

# Lake Royale

## Rules & Regulations

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

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# Lake Royale

## Rules & Regulations

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

#### **Section 1.1 Powers of the Association**

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

#### **Section 1.2 Rights and Responsibilities for a Better Lake Royale**

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

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

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

**Section 1.3 Lake Royale Company Police**

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

**Section 1.4 Common Property (Includes Recreational Areas)**

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

**Section 1.5 Greenway/Buffer Areas**

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

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

**Section 1.6 Sub-Associations Within Lake Royale**

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

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

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## **Article 2 Administration and Other Guidelines**

### **Section 2.1 Burning (Open & Closed)**

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

- 1) Obtaining permits: Open burn permits must be obtained from the security personnel at the main gate (under the supervision of the Lake Royale Company Police). The Lake Royale Company Police shall allow issuance of such permits unless permits for the area in question have been prohibited or cancelled under G.S. 113-60.25 or 113-60.27. (1981, c. 1100, s. 2).
- 2) Permit conditions: Permits issued under this Article shall be issued in the name of the person undertaking the burning and shall specify:
  - a) The specific area in which the burning is to occur.
  - b) The type and amount of material to be burned.
  - c) The duration of the permit. Up to a three (3) day permit may be issued at any one (1) time.
  - d) Such other factors as are necessary to identify the burning, which is allowed under the permit. (1981, c. 1100, s. 2).
- 3) Exempt fires: The fire shall be confined:
  - a) Within an enclosure from which burning material may not escape or.
  - b) Within a protected area upon which a watch is being maintained and which is provided with adequate fire protection equipment.
- 4) No charge shall be made for the granting of any permit required by this Article, i.e., no fee for permit.
- 5) Under the state open burning rule, homeowners can burn leaves, branches and other plant growth.
  - a) In all cases, it is illegal to burn trash, lumber, tires, newspapers, plastics, and/or other non-vegetative materials.
  - b) Campfires and fires used solely for outdoor cooking and other recreational purposes, or for ceremonial occasions, or for human warmth and comfort and which do not create a nuisance and do not use synthetic materials or refuse or salvageable materials for fuel are allowed, unless permits for the area in question have been prohibited or cancelled or there is a State or County burn ban.
  - c) No unattended burning is permitted.
  - d) For more information on the air quality rules related to burning, visit the Dept. of Air Quality (DAQ) web site at [www.daq.state.nc.us](http://www.daq.state.nc.us).
- 6) No open burning is permitted on POA property including, but not limited to, the POA rights-of-way (includes drainage ditches).

### **Section 2.2 Businesses (Home Based)**

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

### **Section 2.3 Clubhouse Regulations**

- 1) Days of Operation: The facility hours are as advertised. Hours for the facility will be posted and may periodically change.
- 2) Conduct: All persons must conduct themselves in a civil and courteous manner at all times and must not jeopardize or interfere with the rights and privileges of others. Loud, profane, indecent, or abusive language is prohibited. No person's actions shall compromise the safety of another. All persons using the facility shall obey all safety rules and shall cease unsafe activity when directed to do so by the POA staff.
- 3) Ages: An adult shall accompany children under the age of fourteen (14) when in the Clubhouse facilities. (Adult shall be defined as a member age eighteen (18) years and up).
- 4) Guests: Residents shall always accompany guests when in the clubhouse.
- 5) Alcoholic Beverages: The sale of alcoholic beverages is prohibited in the facility, except as licensed to the clubhouse grill. Alcoholic beverages consumed in or on any Association common area should be done with discretion. Drunkenness is not condoned and consumption beyond the State established legal limit is not allowed. Intoxicated individuals will be asked to leave the facility. Absolutely no consumption of alcohol will be allowed by minors (those under the age of twenty one (21)). In accordance with state law any alcoholic beverage brought in to the Clubhouse shall be properly labeled with owner's name.
- 6) Bulletin Board: The Clubhouse has a common area bulletin board for displaying events, activities, rules, activity calendar, and community communication. Common bulletin boards shall be cleared at the beginning of each month.
- 7) Pets: Pets are not allowed in the facility (except for certified service animals).

### **Section 2.4 Damage to Roads and POA Property**

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

Any damage to the surface of roads or asphalt surfaces shall be reported to the POA office immediately after occurrence. General Manager shall meet with Maintenance Director to determine proper repairs of damaged area. POA shall communicate with responsible entity for proper repairs. Final repairs shall be completed within sixty (60) days. Final repairs must be approved by Maintenance Director and General Manager.
- 5) POA Property Repairs:

Damage to POA property shall be reported to POA office immediately after occurrence. General Manager shall meet with Maintenance Director to determine proper repairs of damaged area. POA shall communicate with responsible entity for proper repairs. Final repairs shall be completed within sixty (60) days. Final repairs must be signed off by Maintenance Director and General Manager.

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

- 1) No household or construction debris of any type shall be left or disposed of on any POA property (includes taking advantage of POA picnic trashcans). Nearby county run dumpsites are available for those that do not use available disposal services.
- 2) No lot shall be used as a dumping ground.
- 3) Dumping or blowing of leaves, grass clippings and other debris into the lake and/or drainage ditches is prohibited.
- 4) No property owner or occupant of any lot shall deposit or leave garbage, waste, putrid substances, junk, or other waste materials on any property owner's lot, nor in the lake, nor on any portion of the POA's property. Failure to correct same when notified by the Association may result in maintenance of said lot by the POA in which event an appropriate charge will be assessed and shall be paid by the property owner.
- 5) Franklin County has established a household waste station on Sledge Road, within a short driving distance of the Main Gate. This waste station can also be accessed within Lake Royale off of Shawnee Drive.
  - a) Operating hours at the dumpsite must be observed.
  - b) When not open, do not leave debris, old appliances, and the like outside the dumpsite fenced area.
- 6) The Franklin County dumpsite on Timberlake Road (off Highway 56 west of Louisburg) is for items (appliances, furniture, hazardous material, etc.) that will not be accepted at the County dumpsite on Sledge Road.
- 7) Trash put out for pick-up by a trash collector shall be in a trash container and is the responsibility of the property owner until collected.
- 8) If trash becomes strewn, it shall be the responsibility of the property owner to clean it up.
- 9) See Franklin County Ordinances for Lake Royale for additional information.

