structure (including the main dwelling).
5. Roof:
    a. No less than a 4/12 pitch.
    b. The roof pitch shall be in keeping with the main dwelling within a 2 pitch. Example: If the main dwelling pitch is 4/12, the garage could have up to a 6/12 pitched roof.
    c. Metal roofs are allowed.
6. Size: An unattached garage may be up to a maximum nine hundred (900) square feet (examples: 20' x 45', 30' x 30') or up to a maximum 50% of the dwellings heated living space, whichever is greater. Example of the latter: Main dwellings heated living space is two thousand eight hundred (2800) sq ft x 50% = one thousand four hundred (1400) sq ft maximum garage size or for example 35' x 40'.
7. Exterior: The design and color scheme of all accessory structures on a lot must be constructed with complimentary design and color.

Section 6.2 Residential - Storage Building/Shed (Unattached)

1) Property owner must have a building permit from the BC prior to the start of installation or construction if the footprint exceeds forty nine (49) square feet.
2) No metal storage building/shed is permitted. Also see 'Roof' (6b) below.
3) No storage building/shed shall be over one story and not exceed thirteen (13) feet in total height, as measured from the floor surface to the top of the ridgepole.
4) May have a porch on one wall, not greater than 4 feet in width, with a deck floor. The addition cannot be enclosed. The roof line must be a continuation of the building roofline and cannot have a different pitch.
5) Must be ten (10) feet from any other structure (including the main dwelling).
6) Roof:
    a) Pitch shall not be less than 4/12 nor more than 7/12.
    b) Metal roofs are allowed.
7) Maximum size is two hundred eighty eight (288) sq. ft.
8) The design and color scheme of all accessory structures on a lot must be constructed with complimentary design and color.

Article 7 Multi-use Area - General Guidelines

Multi-use refers to multiple style dwellings allowed within the camping area. These include cottages, tents, park models, commercially produced recreational vehicles as defined by HUD. Mobile homes and on frame modular cottages are not permitted.

1. Only cottages, stick built or off-frame modular construction, *and park models with a NC Modular Construction validation stamp or a HUD manufacturing housing label* may be set up for permanent living. Per state *and county* code *enforcement* and HUD definition no recreational vehicles may be resided in full time.
2. All recreational vehicles must be removable within 24 hours and must be able to be removed without crossing property lines.
3. All hitch ends must remain open, intact and unobscured.
4. Wheels must remain on recreational vehicles.
5. Windows and doors may not be blocked and must remain a viable exit point.
6. All recreational vehicles must remain commercially produced and may not be modified or altered.
7. Nothing may be located over any part of a septic system.
8. All structures must be placed a minimum of ten (10) feet from any other structure or camping unit.
9. All accessory buildings must be placed behind or on the side of the main dwelling. May not be located in front of the main dwelling. Exception waterfront lots where lakefront may be considered the front of the lot.
10. As of June 1, 2020 all structures/activities requiring a building permit must have a professional as-built survey provided to the POA office within one (1) year from permit issuance to close out building permit.

Section 7.1 Multi-use - Cottage

1) Property owner must have a building permit from the BC prior to the start of construction.
2) Only one (1) single-family cottage is allowed on any one or combined lots twelve thousand (12,000) sq ft. or larger.
3) Minimum twelve thousand (12,000) sq. ft. lot size shall be identified by a certified survey of subject-platted lot.
4) Only site built new construction or off-frame modular construction will be permitted.
5) All building exteriors must be completed within six (6) months from the date the construction commences.
6) Setbacks: No part or projection of any dwelling shall extend nearer than:
   a) Ten (10) feet to any side property line.
   b) Ten (10) feet to any rear property line.
   c) Thirty (30) feet to any road rights-of-way property line
   d) Fifty (50) feet from the normal water elevation of the Lake.
7) Basements and knee walls (exterior) shall not be allowed.
8) Single Story Cottage:
   a) Roof height: Maximum height allowed is sixteen (16) feet from the finished floor to the top of the ridgepole.
   b) Roof pitch may not be less than 4/12 nor exceed 7/12.
   c) Gables (without windows): Three (3) gable ends shall be allowed up to sixteen (16) feet high from the finished floor to the top of the ridgepole.
9) Story & Half Cottage:
   a) Living Space above the first floor shall be determined based on any possible space above five (5) feet tall and eight (8) feet wide, finished, or unfinished.
   b) Roof height: Maximum height allowed is to be twenty one (21) feet from the finished floor to the top of the ridgepole.
   c) Dormers: Two (2) dormers shall be allowed up to three (3) feet wide/each.
   d) Gables: Three (3) gable ends shall be allowed up to twenty one (21) feet high from the finished floor to the top of the ridgepole.

