

April 21, 2021

NORTH CAROLINA

ALL REFERENCES TO GENDER
WILL BE MEANT TO INCLUDE ALL
GENDERS



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Franklin County North Carolina
Brandi S. Brinson, Register of Deeds
BK **2275** PG **1222 - 1236 (15)**

CONSOLIDATION AND AMENDMENTS OF THE **BY-LAWS** OF
LAKE ROYALE PROPERTY OWNERS ASSOCIATION, INC.

PURPOSE

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

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

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

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

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

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

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

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

ARTICLE I OFFICES

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

ARTICLE II MEMBERS

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

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

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

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

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

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

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

- A. If a single family unit owns a single lot, whether camping or residential, said family unit shall owe a single due. 15
- B. Applicable to any Property Owner granted adjoining lot status prior to August 1, 2015. If a single family unit owns one, two, or three adjoining or abutting lots, either camping lots or residential lots, and use said lots as a single lot, then such lots owners shall owe one single dues charge so long as all such lots remain in the ownership of a single family unit and are maintained and used by said single family unit as a single unit. If ownership of any one of said lots is ever transferred from the single family unit, then and in that event, the new owner of the said lot will owe the Lake Royale POA dues from that day forward unless lots are legally combined. 4 15 20
- C. If a single family unit owns more than one lot which are not adjoining, then such single family unit shall owe a separate annual dues charge for each lot which the single family unit owns. 15
- D. If a corporation or unincorporated association owns property within Lake Royale Subdivision, then said corporation shall be considered a single family unit as here in above defined and shall owe the same dues as a single family unit; however, the use of the amenities of the Association shall be limited to no more than five (5) persons owning stock therein being directors of the corporation or members of the association at any one time. Such corporation or unincorporated association may pay a Facility fee in the same amount as the prevailing Association dues, which would allow use of the amenities in the ratio of five (5) persons for each fee paid.
- E. If more than one single family unit owns a lot within Lake Royale Subdivision only one vote would be allowed per said lot.
- F. If two (2) persons who own a single lot are legally named on the property deed, whether related or not, they shall collectively owe a single due. All other owners of said lot who are legally listed on the same property deed shall be assessed a Facilities Fee in the amount of 50% of the prevailing Association dues. 5

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- A. Members admitting guests to Lake Royale are accountable for any misconduct or violation of the restrictive Covenants, By-Laws and Rules and Regulation of the Association as adopted by the Board of Directors.
- B. Members desiring to rent their lots must first obtain approval from the Board of Directors or its designated agents or committees and shall in all events be accountable for actions of any persons to whom they rent. The tenant shall not be entitled to use the community areas or other facilities of the Association until membership cards are issued to them by the appropriate officials of the Association. If the property owner is an absentee landlord (meaning he does not own property in the Subdivision for his sole use and pleasure) and still wants to use the amenities, he must pay a full set of dues in addition to the dues paid on the property owned and held for rental. Tenants shall have no voting rights.
- C. A non-member of the Association who uses the community areas or facilities of the Association who does not have permission by a member, the Lake Royale Company Police, or the Association (as further described in the Lake Royale Rules and Regulations) shall be considered a trespasser under the laws of the State of North Carolina unless personally accompanied by a member of the Association in good standing.
- D. No vehicle shall be operated within the Subdivision except on roads or road easements or in designated parking areas or as an owner may direct on his own property. ⁶ Motor vehicles not licensed by the State of North Carolina or some other state or the District of Columbia for road use shall not be operated within the Subdivision. NC Senate specifically passed Senate Bill 156 (Session Law 1999-11) to allow the use of unlicensed motor vehicles (golf carts, ATV's and dirt bikes) between the hours of darkness and 8:00 am. See Senate Bill 156 for particulars. It includes the following exception from existing law for both Franklin and Nash Counties within Lake Royale:

Section 3.1 (c): Golf carts, all terrain vehicles (ATVs), and dirt bikes may be operated within the confines of the Lake Royale Community only if all of the following conditions are met:

- 1) The vehicle displays a banner or pennant of not less than 24 square inches and which is attached to a support or antenna extending at least six feet above the pavement.
- 2) The vehicle is registered with the Lake Royale Property Owners Association, Inc., and has affixed to it a current Lake Royale registration sticker.
- 3) The vehicle is not operated between dusk and sunrise unless equipped with front and rear lights as described in G.S. 20-131.
- 4) The vehicle is operated on streets, roadways, alleys, and designated trails by a person holding a valid drivers license. ¹⁰

All vehicles will be operated in a safe and careful manner and in obedience to the posted traffic signs and of rules and regulations promulgated from time to time by the Association and in accordance with the rules of the road established by the General Assembly of North Carolina for use on public roads. Chapter 20 of the North Carolina General Statutes is hereby adopted by the Association for rules governing operation of motor vehicles on the roads within the Subdivision and incorporated herein by reference thereto.

- E. Use of open fires must be in accordance with applicable state and local ordinances.
- F. All members must comply with each and every Restrictive Covenant pertaining to Lake Royale Subdivision as the same is recorded in the Office of the Register of Deeds of Franklin County and in the Office of the Register of Deeds of Nash County, North Carolina.
- G. The Board of Directors of Lake Royale Property Owners Association, Inc. is hereby authorized and directed to promulgate such rules and regulations as they deem to be in the best interest of the Association for implementing the Restrictive Covenants and By-laws of the Association which shall be enforceable to the same extent as the

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

ARTICLE III MEETINGS OF MEMBERS

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

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

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

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

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

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

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

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

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

ARTICLE IV BOARD OF DIRECTORS

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

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

- A. The Board of Directors (BOD) shall consist of ten members in good standing. The BOD shall be comprised of:
 - 1) Four (4) members owning camping lots and, all of whom shall serve for a three year period, and
 - 2) Four (4) members owning residential lots, all of whom shall serve for a three year period, and
 - 3) One (1) member at large who shall be the Chairman of the Association, and who shall serve for a one (1) year term, and
 - 4) One (1) member at large who shall be the Vice-Chairman of the Association, and who shall serve for a one (1) year term. Said member shall be a non-voting member except in the absence of the Chairman of the Association, when he will assume the duties of the Chairman.
- B. Commencing with the election of Directors at the 1987 Annual Meeting of the Association, the Board of Directors shall be reconstituted as follows:
 - 1) One of the three seats which become vacant and up for election in 1987 shall be filled henceforth by the Chairman of the Association as elected annually thereafter by the Association. He shall be a general Board Member and may not hold any other office in the Association.
 - 2) The two remaining seats which become vacant and up for election in 1987 shall be elected for a three year term. The three seats which become vacant and up for election in 1988 and 1989, respectively, shall be elected for three year terms each.
- C. The Chairman of the Association is a general Board Member and must be a member in good standing of the Association. All Directors, including the Chairman, must be 18 years of age or older. All Directors shall continue to serve until his successor shall have been duly elected and qualified.
- D. Commencing with the Directors elected in 1987 and thereafter, except the Chairman, all Directors shall be elected for a three year term of office and may be elected for a single three-year, additional, successive term of office only.
- E. The **Nominating Committee**, as provided in Article IV, Section 10, shall recommend to the Board of Directors two (2) or more candidates in good standing to run for each available seat on the Board which is up for election each year, providing a sufficient number of candidates apply and are qualified. ¹⁷ In addition, any incumbent who is eligible to run for re-election to the Board of Directors would be automatically added to the Nominating Committee's recommendation list, unless the incumbent chooses not to run. ⁵ Said Committee shall consider anyone on whose behalf a petition is submitted pursuant to Article IV, Section 11.
The **Board of Directors** shall receive the Nominating Committees recommended list of candidates plus any incumbents eligible to run for re-election, and in addition, shall accept petitions from members in good standing desiring to be placed on the ballot. The Board of Directors shall then nominate to the Association two or more members in good standing to fill each seat, providing a sufficient number of candidates apply. ⁵ In addition to the Board's nominee, the name of any qualified person on whose behalf a petition has been filed pursuant to Article IV, Section 11, who was not the Board's nominee, shall be placed on all ballots. Directors shall be