## **Section 2.6 Document Request Procedures**

The Board of Directors of the Lake Royale Property Owner's Association is responsible for the enforcement of the Covenants, By-Laws, Rules and Regulations and Ordinances, which were filed as restrictions against all residential properties within the Lake Royale jurisdiction. While operating as a Not-For-Profit organization said restrictions having been adopted by Lake Royale Property Owners and filed with the Franklin and Nash County Clerks. This document is in compliance with the Non-Profit Act (55A) and Planned Community Act (47F).

The governing rules provide for the books, records, and memoranda of the Association to be open to reasonable inspection of the owners or beneficiaries at the POA's place of business during business hours upon reasonable notice.

The Board of Directors is empowered with the authority to adopt reasonable rules and regulations in order to carry out the intentions of the governing documents. In its desire to best serve the owners and/or beneficiaries, the Board wishes to provide uniformity in the procedural aspects of disclosure. In order to act with fairness to all, they desire to set forth a finite policy with regard to disclosure of documents. Consequently, the Board of Directors deems it necessary to set forth fully the specific documents to be disclosed and the process by which all must comply in order to obtain disclosure.

Most importantly, the Board of Directors also deems it necessary to protect the privacy of all the individual employees of the POA and to ensure that confidential information relating to said employees is not disclosed, as well as confidential information referencing individual owners, beneficiaries, vendors, and contracts and/or financing institutions.

The Board of Directors of the Lake Royale Property Owner's Association hereby sets forth the procedure, which shall be complied with by all owners and/or beneficiaries desiring to obtain inspection of documents relating to the Association:

- 1) Time of Request and Action by the Board:  
Except for Permitted Documents as defined in Paragraph 3, all requests to inspect Association documents must be received in writing at the POA Office at least ten (10) business days prior to the next scheduled Open Board meeting. Such written requests must include a statement of purpose(s) for requesting the document(s). The Board must, in turn, respond to each properly submitted written inspection request, within ten (10) business days after the Open Board meeting.
- 2) Content of Request:  
Notwithstanding the terms of Paragraph 1, all requests for Association documents, which are not listed as Permitted Documents under Paragraph 3, shall clearly state the purpose(s) for which the inspection of Association documents is requested and identify specifically the documents, including relevant dates, which the owner and/or beneficiary wishes to inspect. The Board of Directors reserves the right to deny access to any requested records.

3) Documents to be disclosed:

All requests to inspect Permitted Documents as defined here shall be subject to the receipt of a written request for the same. The Administration shall make available to the requesting owner and/or beneficiary the following Association documents which are deemed to be Permitted Documents at a mutually convenient time during regular business hours without any approval by the Board.

a) Current Permitted Documents (current being defined as within the last year)

1) Governing Documents: Covenants, By-Laws, Lake Royale Ordinances and Rules and Regulations.

2) Minutes from Open Sessions (including all attachments) for the last three calendar years including:

a) Board of Directors Meetings (including Executive Sessions)

b) Membership Meetings

c) Newsletters

3) Financial Information:

a) Assessment Records (for own property only) for the current and 2 previous calendar years

b) Income Tax Returns for the current and 2 previous calendar years

c) Financial Statements (annual & monthly) for the current and 2 previous calendar years

d) Real Estate Tax Records for the current and 2 previous calendar years

e) Unemployment Tax Returns for the current and 2 previous calendar years

f) Insurance Policies and Certificates for the current and 2 previous calendar years

g) Investment Statements for the current and 2 previous calendar years

h) Annual Budget for the current and 2 previous calendar years

i) Other Committee(s) and Board of Adjustment minutes

j) Current Employee Job Descriptions

b) Current Permitted Documents as listed above, for the time period as set forth herein, will be provided for inspection and copying within five (5) business days of such a request. Permitted Documents listed under these categories for a time period other than as specifically indicated for Current Permitted Documents are deemed to be Archived Permitted Documents. Archived Permitted Documents need not be located on the POA Office premises, but may be off premises. Absent exceptional circumstances set forth in writing by the Board or its representative within the time prescribed herein, Archived Permitted Documents will be made available, if possible, within twenty (20) business days of such a request. The POA will impose an administrative charge of \$25.00 per hour for researching and locating Archived Permitted Documents. The POA shall have the right to request, in advance, a deposit to cover the estimated amount of any such charge, with any excess to be refunded promptly to the property owner or beneficiary.

4) Protected Documents:

The following Association documents shall be deemed to be Protected Documents and shall not be made available to the owners or beneficiaries for inspection at any time without the express prior approval of at least a simple majority of the entire Board after its receipt of a written request stating the purpose(s) for requesting the document(s) as indicated in Paragraphs 1 and 2 above. If the Board deems that such a request is for a proper purpose and approves same, any granting of such a request shall be subject to such necessary and reasonable restraints and/or conditions as the Board or its representative may impose. In exercising its judgment under this or the preceding paragraphs, the Board's decisions must be made for good cause based upon the factors listed in this paragraph. The Board must consider among other things: (i) whether the stated purpose of the request is not in the best interests of the Association or constitutes an unwarranted invasion of privacy; (ii) whether compliance with such request will impose an unreasonable administrative burden or expense upon the Association; (iii) the advice of counsel; or (iv) any other matters which are relevant to the welfare of the Association and its Members. The Board must inform the owner/beneficiary of its basis for any denial of making the requested document(s) available for inspection within five (5) business days of such denial. Documents which are included within the definition of Protected Documents include:

a) Matters Protected by the Provisions of Non-Profit Act (55A) and Planned Community Act (47F):

1) Any document, the disclosure of which would constitute an invasion of individual privacy;

2) Any document relevant to pending or anticipated litigation or contract negotiations;

3) Any document falling within the attorney-client privilege to the extent needed for the attorney to exercise his ethical duties as a lawyer; and

4) Any document involving the employment, promotion, discipline, or dismissal of a specific officer or employee.

