

NORTH CAROLINA

ALL REFERENCES TO GENDER
WILL BE MEANT TO INCLUDE
ALL GENDERS

FRANKLIN COUNTY
NASH COUNTY

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

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

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

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

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

WHEREAS, at the annual meeting of the Lake Royale Property Owners Association held at the clubhouse on July 17, 1982 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 **1**; and,

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

That the prior Restrictive Covenants for Lake Sagamore Subdivision, now Lake Royale Subdivision, are recorded in the office of the Register of Deeds of Franklin County, North Carolina, in Book 696, Pages 406-414 and in Plat Book 12, Page 5; that the Restrictive Covenants for the remaining portion of the old Lake Sagamore Subdivision and for the new lands of Lake Royale Subdivision are recorded in the office of the Register of Deeds of **Franklin** County, North Carolina, in Book 762, Pages 203-208, Book 772, Pages 81-86, Book 773, Pages 186-191, Book 794, Pages 191-195 and 198-204, Book 876, Pages 23-32, Book 892, Pages 133-144, Book 907, Pages 614-624, Book 909, Pages 747-756, Book 975, Pages 905-912, Book 977, Pages 383-392, Book 1005, Pages 127-134 and 829-838, Book 1027, Pages 801-813, Book 1028, Pages 723-735, Book 1053, Pages 28-39, Book 1085, Pages 642-654, Book 1086, Pages 505-517, Book 1206, Pages 1014-1022, Book 1231, Pages 588-597, Book 1424, Pages 443-453, Book 1491, Pages 753-763, Book 1563, Pages 21-32 and in the office of the Register of Deeds of **Nash** County, North Carolina, in Book 1050, Pages 344-348, Book 1058, Pages 304-307, Book 1468, Pages 549-558, Book 1503, Pages 967-979, Book 1540, Pages 548-559, Book 1767, Pages 827-835, Book 1809, Pages 31-40, Book 2076, Pages 42-52, Book 2166, Pages 602-613, Book 2258, Pages 778-791; and,

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

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

Plans and specifications must be submitted to Lake Royale Property Owners Association for any structure or improvement to be erected on or moved upon or to any lot and the proposed location thereof on said lot or lots, the construction material to be used, the roof and exterior color schemes, as well as all remodeling, reconstruction, alteration, or additions thereto on any lot shall be subject to and shall require the approval of the Building Committee of Lake Royale Property Owners Association, Inc., or its duly authorized agent, before any such work is commenced. Said Association shall have the right to disapprove any plans, specifications or details submitted to it in the event the same are not in accordance with all of the provisions of these restrictions or the rules and regulations promulgated by said Association or when (1) the design or color scheme of the proposed building or other structure is not in harmony with the general surroundings of such lots or with the adjacent buildings or structures, (2) the plans and specifications submitted are incomplete, or (3) the Association deems the plans, specifications or details or any part thereof, to be contrary to the interest, welfare or rights of all or any part of the real property subject hereto, or the owners thereof; however, approval will not be arbitrarily or unreasonably withheld. The decisions of the Board of Directors of the Association shall be final. Neither the Association, its agents nor Lake Royale Corporation or its agents shall be

responsible for structural deficiencies or any other defects in plans or specification submitted, revised or approved in accordance with the foregoing provisions. Each property owner shall be allowed to place watercrafts, watercraft trailers and one (1) maximum sixteen (16) foot total length utility trailer on their lot, providing they comply with road right-of-way setback regulations. The only construction permitted prior to construction of a house in the residential area or a cottage in the camping area or the placement of a camping unit in the camping area, is the construction of a boat shelter, boat slip, bulkhead (seawall) and/or dock, with the exception that in the entire camping area a storage building may be constructed or installed at any time. Effective July 17, 2005, and thereafter, all property owners installing a new driveway must put in a minimum fifteen (15) foot long by twelve (12) foot wide concrete or asphalt apron abutting the road. **2** No structures of any kind shall be placed on POA property without the written consent of the Lake Royale Board of Directors. Examples of POA property include, but are not limited to, road rights-of-way, greenways, buffer zones, beaches and comfort centers. Exception: In those instances where POA property is located between the property owner's lakefront property line and the shoreline, the lakefront property owner may, with the proper permits, construct a bulkhead, boat ramp, boat shelter, and/or boat slip on POA property that abuts the shoreline. **12**

