

July 16, 1988

NORTH CAROLINA

FRANKLIN COUNTY
NASH COUNTYCONSOLIDATION AND AMENDMENTS FOR RESTRICTIVE
COVENANTS OF LAKE ROYALE SUBDIVISION,
(FORMERLY LAKE SAGAMORE SUBDIVISION)

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

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

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

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

WHEREAS, at the annual meeting of the Lake Royale Property Owners Association held at the clubhouse on July 19, 1986, the members of the corporation, as provided in the Restrictive Covenants for Lake Royale Subdivision and the By-Laws for the Lake Royale Property Owners Association, Inc. did, after appropriate notice to the membership of the Association, enact the following Consolidated and Amended Restrictive Covenants for Lake Royale Subdivision, formerly known as Lake Sagamore Subdivision, and directed that the Secretary record a copy of the Consolidated and Amended Restrictive Covenants in the office of the Register of Deeds of Franklin County, North Carolina, and in the office of the Register of Deeds of Nash County, North Carolina, and to post a copy thereof on the official bulletin board for the Association in the clubhouse; and,

WHEREAS, Lake Royale Corporation is the developer of Lake Royale Subdivision and is the owner of numerous unsold lots within said subdivision; that Lake Royale Corporation did not vote in the Property Owners Association ballot on the following Consolidated and Amended Restrictive Covenants but does join in this instrument for the purpose of adopting and approving of said Restrictive Covenants as they affect the lands still owned by the developer; 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 1-73, and Plat Record File 1, Slides 99-105, 114, 125-129A, 138A-139, 131 and 131A, 180 and 180A, 181-185A, 191A and 192; and said plats are

recorded in the office of the Register of Deeds of Nash County in Plat Book 13, Pages 168-177 and 207-210;

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 in Book 794, Pages 198-203, and in the office of the Register of Deeds of Nash County, North Carolina, in Book 1050, Pages 344-348 and in Book 1058, Pages 304-307.

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

1. USE: Each lot on the plats of the above-referenced lands in Lake Royale Subdivision have been designated as residential, camping, commercial, multiple dwelling, recreational, greenways or reserved for future development; undesignated lands within the subdivision are for the mutual use of all property owners and their successors in title agree that each lot shall be subject to the use so designated as hereinafter defined and the rules and regulations promulgated by Lake Royale Property Owners Association; residential lots are designated by numbers only, camping lots have a prefix of the letter "C" and all other areas are specifically designated.

2. RESIDENTIAL LOTS:

A. Not more than one single family dwelling house may be erected or constructed on any one residential lot, nor more than one building for garage or storage purposes and provided further that no building or structure of any kind shall be erected prior to the erection of a dwelling house. No accessory or temporary building shall be used or occupied as living quarters. No structure shall have tar paper, roll brick siding or similar material on outside walls. No house trailers, mobile homes, campers, tents, canopies, or similar structures shall be erected, moved to or placed upon said residential lot. However, this does not exclude Modular and Manufactured homes which meet the specifications and standards adopted by the Lake Royale Building and Architectural Committee and approved by the Board of Directors. All building exteriors must be completed within six months from the date the construction commences. The area between the ground and lower floor of the dwelling shall be enclosed with a material compatible to the material used on the exterior of the building.

B. Plans and specifications must be submitted to Lake Royale Property Owners Association for any structure or improvement to be erected on or moved upon or to any lot and the proposed location thereof on said lot or lots, the construction material to be used, the roof and exterior color schemes, as well as all remodeling, reconstruction, alteration, or additions thereto on any lot shall be subject to and shall require the approval of the Building Committee of Lake Royale Property Owners Association, Inc., or its duly authorized agent, before any such work is commenced. Said Association shall have the right to disapprove any plans, specifications or details submitted to it in the event the same are not in accordance with all of the provisions of these restrictions or the rules and regulations promulgated by said Association or when (1) the design or color scheme of the proposed building or other

structure is not in harmony with the general surroundings of such lots or with the adjacent buildings or structures, (2) the plans and specifications submitted are incomplete, or (3) the Association deems the plans, specifications or details or any part thereof, to be contrary to the interest, welfare or rights of all or any part of the real property subject hereto, or the owners thereof; however, approval will not be arbitrarily or unreasonably withheld. The decisions of the Board of Directors of the Association shall be final. Neither the Association, its agents nor Lake Royale Corporation or its agents shall be responsible for structural deficiencies, or any other defects in plans or specification submitted, revised or approved in accordance with the foregoing provisions.