b) Contract Bids and Proposals - Outstanding

c) Employee Applications

- d) Employee Files
  - e) Payroll Records
  - f) Legal Files
  - g) Property Owner Lists
  - h) Individual Pension Information
- 5) Board Discretion and Relevant Factors:  
Any Association documents which are requested by an owner and/or beneficiary which are not expressly listed above as either a Permitted Document or Protected Document shall not be made available to owners and/or beneficiaries for inspection without the express prior approval of at least a simple majority of the entire Board after its receipt of a written request stating the purpose(s) for requesting the document(s) as indicated in Paragraphs 1 and 2 above. If the board deems that such a request is for a proper purpose and approves same, any granting of such a request shall be subject to such conditions as the Board may impose. In exercising its judgment under this or the preceding paragraphs, the Board's decisions must be made for good cause based upon the factors listed in this paragraph. The Board must consider among other things: (i) whether the stated purpose of the request is not in the best interests of the Association or constitutes an unwarranted invasion of privacy; (ii) whether compliance with such request will impose an unreasonable administrative burden or expense upon the Association; (iii) the advice of counsel; or (iv) any other matters which are relevant to the welfare of the Association and its members. The Board must inform the owner/beneficiary of its basis for any denial of making the requested document(s) available for inspection within five (5) business days of such denial.
- 6) Number of Requests:  
If the frequency, redundancy or number of a particular owner's/beneficiary's requests is such that it imposes an undue burden upon the employees of the Association to produce requested documents in a timely fashion, the Board or its representative may impose necessary and reasonable constraints and/or conditions upon the availability of such documents for inspection and copying.
- 7) Copying of Documents:  
In no event shall copies of any documents disclosed pursuant to this procedure be provided to the inspecting owner and/or beneficiary, including but not limited to document(s) described as Protected Documents listed in Paragraph 4 herein, except that copies of Permitted Documents as defined in Paragraph 3 herein may be made at the owner's and/or beneficiary's expense, at reasonable rates as determined by the Association's Agent, with Agent being defined as owner of signature on file with the Secretary of the State of North Carolina for the Lake Royale Property Owner's Association.
- 8) Removal of Documents:  
Except as otherwise provided in this procedure, no Association document(s) shall be removed from the POA office. Moreover the Association's Agent shall determine when and where all documents shall be inspected and shall ensure that all documents are inspected in the presence of designated Association personnel.
- 9) Hours of Access and Related Costs:  
Despite anything to the contrary in this procedure, the Association shall not be required to make Association documents available for inspection or copying for more than four (4) hours in any given week, regardless of the number of owner and/or beneficiary requests that may be pending, unless the owner and/or beneficiary requesting same makes arrangement in advance with the Association Agent for personnel to be present in excess of the allotted time, either during or outside of normal business hours. In any event, such owners or beneficiaries shall pay to the POA an administrative charge of \$25.00 per hour for Permitted Documents and \$80.00 per hour for Protected Documents (which requires attention of the Agent) regarding all time in excess of one (1) hour during which such personnel are utilized to fulfill any such request. Moreover, the Association Agent shall have the right to request in advance a deposit to cover the estimated amount of any such charge, with any excess to be promptly refunded to the property owner or beneficiary upon fulfillment of the request.
- 10) Confidentiality Agreement:  
Prior to providing any owner or beneficiary with access to the Association documents pursuant to the Lake Royale POA procedures, any owner, beneficiary or non-owner (who accompanies said owner or beneficiary) must sign Document 1A (Request for Access to Permitted Documents) or Document 1B (Request for Access to Non Permitted Documents) which includes an agreement of confidentiality.
- 11) Members in Good Standing:  
Access to the books, records and memoranda as set forth shall be provided to owners and/or beneficiaries who are in "good standing" at the time of the written request in the case of Permitted Documents (Item 3) or at the time of the Board vote on the individual disclosure request where such vote is required pursuant to this procedure. For purposes of this procedure, a member in "good standing" shall be defined as a member who has

fully paid all installments due for administration fees, dues, fines, etc. made or levied against the member and/or his or her properties by the Association, together with all interest, costs, attorney's fees, penalties and other expenses, if any, chargeable to the member and/or his or her properties. Owners and/or beneficiaries who seek to challenge a determination that they are not in good standing may review their own property records and other records which are deemed reasonably related to the matter(s) that resulted in the owner's and/or beneficiary's loss of good standing, such as: inspection reports concerning his/her own properties; the current Lake Royale POA Budget; a statement of charges of account of the requesting owner and/or beneficiary; and correspondence with the owner and/or beneficiary directly related to the delinquent fees, dues or fines.

12) Presence of Non-Owners/Non-beneficiaries.

Unless otherwise stated in this procedure or in any governing document of the Lake Royale Property Owner's Association, the owner or beneficiary given Board approval for access to the books, records and memoranda shall have the right to be accompanied during the inspection by any two individuals chosen by the owner or beneficiary.

### **Section 2.7 Dumping and Sanitation**

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

### **Section 2.8 Encroaching on POA Property**

- 1) A property owner shall be responsible for the installation and maintenance of improvements on POA rights-of-way (includes approved structures, culvert pipes, plantings, etc.) at their own expense.
- 2) Because this is an encroachment on the POA rights-of-way, the property owner must sign an 'Encroachment Agreement' (available at the POA office) prior to installation of the above mentioned approved structure(s), culvert pipe, etc.
- 3) The POA will charge a maintenance fee, if not done regularly by the property owner.

### **Section 2.9 Maintenance of Lot**

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

### **Section 2.10 Non-conforming Situations**

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

### **Section 2.11 Pets and Animals**

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

- 1) Animals are not to be bred nor maintained for any commercial purpose.
- 2) All dogs and all cats allowed outdoors must wear a collar and have a current rabies tag and an address tag.
- 3) All dogs, cats, and any potentially dangerous animals must be on a leash and under control when outside the bounds of the owner's property.

- 4) No animal weighing more than one hundred (100) pounds (other than a dog) may be maintained on any property.
- 5) No horses, livestock, poultry, or fowl of any kind shall be raised, bred, kept or maintained on any property.
- 6) No repetitious noises (such as constant dog barking) shall be tolerated.
- 7) The Association shall not be held accountable for any loss, damage or liability caused by any property owner's pet.
- 8) See Franklin County Ordinances for Lake Royale for additional details.