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

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

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

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

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

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

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

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

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

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

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

ARTICLE V OFFICERS

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

SECTION 2. Election, Qualifications and Term of Office:

- A. The Chairman of the Association and Vice-chairman of the Association shall be elected annually at the annual meeting of the Association by the membership of the Association for a one-year term of office with the right to succeed themselves on one additional, successive one-year term. Both officers must be members in good standing in the Association.
- (1) Candidates for the positions of Chairman and Vice-Chairman of the Association will be obtained pursuant to Article IV, Section 2, Paragraph E, and Sections 10 and 11 of the same article.^[17]
 - (2) The Board of Directors shall nominate two (2) or more candidates in good standing (providing a sufficient number of candidates apply and are qualified)^[19] for the office of Chairman of the Association and one member for the office of Vice-chairman of the Association to be submitted to the membership at the Annual Meeting.
 - (3) All ballots shall include the name of the nominee of the Board of Directors for each office and also the name of any member on whose behalf a petition has been submitted pursuant to Article IV, Section 11, who was not nominated by the Board of Directors. The candidate receiving the greatest number of votes, by members present^[9] and absentee ballots and electronic means^[21], for each office shall be declared elected.
- B. The President, Vice-president, Secretary and Treasurer of the Association shall be elected annually by the Board of Directors from its membership at the regular annual meeting of the Board of Directors held immediately after the annual meeting of the Association.
- (1) The President and Vice-president shall be members of the Association in good standing and may be re-elected to such office so long as they are duly elected and qualified members of the Board of Directors.
 - (2) The Secretary and Treasurer shall be elected annually by the Board of Directors and shall serve for such periods as the Board of Directors may deem appropriate and at the will of the Board.
- C. Each officer shall hold office until his successor shall have been duly elected and shall have qualified.
- D. All officers of the Corporation shall be 18 years of age or older and in good standing.

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

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

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

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

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

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

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

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

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

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

ARTICLE VI COMMITTEES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE VIII BOOKS AND RECORDS

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

ARTICLE IX EVIDENCE OF MEMBERSHIP

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

ARTICLE X FISCAL YEAR

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

ARTICLE XI SEAL

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

ARTICLE XII WAIVER OF NOTICE

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

ARTICLE XIII AMENDMENT TO THE BY-LAWS

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

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

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

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

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

The completed petition form must be submitted in duplicate:

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

ARTICLE XIV DISSOLUTION

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

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

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

NORTH CAROLINA
FRANKLIN/NASH COUNTY

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

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

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

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

(CORPORATE SEAL)

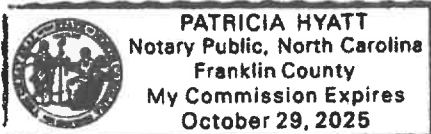
Erin Rieber 10/14/21
Erin Rieber, Secretary Date



North Carolina, Franklin County

This 14th day of October, 20 21, personally came before me, Patricia Hyatt, Notary Public for said County and State, Marcia Winn, who, being by me duly sworn says that he is of the Lake Royale POA a Corporation, and that the seal affixed to the foregoing instrument in writing was signed and sealed by him in behalf of said corporation by its authority duly given. And the said acknowledged the said writing to be the act and deed of said corporation.

Witness my hand and official seal, this the 14th day of October, 20 21.



(Official Seal)

My Commission expires 10-29-25.

Patricia Hyatt
Notary Public