C. No outside toilet shall be allowed on the premises. No untreated waste from any lot shall be permitted to enter any lake or stream within Lake Royale Subdivision. Each residential dwelling shall have an individual sanitary unit and the owner of said lot shall install a type of unit that complies in all respects with the requirements of the Franklin County Health Department or other governing legal authority. Each lot owner shall obtain approval from the appropriate legal authority prior to the installation of any sanitation system and shall further be bound by all orders or recommendations of such authority and/or authorities with regard to water supply to said lot, repair, alteration or replacement of the installed sanitary unit. No drain field, or other disposal system shall be allowed nearer than sixty (60) feet to the normal water elevation of any lake located within Lake Royale Subdivision.

D. The Franklin County Commissioners have established a Sewer Authority to serve residential lots within Lake Sagamore Subdivision (now Lake Royale Subdivision). If and when said Sewer Authority determines it feasible to provide a central sewer system, the cost of same may be assessed to the residential lot owners within Lake Royale Subdivision.

R. RESTRICTIONS APPLICABLE TO LOTS IN SECTION 16 ONLY:

(1) The following lots: 3103 through 3121, inclusive; 3155 through 3165, inclusive; 3181 through 3184, inclusive; 3194 through 3218, inclusive; 3221; 3222; 3225 through 3256, inclusive; 3295; 3363; 3383; 3384; 3403 through 3418, inclusive; 3420 through 3461, inclusive; 3487 through 3520, inclusive; 3538 through 3556, inclusive; which abut the golf course, have a shaded area reflected on Map 16. The shaded area of each lot is subject to a 25-foot surface easement reserved by Lake Royale Corporation, its successors or assigns as part of the golf course. Lots 3194, 3195, 3221 and 3222 are also subject to a 12-1/2-foot easement for a golf cart path which is designated on the recorded plats by a shaded area and so denoted. The property owner of each lot so shaded shall have the subterranean use of said shaded area for the placement of such items as he may deem advisable to include leach fields or other disposal systems in compliance with local health regulations. In addition, no residence on the above-mentioned lots shall have less than 1400 square feet of living area on the ground floor, or first-floor, exclusive of the porch area. No porch or projection of any building shall extend nearer than thirty (30) feet from any front road right-of-way, fifteen (15) feet from any side road right-of-way, twelve and one-half (12-1/2) feet from any interior side or rear property line, nor forty (40) feet from any property line abutting the golf course.

(2) No residence on lots 3101, 3102, 3219, 3220, 2462, 3419, 3486 shall have less than 1400 square feet of living space on their ground floor, or first floor, exclusive of porch area. No porch or projection of any building shall extend nearer than thirty (30) feet from any front road right-of-way, fifteen (15) feet from any side road right-of-way, nor twelve and one-half (12-1/2) feet from any interior side or rear property line.

(3) On all the remaining lots in Map 16, no residence shall have less than 1000 square feet of living space on the ground floor, or first-floor, exclusive of porch area. No porch or projection of any building shall extend nearer than thirty (30) feet from any front road right-of-way, nor twelve and one-half (12-1/2) feet from any interior side or rear property line.

F. RESTRICTIONS APPLICABLE TO ALL RESIDENTIAL LOTS EXCEPT THOSE IN SECTION 16:

No residence shall have less than 900 square feet of living space on the ground floor, or first floor, exclusive of porch area. No porch or projection of any dwelling shall extend nearer than thirty (30) feet to any road right-of-way, nor nearer than ten (10) feet to the property line of any abutting property owner, nor within fifty (50) feet from the normal water elevation of any lake located within Lake Royale Subdivision, except as shown on recorded plats, and in no event shall any dwelling be erected below an elevation of five (5) feet above the normal water

elevation of any lake located within Lake Royale Subdivision. Storage buildings and garages which are not attached to the dwelling may not be located nearer than five (5) feet to the property line of any abutting property owner.