**Section 2.12 POA Cards and Their Use**

- 1) Membership Cards:
  - a) Available to all qualified property owners on deed of record and family members living under the same roof.
  - b) Proof of residency shall be determined by driver's license or non-driver's picture ID for those ages sixteen (16) and up.
- 2) Guest Cards:
  - a) Members must obtain guest cards from the Association office for their guests using the Association areas and facilities, herein known as amenities, and such members shall be accountable for themselves and their guests for any misconduct or violation of the Restrictive Covenants, By-Laws and Rules and Regulations of the Association.
  - b) A non-member of the Association who uses the community areas or facilities of the Association who does not have in his possession a guest card shall be considered a trespasser under the laws of the State of North Carolina unless personally accompanied by a member of the Association in good standing.
  - c) A limit of five (5) guest cards may be obtained at the POA office.
- 3) Functions/Events:
  - a) Private: An unlimited number of guests may attend a private function as long as they are not using POA facilities.
  - b) POA Sponsored:
    - 1) A maximum limit of two (2) guests per property will be allowed until 24 hours prior to the event, after which time, if capacity has not been met, a property owner may register additional guests.
    - 2) Sign up guests in advance of the function/event at the POA office. Call the POA office at (252) 478-4121 for details.
    - 3) Property owner's POA card must be shown at the door.

**Section 2.13 POA Facilities**

POA Facilities are not to be used for profit or gain by a property owner or business without the written permission of the POA.

**Section 2.14 Rental of POA Campsites**

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

**Section 2.15 Rentals of Property by Owners**

- 1) Members desiring to rent their property:
  - a) Must be members in good standing.
  - b) Must first obtain approval from the Board of Directors or its designated agent or designated committee.

- c) Shall in all events be accountable for actions of any persons to whom they rent.
  - d) Obtain a current copy of the Lake Royale POA Application to Lease form. This form is available at the POA office or may be downloaded from the Lake Royale website: [www.lrpoa.com](http://www.lrpoa.com).
- 2) General Standards-applies to all lots:
- a) A copy of the lease must accompany the application to lease.
  - b) Property owner must sign that he/she has provided a copy of the By-Laws, Restrictive Covenants and Rules and Regulations of Lake Royale to the tenant signifying that they understand their responsibilities as defined in these documents.
  - c) The property owner must provide to the POA office a copy of the National Criminal Background Review of the lessee(s) and all other adult tenants (can be acquired through [www.sentrylink.com](http://www.sentrylink.com)). The source of this review must be acceptable to the Lake Royale POA. Any potential tenant convicted of a felony within the last ten (10) years will not be approved.
  - d) The tenants shall not be entitled to use the community areas or other facilities of the Association until appropriate officials of the Association issue membership cards to them.
  - e) If the property owner is an absentee landlord (meaning he/she does not own property in Lake Royale for his/her sole use and pleasure) and still wants to use the amenities, he/she must pay a full set of dues in addition to the dues paid on the property owned and held for rental.
  - f) Tenants shall have no voting rights.
  - g) A copy of this application and all attached documents will be retained by the POA.
- 3) Residential Lots Only: The duration of the lease must be for twelve (12) months or more. After twelve (12) months, a month-to-month agreement is allowed. Leaser must notify the POA when the lease is terminated.
- 4) Multi-use Lots Only: Multi-use lots cannot be rented for permanent residency. Any rental of multi-use property is by definition for a short term (ninety (90) days per year or less) and for vacation purposes only.

### **Section 2.16 Signs**

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

### **Section 2.17 Solicitations**

No person or group shall make any door-to-door solicitations without first obtaining written permission from the Lake Royale General Manager or his designee.

### **Section 2.18 Swimming Pools (POA)**

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

## **Section 2.19 Uses of Lake**

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

## **Section 2.20 Vehicles (General Information)**

- 1) General:
  - a) All vehicles including, but not limited to cars, trucks, ATVs, golf carts, motorcycles, and scooters, in this subdivision must be clearly identified at all times by either a POA sticker on the left front windshield or a hangtag on the inside rear view mirror or dashboard which must remain visible at all times.
  - b) No vehicle including, but not limited to cars, trucks, ATVs, golf carts, motorcycles, and scooters shall be operated within the Subdivision except on roads or parked in designated parking areas or as an owner may direct on his own property.
  - c) Overnight parking on POA easements (includes rights-of-ways) is not permitted.
  - d) All vehicles including, but not limited to cars, trucks, ATVs, golf carts, motorcycles, and scooters shall be operated in a safe and careful manner and in compliance with the posted traffic signs and of Rules and Regulations and in accordance with the rules of the road established by the General Assembly of North Carolina for use on public roads.
  - e) Chapter 20 of the North Carolina General Statutes is hereby adopted by the Association for rules governing operation of motor vehicles on the roads within the Subdivision and incorporated herein by reference thereto.
- 2) Property owners in good standing may obtain a POA sticker upon presenting proof of ownership of the vehicle (vehicle registration or bill of sale) for each vehicle to be registered. This includes, but is not limited to cars, trucks, ATVs, golf carts, motorcycles, and scooters. Mini-motorcycles are not legal on POA roads. When a bill of sale is presented, a hangtag will be issued until a registration is obtained. Property owners not in good standing are eligible for hangtags only. POA stickers are issued for the fiscal year April 1 to March 31 of the following year.
- 3) Guests of Property Owners:
  - a) Guests with POA guest cards furnished by a property owner will be required to have a hangtag while on Lake Royale property. Presentation of the guest card will enable a holder to obtain a hangtag for a period not to exceed fourteen (14) days.
  - b) Guests without a POA guest card will have to be admitted by a property owner alert (calling the security personnel in advance). The property owner's permission to have the guest enter Lake Royale gives the security personnel at the main gate the authorization to issue a hangtag for a period not to exceed fourteen (14) days.
  - c) Upon their arrival, guests must register their vehicle at the main gate. This includes, but is not limited to cars, trucks, ATVs, golf carts, motorcycles, and scooters. The security personnel shall provide a hangtag with the last date of admittance to Lake Royale recorded thereon. This hangtag shall be placed hanging from the inside mirror or placed on the dashboard and must remain visible at all times while on Lake Royale property.