Section 7.2 Multi-use - Garage (Unattached)

This applies to Franklin County only. Garages are not allowed in Nash County.

1) Property owner must have a building permit from the BC prior to the start of installation or construction.
2) No garage shall be over one story and not exceed sixteen (16) feet in total height, as measured from the finished floor to the top of the ridgepole.
3) Garage shall have a concrete, sloped floor.
4) Gables and knee walls (exterior) shall not be allowed.
5) Windows higher than the top of the garage door shall not be allowed.

Section 7.3 Multi-use - Roof-Over/Enclosure Camping Unit

1. Property owner must have a building permit from the BC prior to the start of installation or construction.
2. Metal carports may not be used as a roof-over.
3. A wooden roof-over over a camping unit will be allowed providing it meets NC State building codes.
4. Roof pitch may not be less than 4/12 nor exceed 7/12.
5. Can only be one (1) story in height. Attic space shall only be used for light storage.
6. Roof height: Maximum height allowed is sixteen (16) feet from the finished floor to the top of the ridge board.
7. Roof-over post are not to exceed twelve (12) inches from the camping unit on the back side or camping unit bump outs in setup mode.
8. Dormers: Two (2) dormers shall be allowed up to three (3) feet wide/each.
9. Gables: Two (2) gable ends shall be allowed up to sixteen (16) feet high, with one (1) additional gable allowed up to fourteen (14) feet high (All gable ends shall be measured from the finished floor to the top of the ridgepole).
10. Knee walls (exterior) shall not be allowed.
11. All hitch ends must remain open, intact and unobscured.
12. Wheels must remain on recreational vehicles.
13. Windows and doors may not be blocked and must remain a viable exit point.
14. All recreational vehicles must remain commercially produced and may not be modified or altered.

Section 7.4 Multi-use - Storage Building/Shed (Unattached)

1) Property owner must have a building permit from the BC prior to the start of installation or construction if the footprint exceeds forty nine (49) square feet.
2) No storage building/shed shall be over one story and shall not exceed thirteen (13) feet in total height, as measured from the floor surface to the top of the ridgepole.
3) Must be ten (10) feet from any other structure (including the main dwelling).
4) Roof pitch shall not be less than 4/12 nor more than 7/12.
5) No metal storage buildings/sheds are permitted.
6) May have a porch on one (1) wall, not greater than four (4) feet in width, with a deck floor. The addition cannot be enclosed. The roof line must be a continuation of the building roofline and cannot have a different pitch.

Article 8 Board of Adjustment (BOA)

1) The BOA meets on the 3rd Thursday of each month (unless otherwise posted) at 7:00 p.m. at the Lake Royale Commons, 100 Cheyenne Drive, Louisburg, NC.
2) The deadline to apply and be heard by the BOA is three (3) weeks (21 days) prior to the scheduled meeting.
3) A completed application form for a hearing before the BOA must be submitted before the twenty one (21) day deadline; otherwise the hearing will be scheduled for the following month.
4) A $150 application fee is required for a Variance or Committee Appeal Hearing. The fee is refunded if the variance or appeal is approved.
5) A concerned property owner, member of the POA, CC&R Inspector, or any other POA staff member may report violations of the Restrictive Covenants, By-Laws and/or Rules and Regulations.

Section 8.1 BOA - Appealing BOA Decision to Board of Directors

1) Any appeal to the BOD must be submitted in writing within thirty (30) days of the BOA's decision.
2) Appeals shall be heard at the BOD's regular monthly meeting OR at another time chosen by the BOD.
3) Decisions of the BOD are final within the policies governing Lake Royale.
4) See Section 9.1 Enforcement Procedure of the Board of Directors in this listing for additional information.