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

II. Carriage Manor shall be allowed to use lot 1581 as an administrative office in connection with the operation of Carriage Manor time sharing condominiums; however, at such time as Carriage Manor shall no longer use said lot as an administrative office, then said lot shall revert to a residential lot as defined herein.

3. CAMPING LOTS:

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

B. No camping lots shall be used as a permanent residence. Camping lots and installation shall be inspected annually or at the direction of said Association or its duly authorized agent to insure strict compliance with all restrictions set forth herein, and in compliance therewith, a certificate of satisfaction shall be issued by the Association and shall be affixed to some permanent structure on the camping lot in a conspicuous place in order that the same can be easily observed by Association personnel.

C. Except as herein provided, no structures, including, but not limited to, dwellings, mobile homes, garages, sheds, fuel storage tanks in excess of 100-pounds of propane or LP gas and waste receptacle bins or houses shall be constructed or be permitted to remain on camping lots. Only travel trailers, tent trailers, commercially produced recreational vehicles, pick-up truck campers, motor homes, tents and other vehicles commercially produced to be used for camping which must comply with Federal and State laws, rules and regulations and in any event may not exceed 400 square feet of living space in the set-up mode will be allowed. This restriction does not extend to prohibiting hard camping vehicle parking spaces or tent floors; nor does it include vegetation planted or trimmed for landscaping purposes; nor does it prohibit the use of tent or awning frames, platforms, canopies, antennas, lines, poles and similarly temporary forms provided the same are removed when the camping lot is not occupied. No vehicle, tent or shed as hereinbefore described shall be placed nearer than thirty (30) feet to any road right-of-way nor nearer than five (5) feet to any property line of any abutting property owner, nor within fifty (50) feet of the normal water elevation of any lake located within Lake Royale Subdivision.

In those cases where a camping lot is bounded by two roads, no vehicle, tent or shed as hereinabove described shall be placed nearer than fifteen (15) feet to the side-road. However, any camping lot owner(s) shall be allowed to erect or place one commercially produced utility or storage shed (or a shed or equivalent construction and appearance) on each lot, said shed to be a four-sided enclosed structure of not more than one hundred (100) square feet and must comply with the setback requirements, and be approved by the Property Owners Association prior to placing the same on any lot. Such utility or storage building may not be used for living or camping purposes, but only for storage purposes.

ENCLOSED PORCHES AND SCREENED OR GLASSED HOUSES: Each camping lot may have one porch which may not extend over ten (10) feet from the camping unit, nor extend the roof higher than necessary to have a ceiling eight feet from the floor of the porch and the floor of the porch cannot be higher than the floor of the camper and the roof of the porch may be extended to make an "A frame" over the porch and camper to eliminate leaking between the camper and porch. The porch may not exceed the length of the camping unit. The porch may have a solid wall up to thirty-six (36) inches above the floor and may only be open, screened or enclosed in glass above thirty-six (36) inches above the floor level. One open, screened or glass enclosed house may be constructed on a camping lot which may not exceed one hundred fifty (150) square feet and may have a solid wall up to thirty-six (36) inches above the floor level and may not exceed ten (10) feet in height above floor level. The floor

level of screened or glass enclosed houses may not be more than six (6) inches above the ground level and may only be one single room. All areas above thirty-six (36) inches above the floor level must be open, screened or enclosed in glass and said houses may not abut or be attached to a camping unit nor may they be used as storage sheds or living quarters. Opened, screened or glass enclosed porches and open screened or glass enclosed houses must comply with the applicable setback regulations as hereinabove set forth and all plans, constructions and installations must be approved by the Association office prior to commencement of construction.