**Section 2.21 Watercraft Dockage/Storage**

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

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### **Article 3 General Guidelines - All Lots**

- 1) All construction must conform to the North Carolina building codes as minimum standards.
- 2) Extensions on any permit issued by the BC or the CC&R Inspector and/or General Manager (issued for six (6) months) may be renewed once for an additional six (6) month period for a combined total of twelve (12) months from the date of the original issued permit for the particular work described thereon. The extension may be issued by the BC or the CC&R Inspector and/or General Manager. No fee shall be required. After the twelve (12) month period has expired, if the work has not been completed, a new permit is required including all fees.

#### **Section 3.1 Awnings**

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

#### **Section 3.2 Breezeway**

- 1) Property owner must have a building permit from the BC prior to the start of installation or construction.
- 2) A property owner may build a breezeway between their main dwelling and an unattached structure, like an unattached garage.
- 3) All setback regulations apply.

#### **Section 3.3 Bridge (Auto and Foot)**

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

#### **Section 3.4 Cabana (Poolside)**

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

#### **Section 3.5 Carport (Unattached)**

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

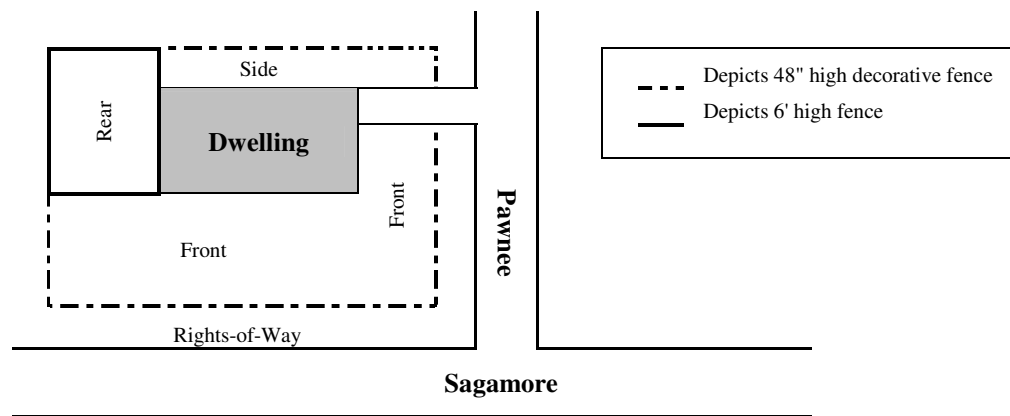
#### **Section 3.6 Construction Debris**

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

### Section 3.7 Fences

- 1) Property owner must have a building permit from the BC prior to the start of installation or construction.  
Exception: See # 8 (Pet Enclosure) below.
- 2) A fence may be placed one (1) foot from the property line, or on the property line if agreed to by the adjacent property owners. This matter shall not be verbal but agreed upon between the two property owners in writing, and passes to subsequent property owners, with written record of this on file at the POA office.
- 3) Placement: Be aware of the easements described in the existing Restrictive Covenants under Section 10 Utility Easements. Although property owners are allowed to place a fence within these easements on their property, they could be required to remove the fence at some later date if it causes difficulties for the assigns/licensees working within the easement.
- 4) Non-Waterfront and Non-Corner Lot: A maximum six (6) foot high fence of chain link, vinyl, wood, or wrought iron will be allowed from the back corners of the house or camping unit to the rear of the lot and along the rear lot line.
- 5) Waterfront Lot: Only chain link, vinyl, wood, or wrought iron fences (all fence types shall be open) will be allowed from the back corners of the house or camping unit to the rear of the lot and along the rear lot line (shoreline). These fences may not exceed four (4) feet in height. Exception: See # 8 (Pet Enclosure) below.
- 6) Corner Lot:
  - a) A maximum six (6) foot high fence may enclose the rear yard. See diagram below.
  - b) All other property may be enclosed with a decorative fence not to exceed forty eight (48) inches in height.

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



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

### Section 3.8 Gazebo (Unattached)

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

### **Section 3.9 Geothermal System**

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

### **Section 3.10 Greenhouse**

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

### **Section 3.11 Handicapped Structures**

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

### **Section 3.12 Lean-to**

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

### **Section 3.13 Permits for Existing Structures After Purchasing Property**

Some property owners are finding out they have un-permitted structures that were built before they purchased the property. In such cases:

- 1) Property owner must apply to the BC for the respective building permit(s).
- 2) No permit fee or penalty fee will be charged within the first ninety (90) days of the property's purchase closing date.
- 3) After the ninety (90) day period, all respective fees will apply.

### **Section 3.14 Post Construction Permits – Structures Older Than 01/01/2000**

Compliance Procedure:

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

### **Section 3.15 Propane Tanks**

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

**Section 3.16 Replacing an Existing Structure**

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

**Section 3.17 Swimming Pool (Private)**

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

**Section 3.18 Walls**

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

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

**Section 3.19 Retaining Walls**

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

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## **Article 4 Lot Developments/Improvements Guidelines - All Lots**

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

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

- 1) Soil and erosion permit.
- 2) Driveway construction permit.

### **Section 4.1 Clearing of Lot**

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

### **Section 4.2 Construction Driveways**

When first clearing a lot, the construction driveway must be constructed with soil and compacted by the equipment on site. Gravel must be installed to a minimum depth of three (3) inches covering the entire driveway with a minimum length of forty (40) feet from the paved street and a minimum width of twelve (12) feet. Compacting and gravel installation must be accomplished within forty eight (48) hours of initiation of lot clearing.