Section 8.2 BOA – Committee Appeal Hearing

1) Any party appealing an action or decision of a committee may appear in person, by agent, or by attorney at a hearing of the BOA.
2) The BOA shall adjudicate each case brought before it based on the evidence presented including all relevant documentation, and the sworn (or affirmed) relevant testimonies given by all parties called or volunteering it.
3) Pursuant to the procedures in effect at the time, once a committee appeal process is started and the matter is brought before the BOA, all papers, pictures, charts, drawings and forms constituting the records associated with the hearing process are maintained as permanent records of the hearing and are properties of the POA.
4) The members of the BOA may ask questions of any witness at any time during the proceedings.
5) The five (5) designated BOA voting members shall meet in closed session and discuss the committee appeal request and deliberate the evidence presented. The decision of whether or not to grant the appeal will be made on a motion and a voice vote. The Lake Royale Committee Appeal Hearing Decision Form will be completed by the five (5) sitting members as a committee of the whole.
6) After the BOA has reached a decision on the committee appeal within a reasonable time, the BOA shall attempt to notify the applicant within twenty four (24) hours and the POA shall provide to the applicant a notice of the BOA's decision, in writing, within five (5) business days.
7) The BOA may not reopen and rehear a case that it decided earlier if the facts of the case have not changed substantially.
8) Any decision made by the BOA may be appealed in writing to the BOD within thirty (30) days. See Section 8.1 BOA - Appealing BOA Decision to the Board of Directors in this listing.

Section 8.3 BOA - Filling of Vacancies

BOA members may not be members of the Lake Royale Board of Directors nor the Lake Royale Building Committee (BC) at the same time because of 'conflict of interest' considerations.

1) The Board of Directors shall be responsible for maintaining, by additional appointments, any vacancies that occur on the BOA. See 2c below for the procedure used.
2) The BOA members shall, amongst themselves:
   a) Elect officers each year at the 1st scheduled meeting in January. Positions up for re-election each year are: Chairperson, Vice-Chairperson, Secretary, and Sergeant-At-Arms.
   b) Consider the termination of any regular member who has failed to attend three (3) consecutive meetings.
   c) When a vacancy for a regular member occurs, an alternate may be chosen to fill that position by a majority vote of all attending BOA members, subject to approval by the BOD. The term of office for the vacated position will not change.
3) Once an appointed member's term runs out, said member may be re-appointed by the Board of Directors as a regular member or as an alternate member for an additional three (3) year term of office, providing they are willing to serve.

Section 8.4 BOA - Non-compliance (Fine) Hearing

1) Any party alleged in non-compliance may appear in person, by agent, or by attorney at a non-compliance hearing of the BOA.
2) It shall be within the authority of the BOA (as directed by the BOD) to find property owner's in non-compliance and to levy fines for non-compliance of the By-Laws, Restrictive Covenants and/or Rules and Regulations applicable to this Subdivision.
3) In open or closed session, all members in attendance shall determine by voice vote whether or not the property owner is to be found out of compliance. If the property owner is found to be currently out of compliance, the BOA will proceed to the fining process.
4) If the property owner is found to be non-compliant at time of citation but has corrected the violation at time of original hearing no initial fine will normally be assessed, but a recurring fine may be imposed to apply to the same violation occurring within a reasonable time in the future. If the same violation occurs within a reasonable time, the recurring fine will be imposed from the date of the violation until the date of correction. The instance of the imposition of the recurring fine will be affirmed by the BOA at its next scheduled meeting.
5) Fines must be within the limits established by the BOD. The amount of the fine(s) shall not be less than fifty ($50) dollars nor greater than one-hundred ($100) dollars for an initial fine, nor less than fifty ($50) dollars nor greater than one hundred ($100) dollars per day per day for a recurring fine, based upon either:
   a) A re-occurrence of a particular non-compliance incident, or
   b) A per-violation day recurrence of a prolonged continuous situation of non-compliance.
6) The decision of whether or not to establish a fine will be made by a motion and a voice vote. The BOA noncompliance fining hearing checklist will be completed by the BOA members meeting as a committee of the whole.
7) After a decision on the non-compliance within a reasonable time, the POA shall provide to the property owner a notice of the BOA's decision, in writing, within five (5) business days.
8) Once fines levied on a property reaches a total of two thousand ($2,000) dollars of daily fines, action to foreclose on the property may begin.
9) The BOA may not reopen and rehear a case that it decided earlier if the facts of the case have not changed substantially.
10) Any decision made by the BOA may be appealed in writing to the BOD within thirty (30) days. See Section 8.1 BOA - Appealing BOA Decision to the Board of Directors in this listing for additional details.