2. RESIDENTIAL LOTS:

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

MINIMUM SQUARE FEET: Effective August 1, 2004 and thereafter, no residence shall have less than 1400 square feet of total heated living space, with a minimum 900 square feet of heated living space on the ground floor, or first floor, exclusive of porch or other unheated area. This minimum square footage requirement shall exist for all areas of the residential sections of Lake Royale.

B. No outside toilet shall be allowed on the premises. No untreated waste from any lot shall be permitted to enter any lake or stream within Lake Royale Subdivision. No sewage, garbage, liquid or solid waste disposal systems, pits, "post holes", buried metal drums, or other similar structures or operations shall be permitted on any residential lot except for waste storage containers as approved by the Franklin County or Nash County Health Departments and approved by the Lake Royale POA Board of Directors. **12** Each residential dwelling shall have an individual sanitary unit and the owner of said lot shall install a type of unit that complies in all respects with the requirements of the Franklin County Health Department or other governing legal authority. Each lot owner shall obtain approval from the appropriate legal authority prior to the installation of any sanitation system and shall further be bound by all orders or recommendations of such authority and/or authorities with regard to water supply to said lot, repair, alteration or replacement of the installed sanitary unit. No drain field or other disposal system shall be allowed nearer than sixty (60) feet to the normal water elevation of any lake located within Lake Royale Subdivision.

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

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

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

C. 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 Beech, L.P., its successor PNC of NC starting in 6/99 or assigns as part of the golf course. Lots 3194, 3195, 3221 and 3222 are also subject to a 12 ½-foot easement for a golf cart path which is designated on the recorded plats by a shaded area and so denoted. The property owner of each lot so shaded shall have the subterranean use of said shaded area for the placement of such items as he may deem advisable to include leach fields or other disposal systems in compliance with local health regulations. No porch or projection of any building shall extend nearer than thirty (30) feet from any front road right-of-way property line, fifteen (15) feet from any side road right-of-way property line, ten (10) feet from any interior side or rear property line, nor forty (40) feet from any property line abutting the golf course.

(2) Residence on lots 3101, 3102, 3219, 3220, 3419, 3486 shall have no porch or projection of any building shall extend nearer than thirty (30) feet from any front road right-of-way property line, fifteen (15) feet from any side road right-of-way property line, nor ten (10) feet from any interior side or rear property line.

(3) No porch or projection of any building shall extend nearer than thirty (30) feet from any front road right-of-way, nor ten (10) feet from any interior side or rear property line.

D. Restrictions Applicable to all Residential Lots EXCEPT those in Section 16:

No porch or projection of any building shall extend nearer than thirty (30) feet to any road right-of-way property line, 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. Effective July 20, 1991, new construction or installation of storage buildings and garages may not be located nearer than ten (10) feet to the property line of any abutting property owner.

E. 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.

F. Carriage Manor shall be allowed to use lot 1581 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. **4**

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

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

NOTE - for additional information on Carports, Garages and/or Storage Buildings, see Rules and Regulations (Part I)

3. **CAMPING LOTS:**

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

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

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

In lieu of a camping unit, **COTTAGES** will be permitted if they meet Franklin County's Ordinances, North Carolina Building Codes and Lake Royale building regulations. A minimum 12,000 sq. ft. lot size and a County approved Septic System with repair area are required and all setbacks for a house must be met. The maximum living space of the cottage may not exceed 899 sq. ft. and cottage must be new site-built construction or new true off-frame modular construction which meet the specifications and standards adopted by the Lake Royale Building Committee and approved by the Board of Directors (may not be a mobile home, Park Model trailer or any other similar type of structure). **14** Each cottage lot property owner shall be allowed to store one (1) registered self propelled or towable camping vehicle that he owns (RV, 5th wheel, travel trailer) on his lot. The camping vehicle may not be used for living quarters at any time while on the owner's lot. **12** When the cottage receives a County Certificate of Occupancy (CO), it would become eligible for permanent occupancy, providing all County regulations are met. Multiple lots for cottage construction must be deeded as one and the deed must stipulate that it may not be subdivided. Cottages cannot be rented or leased for more than 90 days in any one calendar year.