### **Section 4.3 Requirements for Driveways**

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

- 1) Driveway culvert pipe material may consist of reinforced concrete or double walled corrugated plastic when placed in rights-of-way.
- 2) Driveway culvert pipe diameter must be approved by CC&R Inspector and/or Maintenance Director and recorded on driveway construction permit.
- 3) Driveway culvert pipe minimum is sixteen (16) feet in length. The maximum pipe length for a one (1) entrance driveway is thirty-two (32) feet and twenty-four (24) feet per entrance for a two entrance driveway.
- 4) The minimum driveway width is twelve (12) feet. The maximum driveway width for a one (1) entrance driveway is twenty-six (26) feet and for a two (2) entrance driveway twenty (20) feet per entrance. The minimum length is forty (40) feet including driveway apron if applicable.
- 5) Grading of driveway shall minimize runoff of water and other material onto the road.
- 6) Driveway apron must be completed within one year of the driveway permit issue date for all permits issued after July 15, 2005. Properties that are on un-paved roads and receive a driveway permit after July 17, 2005 will have six (6) months to install a concrete or asphalt apron once the road has been paved in front of their property.
  - a) Minimum fifteen (15) foot long is measured from the road into the lot.
  - b) Minimum twelve (12) foot wide is measured along the roadway. Entire driveway entrance must be encompassed in driveway apron.
- 7) Approved driveway materials
  - a) Gravel: A minimum depth of three (3) inches of gravel is required for all gravel driveways. Follow up grading should be anticipated as normal traffic and heavy equipment further compact the drive.
  - b) Concrete: At the junction where the end of the drive intersects the paved street, the shoulder of the paved street shall be dug out a minimum depth of four (4) inches for the concrete. No portion of the finished concrete drive shall extend beyond the design edge of the paved street. Edged lip shall not be poured more than one (1) inch above the road's edge. Concrete trucks shall not wash their equipment out onto POA property or roads.

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

**Section 4.4 Reserved Areas**

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

**Section 4.5 Riparian Buffer Protection Rules**

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

- 1) Zone 1 - refers to the first thirty (30) feet of land bordering the shoreline and/or creeks, intermittent streams, perennial streams, ponds or rivers within the Subdivision. The rule deems it illegal to remove most existing "forest vegetation" (trees, shrubs, etc.) in this thirty (30) foot area. Trees and shrubs may be trimmed but not removed.  
Exception: "Forest vegetation" does not include, existing, intensively maintained private lawns.
- 2) Zone 2 - consists of an additional twenty (20) feet adjacent to Zone 1 and allows a very limited amount of harvesting in this area. NOTE: See the NC Riparian Buffer Protection Rules which may be obtained from the Division of Water Quality.

**NOTE: ANY VIOLATION OF THE RIPARIAN BUFFER PROTECTION RULES MAKES THE VIOLATOR SUBJECT TO A DAILY FINE OF \$25,000, AND WILL BE ENFORCED BY THE NC DWQ.**

#### **Section 4.6 Septic System**

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

NOTE: See or call the Franklin County Health Dept. for additional information. It is recommended that all septic tanks and their drain fields be located on the road side of the lot.

#### **Section 4.7 Soil and Erosion Measures**

- 1) A soil and erosion permit must be obtained from the POA office.
- 2) Silt Fence
  - a) A temporary silt fence must be installed within twenty-four (24) hours whenever any portion of the ground in excess of one hundred (100) square feet (excluding gardens) is disturbed, and remain in place until the project is completed and the ground is permanently covered (e.g., structure, gravel, pavement, vegetative cover).
  - b) The following installation rules apply:
    - 1) A three (3) foot high silt fence shall be properly installed on all slopes leading downhill toward all property lines.
    - 2) Where silt fencing is required, both ends of the silt fence shall be extended an additional panel length ten (10) feet and turned uphill.
    - 3) A minimum of a six (6) inch trench shall be cut along the entire length of the disturbance area. The silt fence shall be installed in the trench and the trench shall be backfilled and compacted on both sides of the silt fence to prevent blowout during storm events. All splice joints in the filter fabric shall have a minimum overlap of eighteen (18) inches. A stake shall be installed in the middle of all overlaps.
  - c) Division of Water Quality approval must be obtained if any disturbance is to occur within the fifty (50) foot buffer from the lake or a creek.
- 3) Other soil and erosion measures must be approved by the CC&R Inspector and/or the Maintenance Director.

#### **Section 4.8 5' Elevation Above Flood Zone Level**

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

## **Article 5 Lot Development Guidelines - Waterfront Lots**

### **Section 5.1 Boat Ramp**

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

### **Section 5.2 Boat Shelter**

- 1) Property owner must have a building permit from the BC prior to the start of installation or construction.
- 2) Permits needed:
  - a) A soil and erosion permit must be obtained from the POA office.
  - b) A permit from the Corps of Engineers is required and copy must be provided to the BC.
  - c) A permit from the NC Division of Water Quality is required and a copy must be provided to the BC.
- 3) It must be built over water.
- 4) It may be built over a new or existing boat slip.
- 5) It may have an abutting deck area, covered or not covered.
- 6) It may have a sloped or flat roof: if sloped, roof pitch may not exceed 4/12. If flat and accessible, a railing is required.
- 7) It may have up to a four (4) foot high storage chest on the land side only. No restriction as to the width as long as the storage container stays within the confines of the boathouse (this storage chest will not be considered a storage building).
- 8) Its sides may be open or closed.
- 9) It must comply with all applicable setback regulations, including side setback requirements.
- 10) A residential waterfront lot may have two (2) unattached storage structures and one (1) boathouse.

### **Section 5.3 Boat Slip**

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

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

### **Section 5.4 Bulkhead**

NOTE: It is recommended that bulkheads (seawalls) or Rip Rap (rock) be installed to prevent shoreline erosion.

- 1) Property owner must have a building permit from the BC prior to the start of installation or construction.
- 2) A bulkhead must not project more than two (2) feet into the water from the natural shoreline.
- 3) Permits needed:
  - a) A soil and erosion permit may need to be obtained at the POA office.
  - b) A permit from the Corps of Engineers is required and a copy must be provided to the BC.
  - c) A permit from the NC Division of Water Quality is required and a copy must be provided to the BC.
- 4) Bulkheads are to be constructed of materials approved by the Corps of Engineers and Div. of Water Quality.

**Section 5.5 Dock (Fixed or Floating)**

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

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## **Article 6 Residential Area - General Guidelines**

- 1) All accessory structures must be ten (10) feet from any other structure.
- 2) On new construction or remodeling, the lot number is to be displayed only on the permit inspection box. All permits must be placed inside the permit inspection box, which must be clearly visible from the road.
- 3) The street number must be permanently posted and be clearly visible from the road.
- 4) Lots should be surveyed and all corner pins and lot lines clearly marked.
- 5) Temporary structures may be erected for outdoor functions or parties, but must be removed at the conclusion of the event.
- 6) A waterfront lot may have two (2) unattached storage structures and one (1) boathouse.
- 7) Metal roofs are allowed.
- 8) A pre-existing permitted covered porch does not need a permit to be screened (the screening is allowed because the footprint of the existing porch structure is not being altered).