Section 8.5 BOA - Quorum

1) A five (5) member quorum is required at any BOA hearing.
2) To achieve the necessary five-member quorum, alternates shall be appointed by the acting Chairman of the BOA to act on behalf of an absent regular member to achieve the necessary five regular member's quorum.
3) Variance and Committee Appeal Hearings: A quorum of the BOA members present for the purposes of a Variance or Committee Appeal hearing shall be five (5) regular members and if a regular member is absent, an alternate member shall fill in for the absent regular member. Alternates filling in for an absent regular member shall have the same voting rights as the regular member he/she is replacing.
4) Non- compliance (Fine) Hearing: A quorum of the BOA members present for the purposes of a non-compliance hearing shall include all attending members.
5) Business Meeting: All members of the BOA shall participate in any regular business portion of the meeting of the BOA.

Section 8.6 BOA - Time Requirements for Compliance

It shall be within the discretion of the BOA to establish a date that a member found non-compliant must come into compliance with the By-Laws, Restrictive Covenants and/or Rules and Regulations of Lake Royale.

Section 8.7 BOA - Types of BOA Hearings

The following hearings may be heard by the BOA:

1) Non-compliance (Fine) Hearing: The BOA shall hear and adjudicate non-compliance cases of property owners who have been cited by the General Manager and/or the CC&R Inspector. If the property owner is found out of compliance, the BOA shall determine whether to assess a fine(s), and set the amount of the fine(s). See Section 8.4 Non-compliance (Fine) Hearing in this listing.
2) Committee Appeal Hearing: The BOA shall hear appeals at a committee appeal hearing and make a judgment as to the validity of the committee appeal request. See Section 8.2 Committee Appeal Hearing in this listing.
3) Variance Hearing: The BOA shall hear appeals at a variance hearing and administer an appropriate judgment to the property owner. See Section 8.8 Variance Hearing in this listing.

Section 8.8 BOA - Variance Hearing

In order for property owners to secure a variance from the existing By-Laws, Restrictive Covenants and/or Rules and Regulations applicable to this Subdivision, the BOA must establish that practical difficulties or unnecessary hardships would result from the carrying out of the strict letter of the restrictions of the Restrictive Covenants and/or By-Laws and/or Rules and Regulations applicable to this Subdivision. The practical difficulties or unnecessary hardships must be related to the physical property (land), not to any condition or action or decision of the property owner. The BOA shall not offer remedial suggestions to property owners that have been denied a variance, either individually or collectively,

1) Any party may appear in person, by agent, or by attorney at a hearing of the BOA.
2) The BOA shall adjudicate each case brought before it based on the evidence presented including all relevant documentation, and the sworn (or affirmed) relevant testimonies given by all parties called or volunteering it.
3) Pursuant to the procedures in effect at the time, once a variance request process is started and the matter is brought before the BOA, all papers, pictures, charts, drawings and forms constituting the records associated with the hearing process are maintained as permanent records of the hearing and are properties of the POA.
4) The members of the BOA may ask questions of any witness at any time during the proceedings.
5) The five (5) designated BOA voting members shall meet in closed session and discuss the variance request and deliberate the evidence presented. The decision of whether or not to grant the variance will be made on a motion and a voice vote. The Lake Royale Variance Hearing Decision form will be completed by the five (5) sitting members as a committee of the whole.
6) After the BOA has reached a decision on the variance within a reasonable time, the BOA shall attempt to notify the applicant within twenty four (24) hours and the POA shall provide to the applicant a notice of the BOA's decision, in writing, within five (5) business days.
7) The BOA may not reopen and rehear a case that it decided earlier if the facts of the case have not changed substantially.
8) Any decision made by the BOA may be appealed in writing to the BOD within thirty (30) days. See Section 8.1 BOA - Appealing BOA Decision to the Board of Directors in this listing.