Decks extending more than ten (10) feet from the camping units shall not have walls, roofs, or enclosed areas.

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

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

A. Multiple dwelling shall include, but is not limited to, townhouses, duplexes or other multiple family dwelling.

B. Time sharing and/or interval ownership shall be a permitted use in reserved areas.

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

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

7. **GOLF COURSE AND COUNTRY CLUB AREA:** The golf course and country club area shall be comprised of Parcels 3557, 3558, and 3563. These areas shall be developed by the developer and operated as a golf course and golf course country club by the Lake Royale Property Owners Association for the use of its members, invitees and developer's guests. The golf course and golf course country club shall be operated and administered by Lake Royale Corporation and/or Lake Royale Property Owners Association or their assigns. The developer or its assigns and the Lake Royale Property Owners Association will establish the rules and regulations providing for eligibility for membership, costs, green fees, and/or any other normal costs which shall be applicable to Lake Royale Property Owners Association members, invitees and guests of developer. The developer has the right to deed the golf course and clubhouse area to the Property Owners Association. Nothing contained herein shall preclude guests of the developer from playing the golf course, and using the facilities of the clubhouse and country club area, provided the guests pay the prevailing green fees, golf cart rental and/or any other normal costs. The Lake Royale Property Owners Association along with the developer can establish a limited golfing membership.

8. **PROPERTY OWNERS ASSOCIATION:**

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

That in order for the corporation to carry out the objectives of the Restrictive Covenants and to provide all the members of the Lake Royale Property Owners Association the fullest possible enjoyment and use of their property as set out in the various property reports delivered to the property owners by the developers, each property owner agrees to pay an annual dues charge to Lake Royale Property Owners Association, Inc., its successors or assigns, as provided in the corporate By-Laws. The dues charge, except for interval ownership property, was originally established at a rate of \$60.00 per lot per annum commencing on the 1st day of each fiscal year of the Association of each year following the date that the original property owner of each lot entered into the agreement to purchase said lot from the developer. Interval ownership property owners shall pay a proportion of the prevailing dues through the Interval Ownership Association which shall be a charge of one-fifth of the dues of a non-interval owner per unit week, per year, for each interval week. Said annual dues shall be due and payable on or before the 1st day of each fiscal year of the Association, however, said dues may be paid in equal monthly payments throughout the fiscal year. The Board of Directors shall have the authority upon a two-thirds majority vote to set the amount of said annual dues based upon the needs of the Association as hereinafter defined. That the Board of Directors as provided in the By-Laws, has increased said dues to \$120.00 per year as of July 1, 1987. However, there shall only be one dues assessed if one, two or three lots are owned by one single family unit and the lots either one, two and/or three are used as a single lot with one dwelling or camper situate thereon.

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

The above stated dues shall be paid to Lake Royale Property Owners Association, Inc., its successors or assigns, for the use and benefit of the Association to carry out the objectives set out in the Restrictive Covenants, property reports and By-Laws of the corporation. The corporation shall maintain a current and accurate record of all dues payments and all other receipts and an accurate record of all disbursements.

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

the members of the Association, which are called amenities, shall be maintained in a state of good repair and order by the Association. The Association will, as funds permit, acquire additional amenities which shall be for the sole use and benefit of the membership of the Association and to be maintained by the Association.

The Corporation has formed, as a subsidiary, a security force known as Lake Royale Security Patrol, Inc., which is formed for the purposes and authorized to provide security for the Association's members and their property and is to be financed out of the dues paid by the membership.

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

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

It is the objective of these Covenants to provide a safe, wholesome and attractive private recreational community for the Association members in which each member is an integral part and which is solely supported by its members without outside government intervention or control and for that purpose each property owner covenants he will pay the dues to finance the reasonable operation and maintenance thereof.