### **Section 6.1 Residential - Garage (Unattached)**

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

### **Section 6.2 Residential - Storage Building/Shed (Unattached)**

- 1) Property owner must have a building permit from the BC prior to the start of installation or construction if the footprint exceeds forty nine (49) square feet.
- 2) No metal storage building/shed is permitted. Also see 'Roof' (6b) below.
- 3) No storage building/shed shall be over one story and not exceed eleven (11) feet in total height, as measured from the floor surface to the top of the ridgepole.
- 4) May have a porch on one wall, not greater than 4 feet in width, with a deck floor. The addition cannot be enclosed. The roof line must be a continuation of the building roofline and cannot have a different pitch.
- 5) Must be ten (10) feet from any other structure (including the main dwelling).
- 6) Roof:
  - a) Pitch shall not be less than 4/12 nor more than 7/12.
  - b) Metal roofs are allowed.
- 7) Maximum size is two hundred eighty eight (288) sq. ft.
- 8) The design and color scheme of all accessory structures on a lot must be constructed with complimentary design and color.

## **Article 7 Multi-use Area - General Guidelines**

Multi-use living refers to multiple dwellings allowed within the camping area. These include cottages, tents, travel trailers, tent trailers, commercially produced recreational vehicles, pick-up truck campers, motor homes, and other vehicles commercially produced to be used for camping. Mobile homes are excluded.

- 1) A pre-existing permitted covered porch or roof-over does not need a permit to be screened (the screening is allowed because the footprint of the existing open structure is not being altered).
- 2) Nothing may be located over any part of a septic system.
- 3) All structures must be placed a minimum of ten (10) feet from any other structure or camping unit.

### **Section 7.1 Multi-use - Cottage**

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

### **Section 7.2 Multi-use - Garage (Unattached)**

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

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

### **Section 7.3 Multi-use - Roof-Over Camping Unit**

- 1) Property owner must have a building permit from the BC prior to the start of installation or construction.
- 2) Metal carports may not be used as a roof-over.
- 3) A wooden roof-over over a camping unit will be allowed providing it meets NC State building codes.
- 4) Roof pitch may not be less than 4/12 nor exceed 7/12.
- 5) Can only be one (1) story in height. Attic space shall only be used for light storage.
- 6) Roof height: Maximum height allowed is sixteen (16) feet from the finished floor to the top of the ridge board.

- 7) Roof-over post are not to exceed twelve (12) inches from the camping unit or camping unit bump outs in setup mode.
- 8) Dormers: Two (2) dormers shall be allowed up to three (3) feet wide/each.
- 9) Gables: Two (2) gable ends shall be allowed up to sixteen (16) feet high, with one (1) additional gable allowed up to fourteen (14) feet high (All gable ends shall be measured from the finished floor to the top of the ridgepole).
- 10) Knee walls (exterior) shall not be allowed.
- 11) A pre-existing covered porch or roof-over does not need a permit to be screened (the screening is allowed because the footprint of the existing open structure is not being altered).

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

- 1) Property owner must have a building permit from the BC prior to the start of installation or construction if the footprint exceeds forty nine (49) square feet.
- 2) No storage building/shed shall be over one story and shall not exceed eleven (11) feet in total height, as measured from the floor surface to the top of the ridgepole.
- 3) Must be ten (10) feet from any other structure (including the main dwelling).
- 4) Roof pitch shall not be less than 4/12 nor more than 7/12.
- 5) No metal storage buildings/sheds are permitted.
- 6) May have a porch on one (1) wall, not greater than four (4) feet in width, with a deck floor. The addition cannot be enclosed. The roof line must be a continuation of the building roofline and cannot have a different pitch.

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## **Article 8 Board of Adjustment (BOA)**

- 1) The BOA meets on the 4th Thursday of each month (unless otherwise posted) at 7:00 p.m. at the Lake Royale Clubhouse, 101 Sagamore Cove, Louisburg, NC.
- 2) The deadline to apply and be heard by the BOA is three (3) weeks (21 days) prior to the scheduled meeting.
- 3) A completed application form for a hearing before the BOA must be submitted before the twenty one (21) day deadline; otherwise the hearing will be scheduled for the following month.
- 4) A one-time \$150 application fee is required for a Variance or Committee Appeal Hearing. The fee is refunded if the variance or appeal is approved.
- 5) A concerned property owner, member of the POA, CC&R Inspector, or any other POA staff member may report violations of the Restrictive Covenants, By-Laws and/or Rules and Regulations.