Article 9 Enforcement of Restrictive Covenants, By-Laws and Rules and Regulations

Section 9.1 Enforcement Procedure of the Board of Directors (BOD)

1) After the BOD hears an appeal, a property owner whose appeal is denied must come into compliance. If the property owner fails to comply, the BOD may declare that property owner a member not in good standing.
2) A decision of the BOD to an appeal is final and any further action by the property owner would involve the legal system.
3) See Section 8.1 BOA - Appealing BOA Decision to Board of Directors in this listing.

Section 9.2 Fines, Liens, Foreclosures, Fees, and Suspensions

1) Fines:
   a) At the direction of the BOD, the BOA shall impose fine(s) for non-compliance of any of the Restrictive Covenants, By-Laws and/or Rules and Regulations of Lake Royale.
   b) Per NC statutes, an initial fine up to one hundred ($100) dollars may be imposed for each non-compliance occurrence and in addition a recurring fine up to one hundred ($100) dollars per day for each non-compliance occurrence may be imposed. However, the fining standards set by the Lake Royale BOD are a maximum one hundred ($100) dollars for an initial fine and a maximum one hundred (100) dollars per day for a recurring fine.
   c) Such fines shall be assessments secured by liens and possible foreclosure, if not paid.
2) Liens and Foreclosures:
   a) Basis for Lien: If the above-mentioned imposed fine(s) is not paid, a lien on the property shall be invoked.
   b) Basis for Foreclosure: Once fines levied on a property reach a total of two thousand ($2000) dollars, action may be taken by the POA management to foreclose on the property.
3) Fees:
   The BC has the authority to collect fees as determined by the BOD for exterior building projects, including, but not limited to, building construction, and renovations.
4) Suspensions: (members not in good standing)
   The BOD may impose a suspension of community privileges or services if the property owner is declared not in good standing.
   a) The property owner's POA card will be invalidated.
   b) Suspension of community privileges shall result in a loss of access to common areas and events, including but not limited to, RFID access, beaches, Clubhouse, lake, swimming pool, public docks, fishing tournaments, teen parties, steak night, etc.
   c) The suspension may be continued without further hearing until the non-compliance is resolved.
   d) Suspended privileges shall not include right of access by the owner to his or her property.

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Article 10 Registration of Rules and Regulations

The Lake Royale Rules and Regulations may be adjusted and updated at the Board of Director's discretion throughout the year by a majority vote. Any modifications will be made effective once a year immediately following the Annual meeting unless the modification is deemed necessary for the safety of the community or a law requires an immediate change. In August of each year, said Rules and Regulations will be updated and registered at the Register of Deeds office in both Franklin and Nash Counties.

IN TESTIMONY WHEREOF, Lake Royale Property Owner's Association, Inc., by authority of the powers granted it by the owner's of property in Lake Royale Subdivision, the Restrictive Covenants and Planned Community Act heretofore recorded in the office of the Register of Deeds of Franklin and Nash Counties has caused this instrument to be executed in its corporate name by its President, Vice-President and attested by its Secretary and its corporate seal affixed hereto this _____ day of _____, 2020 and has directed its Secretary to record the same in the office of the Register of Deeds for Franklin and Nash Counties.

ATTEST: Lake Royale Property Owner's Association

By_____
Mark Divens, President Date
(Corporate Seal)

North Carolina

_____County

This _____ day of _____, 20_____, personally came before me, _____, Notary Public for said County and State, _____, who, being by me duly sworn says that he is of the _____ _____ a Corporation, and that the seal affixed to the foregoing instrument in writing was signed and sealed by him in behalf of said corporation by its authority duly given. And the said ____ _____ acknowledged the said writing to be the act and deed of said corporation.

Witness my hand and official seal, this the _____ day of _____, 20___.

_____
Notary Public

(Official Seal)

My Commission expires _____