9. **NUISANCES:** No noxious or offensive trade or activity shall be permitted on any lot, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood. No animals or fowl shall be kept or maintained on said lot except customary household pets which shall not be allowed to run at large. No signs of any kind shall be displayed on any lot except name signs and/or lot number signs and "For Sale" signs not exceeding 2' x 2' without the written permission of Lake Royale Property Owners Association, Inc. or its successors or assigns. No debris, waste, garbage, trash or rubbish shall be allowed to accumulate on any lot. Failure to remove the same when notified by the Association will result in maintenance of said lot by Lake Royale Property Owners Association in which event a proper charge for the same will be assessed and collected as provided in Restrictions Number 14 hereof.

10. **BOAT DOCKS:** No boat docks, floats or other structures on camping or residential lots extending into a lake shall be constructed or placed into or on any lake within Lake Royale Subdivision without prior written approval of Lake Royale Property Owners Association or its successors or assigns. Use of the lakes shall be in compliance with the rules and regulations of the Lake Royale Property Owners Association and the North Carolina Wildlife Commission.

11. **UTILITY EASEMENTS:** Lake Royale Corporation, for itself, its successors, assigns and licensees, reserves an easement upon all sixty (60) foot road rights-of-way, reserves a fifteen (15) foot wide easement along all road rights-of-way and a five (5) foot wide easement along the side and rear lines of each and every lot for the purpose of installing, operating and maintaining television cables, utility lines and mains thereon together with the right to locate guy wires, braces and anchors wherever necessary for said installations, operations or maintenance together with the right to install, operate and maintain gas and water mains, sewer lines, culverts, and drainage ditches and other services and appurtenances thereto for the convenience of the property owners, reserving also the rights of ingress and egress to such areas for any of the purposes mentioned above. If and when the Sewer Authority established by the Franklin County Commissioners determines it feasible to install a central sewer system, such Authority shall have and it is hereby granted the right, along with other authorized utilities, to use the herein-reserved easements to install and maintain such central sewer system. Exceptions: (1) where an owner of two or more adjoining lots constructs a building which shall cross over or through a common lot line, said common lot line shall not be subject to the aforementioned five (5) foot easement unless it is shown on recorded plats; (2) no easement shall exist on that portion of any water front lot running along or abutting the shoreline of any lake within Lake Royale Subdivision unless shown on the recorded plats, except, however, Lake Royale Corporation, for itself, its successors, assigns, and licensees, reserves the right to cause or permit drainage of surface water over and/or through said lots. Lake Royale Corporation and any utility companies, their successors or assigns and licensees, reserves an easement on, over or under all road rights-of-way for the purpose of installing, operating, and maintaining the above-mentioned utilities and drainage. The owner of said property shall have no cause of

action against Lake Royale Corporation, its successors, assigns or licensees either at law or in equity, excepting in case of any damages caused said property, by reason of willful negligence in installing, operating, removing or maintaining the above-mentioned installations. Lake Royale Corporation, its successors and assigns, reserves all mineral rights to the lands hereto, and the rights for the installation of television cables.

12. WATER AVAILABILITY, CONNECTION AND FEES: Each property owner and each prospective property owner for themselves, their heirs, successors and assigns, as a consideration of purchase and sale and as a condition precedent to the installation of water mains adjacent to the lots as herein described and as appears on the map of Lake Royale Development, which said mains are to be located by Lake Royale Corporation, its successors, assigns or licensees a minimum of \$2.00 per month, per lot, payable annually in advance, so long as water service to such property owner's lot is available. Payment for the first years or part thereof shall be due on the first day of the month immediately following the availability of water service to the property owners lot whether or not actual water service connection is then in existence to said lot for the period beginning with said month and ending on September 20th subsequent thereto; that thereafter, the amount of \$24.00 annually shall become due and payable in advance on the first day of the fiscal year of the water company of each year. The foregoing charge is for the availability of water service and is not a contribution in aid of construction. Lake Royale Corporation, its subsidiaries, successors, assigns or licensees upon receiving a written request and the established connection or tap-on fee will install a water service connection from the main to the Grantee's lot line. The aforesaid charge for availability of water service becomes a charge for water service upon installation of said water service connection at rates approved by the North Carolina Utilities Commission.