### **Section 8.1 BOA - Appealing BOA Decision to Board of Directors**

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

### **Section 8.2 BOA – Committee Appeal Hearing**

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

### **Section 8.3 BOA - Filling of Vacancies**

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

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

#### **Section 8.4 BOA - Non-compliance (Fine) Hearing**

- 1) Any party alleged in non-compliance may appear in person, by agent, or by attorney at a non-compliance hearing of the BOA.
- 2) It shall be within the authority of the BOA (as directed by the BOD) to find property owner's in non-compliance and to levy fines for non-compliance of the By-Laws, Restrictive Covenants and/or Rules and Regulations applicable to this Subdivision.
- 3) In open or closed session, all members in attendance shall determine by voice vote whether or not the property owner is to be found out of compliance. If the property owner is found to be currently out of compliance, the BOA will proceed to the fining process.
- 4) If the property owner is found to be non-compliant at time of citation but has corrected the violation at time of original hearing no initial fine will normally be assessed, but a recurring fine may be imposed to apply to the same violation occurring within a reasonable time in the future. If the same violation occurs within a reasonable time, the recurring fine will be imposed from the date of the violation until the date of correction. The instance of the imposition of the recurring fine will be affirmed by the BOA at its next scheduled meeting.
- 5) Fines must be within the limits established by the BOD. The amount of the fine(s) shall not be less than fifty (\$50) dollars nor greater than one-hundred (\$100) dollars for an initial fine, nor less than five (\$5) dollars nor greater than fifty (\$50) dollars per day for a recurring fine, based upon either:
  - a) A re-occurrence of a particular non-compliance incident, or
  - b) A per-violation day recurrence of a prolonged continuous situation of non-compliance.
- 6) The amount of any initial fine and/or recurring fine adjudged appropriate by the BOA shall be the average of the amount independently specified by the regular and alternate members in attendance at the non-compliance (fine) hearing, i.e., all BOA members present at a fine hearing shall vote. Votes cast outside the range authorized by the BOD shall be invalid (see range of fines in 5 above).
- 7) After a decision on the non-compliance within a reasonable time, the BOA shall attempt to notify the property owner within twenty four (24) hours and the POA shall provide to the property owner a notice of the BOA's decision, in writing, within five (5) business days.
- 8) Once fines levied on a property reaches a total of two thousand (\$2,000) dollars and after forty five (45) days of daily fines, action to foreclose on the property may begin.
- 9) The BOA may not reopen and rehear a case that it decided earlier if the facts of the case have not changed substantially.
- 10) Any decision made by the BOA may be appealed in writing to the BOD within thirty (30) days. See Section 8.1 BOA - Appealing BOA Decision to the Board of Directors in this listing for additional details.

#### **Section 8.5 BOA - Quorum**

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

#### **Section 8.6 BOA - Time Requirements for Compliance**

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

**Section 8.7 BOA - Types of BOA Hearings**

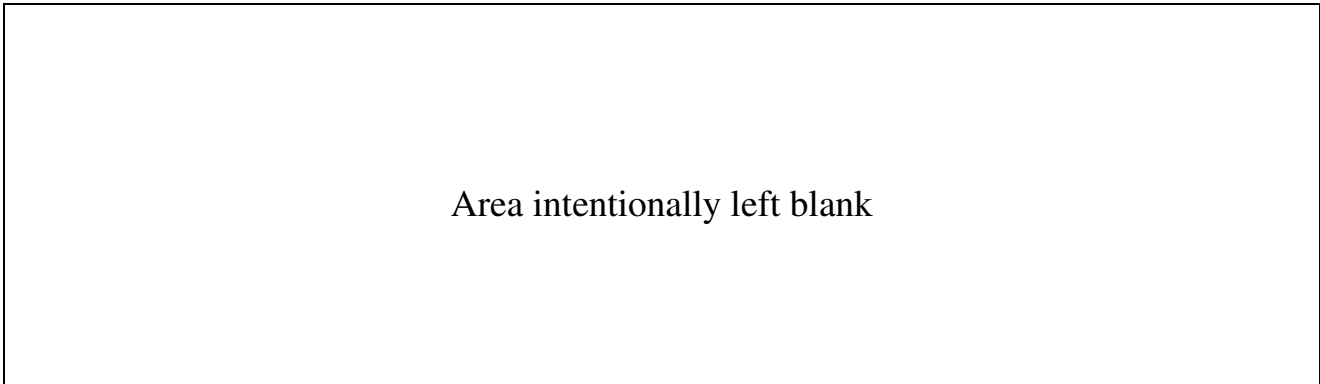
The following hearings may be heard by the BOA:

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

**Section 8.8 BOA - Variance Hearing**

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

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



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

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

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

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

- 1) Fines:
  - a) At the direction of the BOD, the BOA shall impose fine(s) for non-compliance of any of the Restrictive Covenants, By-Laws and/or Rules and Regulations of Lake Royale.
  - b) Per NC statutes, an initial fine up to one hundred (\$100) dollars may be imposed for each non-compliance occurrence and in addition a recurring fine up to one hundred (\$100) dollars per day for each non-compliance occurrence may be imposed. However, the fining standards set by the Lake Royale BOD are a maximum one hundred (\$100) dollars for an initial fine and a maximum fifty (\$50) dollars per day for a recurring fine.
  - c) Such fines shall be assessments secured by liens and possible foreclosure, if not paid.
- 2) Liens and Foreclosures:
  - a) Basis for Lien: If the above-mentioned imposed fine(s) is not paid, a lien on the property shall be invoked.
  - b) Basis for Foreclosure: Once fines levied on a property reach a total of two thousand (\$2000) dollars and after forty-five (45) days of daily fines, whichever occurs later, action may be taken by the POA management to foreclose on the property.
- 3) Fees:

The BC has the authority to collect fees as determined by the BOD for exterior building projects, including, but not limited to, building construction, and renovations.
- 4) Suspensions: (members not in good standing)

The BOD may impose a suspension of community privileges or services if the property owner is declared not in good standing.

  - a) The property owner's POA card will be invalidated.
  - b) Suspension of community privileges shall result in a loss of access to common areas and events, including but not limited to, beaches, Clubhouse, lake, swimming pool, public docks, fishing tournaments, teen parties, steak night, etc.
  - c) The suspension may be continued without further hearing until the non-compliance is resolved.
  - d) Suspended privileges shall not include right of access by the owner to his or her property.

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**Article 10 Registration of Rules and Regulations**

The Lake Royale Rules and Regulations may be adjusted and updated at the Board of Directors discretion throughout the year by a majority vote. In August of each year, said Rules and Regulations will be updated and registered at the Register of Deeds office in both Franklin and Nash Counties.

IN TESTIMONY WHEREOF, Lake Royale Property Owner’s Association, Inc., by authority of the powers granted it by the owner’s of property in Lake Royale Subdivision, the Restrictive Covenants and Planned Community Act heretofore recorded in the office of the Register of Deeds of Franklin and Nash Counties has caused this instrument to be executed in its corporate name by its President, Vice-President and attested by its Secretary and its corporate seal affixed hereto this \_\_\_\_\_, day of \_\_\_\_\_, 2011 and has directed its Secretary to record the same in the office of the Register of Deeds for Franklin and Nash Counties.

ATTEST: Lake Royale Property Owner’s Association

By \_\_\_\_\_  
Kenneth V. Smith, President                      Date                      Ryan D. Walker, Vice-President                      Date

(Corporate Seal)

\_\_\_\_\_  
Ruby Savage, Secretary                      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 \_\_\_\_\_