

Lake Royale

Rules

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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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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 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.

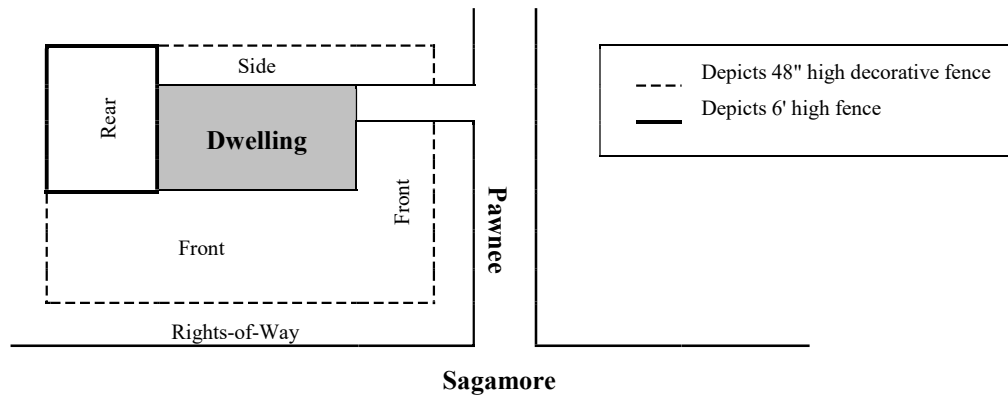
Section 3.7 Fences

- 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 Greenhouse

- 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 Handicapped Structures

- 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 Lean-to

- 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 Post Construction Permits – Structures Older Than 01/01/2000 and Permits for Existing Structures After Purchasing Property

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 Non-Permanent Storage Structures

- 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.

NOTE: 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 Septic System

- 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 (perms).
 - 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 Soil Erosion Measures

- 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 5' Elevation Above Flood Zone Level

- 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 _____