The aforesaid charges are subject to change by the North Carolina Utilities Commission. Exceptions and further explanations pertaining to conditions for water service have been, or will be recorded in the Office of the Recorder of Franklin County, North Carolina, and posted on the clubhouse bulletin board and are hereby incorporated in and expressly made a part of this Agreement by reference.

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

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

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

15. BOARD OF ADJUSTMENT:

A. The Board of Directors may provide for the appointment of a Board of Adjustment consisting of five (5) or more members, each to be appointed for three (3) years. In appointing the original members of the Board of Adjustment or in the filling of vacancies caused by the expiration of the terms of existing members, the Board of Directors may appoint certain members, the Board of Directors may, in its discretion, appoint alternate members to serve on the Board in the absence of any regular members. Alternate members shall be appointed for the same term, at the same time and in the same manner as regular members. Each alternate member, while attending any regular or special meeting of the Board and serving in the absence of any regular member, shall have and may exercise all the powers and duties of a regular member.

B. The Board of Adjustment shall hear and decide appeals from and review any decision, requirement or determination made by the Property Owners Association Manager or any other official or committee of the Property Owners Association charged with the enforcement of any of the Restrictive Covenants and By-Laws applicable to Lake Royale Subdivision. An appeal may be taken by any person aggrieved by an officer, employee or committee of the Property Owners Association. Appeals shall be

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

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

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

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

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

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

IN TESTIMONY WHEREOF, Lake Royale Property Owners Association, Inc., by authority of the powers granted it by the owners of property in Lake Royale Subdivision and the Restrictive Covenants heretofore recorded in the office of the Register of Deeds of Franklin and Nash Counties has caused this instrument to be executed in its corporate name by its President and attested by its Secretary and its corporate seal affixed hereto this the 14 day of Dec. 1988, and has directed its Secretary to record the same in the office of the Register of Deeds for Franklin and Nash Counties; and Lake Royale Corporation has caused this instrument to be executed by its Vice President, and attested by its Asst. Secretary, and its corporate seal affixed hereto this the 14 day of DEC., 1988.

ATTEST:

Beatrice G.M. Riley
Secretary
(CORPORATE SEAL)

ATTEST:

Dianna Lane
Assistant Secretary
(CORPORATE SEAL)

LAKE ROYALE PROPERTY OWNERS ASSOCIATION

By: Johnny W. Conley
President

LAKE ROYALE CORPORATION

By: [Signature]
Vice President

STATE OF NORTH CAROLINA
COUNTY OF FRANKLIN

I, Andy L. Williams, a Notary Public, do hereby certify that Beatrice G.M. Riley personally came before me this day and acknowledged that she is Secretary of LAKE ROYALE PROPERTY OWNERS ASSOCIATION, INC. and that, by authority duly given and as the act of the Corporation, the foregoing instrument was signed in its name and by its President, sealed with its corporate seal and attested by herself as its Secretary.
herself

Witness my hand and notarial seal this the 17th day of December, 1988.

Andy L. Williams
Notary Public

My Commission expires: 11/12/90

The foregoing certificate of Andy L. Williams and annexed certificate of Susanne Greer, Notaries Public, are certified to be correct. This the 17th day of May, 1989.

(SEAL)

STATE OF Mississippi
COUNTY OF Jackson

Martha D. Shearin
Register of Deeds

NORTH CAROLINA - FRANKLIN COUNTY

Filed for registration the 17thday of May, A.D. 1989At 10:20 A.M., In Book 909Page(s) 747-756

Martha D. Shearin
MARTHA D. SHEARIN, REGISTER OF DEEDS

I, Susanne Greer, a Notary Public, do hereby certify that Dianna Lane personally came before me this day and acknowledged that she is Asst. Secretary of LAKE ROYALE CORPORATION and that, by authority duly given and as the act of the Corporation, the foregoing instrument was signed in its name and by its Vice President, sealed with its corporate seal and attested by himself as its Secretary.

Witness my hand and notarial seal this the 14th day of February, 1989.

My Commission Expires: 5/4/92

Susanne Greer
Notary Public