SHED/STORAGE BUILDING(Unattached): **13**

- 1) Property owner must have a Building Permit from the BC prior to the start of installation or construction.
- 2) Two (2) unattached storage buildings shall be allowed on each lot.
- 3) It must comply with all setback regulations.
- 4) It must be a four-sided enclosed structure.
- 5) It must be used for storage purposes only, not for living quarters at any time.
- 6) It must not exceed one hundred and forty four (144) square feet (example: 12'x12').
- 7) It must be ten (10) feet from any other structure.
- 8) It must not be placed over any part of a septic system.
- 9) It is not intended for the garaging of motor vehicles (cars).

NOTE - for more information on 'Camping - Storage Building (Unattached)', see Rules & Regulations (Part I).

CARPORT (Unattached): **11**

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

NOTE - for additional information on Carports, Garages and/or Storage Buildings see Rules and Regulations (Part I).

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

In addition, each camping lot may have one open **ROOFED DECK**. It may not have any solid walls, but may be screened, and during the winter months only (October 1 through April 1 of the following year), the property owner may install clear removable plastic panels (includes acrylic) of ¼ inch or greater, or removable Plexiglas panels of 1/8th inch or greater; panels may not be of any other type material. Panels must be installed on the inside only. Prior to installing these panels, a property owner must file a notice with the POA office (notice forms are available at the office). **14** It may abut the camping unit, or abut the room addition, or sit independently, like a gazebo. Roofed decks are allowed on one (1) wall only and may not extend beyond the ends of the camping unit. **12**

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

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; septic tanks are permitted on Franklin County camping lots which are approved by the Franklin County Health Department and the Lake Royale Property Owner's Association. All travel trailers, tent trailers, commercially produced recreational vehicles, pick-up campers, motor homes and other camping vehicles having sewage drains shall have said drains sealed for the duration of their stay on any camping lot. All sewage, solid wastes and trash must be disposed of at maximum time intervals of three days duration at dumping or trash stations or other places provided therefore off of camping lots. Any person using a camping installation without holding tank capabilities must use comfort centers provided for the disposal of all wastes, both liquid and solid, as required.

G. Garage (Unattached) **2**

- 1) Property owner must apply for a Building Permit from the BC and have it approved by them prior to the start of installation or construction.
- 2) One (1) unattached garage will be allowed on each camping lot, in lieu of a carport.
- 3) It must comply with all setback regulations.
- 4) It must be ten (10) feet from any other structure, including camping unit, per County UDO.
- 5) It must be a four-sided enclosed structure.
- 6) It must have a minimum eight (8) foot wide garage door.
- 7) It must be one story.
- 8) Roof pitch may not be less than 4/12 nor more than 7/12. **11**

- 9) It must not exceed 24 feet by 30 feet in size.
- 10) It must not be placed over any part of an existing or future septic system.
- 11) It must be used for storage purposes only, *not for living quarters at any time.*

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 its facilities comprise Parcels 3062, 3221, 3254, 3255, 3256, 3405, 3541, 3557, 3558 and the Clubhouse/Pro Shop area parcel 3563. **2** These areas shall be developed by the developer and operated as a golf course and golf course pro shop/clubhouse. The golf course shall be operated for the use and enjoyment of the Lake Royale Property Owners' Association membership, other golf members and the developer or its successors or assigns, invitees, guest and the general public. The golf course shall be operated and administered by Lake Royale Corporation or its successor or assigns in consultation with the Lake Royale Property Owners' Association as same relates to the establishment of rules and regulations. The developer has the right to deed the golf course and pro shop/clubhouse area to the Property Owners' Association or sell same to any third party **9** provided the party receiving title to the facility is required to continue a golf operation whereby the green fees/cart fees charged any Lake Royale Property Owners' Association Member or any NACO Resort Club member are at a rate of \$10.00 less than the fees charged to any guest, invitee, or any other non-member. Nothing contained herein shall preclude guests and invitees of the developer from playing the golf course and using the facility.

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, each property owner agrees to pay a dues charge to the Lake Royale Property Owner's Association, its successors or assigns as provided in the Corporate By-Laws, immediately upon taking title to said property. **8** The dues charge was originally established at a rate of \$60 per lot per annum due on or before the first day of each fiscal year of the Association. An optional payment plan is available from the POA management. The Board of Director's, as provided in the By-laws have increased dues as follows: \$84.00 as of July 1, 1982; to \$120.00 as of October 1, 1987; to \$125.50 as of April 1,

1990; to \$131.50 as of April 1, 1991; to \$136.32 as of April 1, 1992; to \$150.00 as of April 1, 1993; to \$165.00 as of April 1, 1994; to \$181.50 as of April 1, 1995, to \$199.65 as of April 1, 1996, to \$209.60 as of April 1, 1997 and \$230.56 as of April 1, 1998, April 1, 1999 \$253.60, April 1, 2000 \$278.96.

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. § All costs and attorney's fees accrued in the collection of delinquent accounts shall be at the expense of the delinquent property owner.

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

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

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

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

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 physical address signs **10** and "For Sale" signs not exceeding 2' x 2' without the written permission of the Lake Royale Property Owners Association, Inc., or its successors or assigns, unless otherwise required/allowed by North Carolina law.

Exceptions:

- 1) Physical address and lot number signs must be displayed during construction. Lot number sign shall be removed once construction is complete.
- 2) Political signs not exceeding 2'x2' may be displayed on a property owner's lot no earlier than forty-five (45) days before the day of the election or later than seven (7) days after the election. No political signs shall be displayed on common areas, easements, rights-of-way, or other areas owned by others. **11**

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

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

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.

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

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.

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. A complaint alleged by any person against: **2**

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

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

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 absentee ballot. Any invalidation of any one of these covenants or restrictions shall in no way affect any other of the provisions thereof which shall thereafter remain in full force and effect.

Whenever a Restrictive Covenant amendment is approved, the POA will send to each property owner a supplement of the change to be attached to his or her Restrictive Covenant document. The entire Restrictive Covenants 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. 14

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- 1 Lake Beech L.P. became successor developer July 1997, PNC of NC became successor developer June 1999
 - 2 Added or Amended at Annual Meeting - July 16, 2005
 - 3 Added or Amended July 1997
 - 4 Purchased by a private investor in year 2000
 - 5 Added July 21, 2001
 - 6 Amended July 1996
 - 7 Amended July 1997
 - 8 Added or Amended July 1995
 - 9 Tar River Assoc. became successor owner February 1994
 - 10 Franklin County mandated Street Numbers April 1996
 - 11 Amended at Annual Meeting - July 15, 2006
 - 12 Added at Annual Meeting - July 15, 2006
 - 13 Amended at Annual Meeting - July 21, 2007
 - 14 Amended or Added at Annual Meeting - July 18, 2009
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IN TESTIMONY WHEREOF, Lake Royale Property Owners Association, Inc., by authority of the powers granted it by the owners of property in Lake Royale Subdivision and the Restrictive Covenants heretofore recorded in the office of the Register of Deeds of Franklin and Nash Counties has caused this instrument to be executed in its corporate name by its President, Vice-President and attested by its Secretary and its corporate seal affixed hereto this ____, day of _____, 2009 and has directed its Secretary to record the same in the office of the Register of Deeds for Franklin and Nash Counties.

ATTEST: Lake Royale Property Owners Association

By _____
Ruby Galvin, Secretary Date

Kenneth V. Smith, President Date

(Corporate Seal)

Ryan D. Walker, Vice-President Date

North Carolina

_____ County

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

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

Notary Public

(Official Seal)

My Commission expires _____.