BK019874PG00563

WAKE COUNTY, NC
TAMMY L. BRUNNER
REGISTER OF DEEDS
PRESENTED & RECORDED ON
04-09-2025 AT 10:44:05

BOOK: 019874 PAGE: 00563 - 00570

STATE OF NORTH CAROLINA

AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR SUNSET GLEN

COUNTY OF WAKE

THIS AMENDMENT to the Declaration of Covenants, Conditions and Restrictions, For Sunset Glen is made this 21st day of March, 2025, by obtaining affirmative approval of the Lot Owners of not less than sixty-seven percent (67%) of the Lots in the Sunset Glen Homeowners Association, Inc., a North Carolina nonprofit corporation (the "Association).

WITNESSETH:

WHEREAS, Bill Clark Homes of Raleigh, LLC a North Carolina limited liability company ("Declarant") caused to be recorded at Book 16678, Page 2753 of the Wake County Registry, an instrument entitled "Declaration of Covenants, Conditions, And Restrictions For Sunset Glen", as amended and supplemented thereafter collectively, (the "Declaration"); and

WHEREAS, N.C. Gen. Stat. § 47F-3-117 provides that a declaration may be amended only by affirmative vote or written agreement signed by lot owners of lots to at which least sixty seven percent (67%) of the votes in the association are allocated, or any larger majority the declaration specifies; and

WHEREAS, Article XI, Section 1 of the Declaration states that the Declaration may be amended by the affirmative vote or written signature in approval of not less than sixty-seven percent of the Lot Owners in the Association; and

WHEREAS, the requisite number of Owners of not less than sixty-seven percent (67%) of the Lots desire to amend the Declaration as set forth below; and

NOW, THEREFORE, the undersigned does hereby declare that the Declaration of Covenants, Conditions, And Restrictions For Sunset Glen is amended as follows:

1. Article IX of the Declaration is amended by amended by adding a new section in its entirety by inserting the following new language:

> "Section 14. Leasing of Lots. It is the intent of this Declaration that all Lots within Sunset Glen subdivision be primarily Owner-occupied and not used as rentals for investment purposes. Accordingly, no Lot may be leased except pursuant to the following provisions:
>
> (a) Definitions. For purposes of this Section 14, the following definitions shall apply:

Submitted electronically by "Jordan Price Wall Gray Jones & Carlton"
in compliance with North Carolina statutes governing recordable documents
and the terms of the submitter agreement with the Wake County Register of Deeds.

(i) "Owner-occupied" shall mean occupancy of a Lot by (1) the Owner of record of the Lot; (2) any parent or child of the Owner of record of the Lot; (3) beneficiary or trustee of any trust that is the Owner entity of record of the Lot; or (4) member, manager, officer, or director or otherwise directly affiliated with any limited liability company or S corporation that is the Owner entity of record of the Lot. Owner-occupied shall not include the occupancy of the Lot by an occupant who is indirectly affiliated with any corporate Owner entity of the Lot, such as a silent partner or investor.

(ii) The terms "lease" or "leased" shall refer to the regular, exclusive occupancy of a Lot by any person other than the Owner, whether such person is paying rent to the Owner (except that occupancy by a roommate of an Owner when the Owner occupies the Lot as the Owner's primary residence, or occupancy by an Immediate Family Member of the Owner whether or not the Owner also occupies the Lot, shall not be deemed a lease, and

(iii) The term "Immediate Family Member" shall refer to a spouse or domestic partner of the Owner of record of the Lot, or a child, stepchild, grandchild, grandchild, grand-stepchild, parent or stepparent of the Owner or of the Owner's spouse or domestic partner.

(b) Owner-Occupancy Requirement. No Lot may be leased unless it been Owner-occupied for at least twelve (12) consecutive months, except in the case of the death of the Owner of the Lot. Upon the death of an Owner, the heirs of the Owner taking title to the Lot shall be permitted to lease the Lot without being required to occupy the same and shall be permitted to lease the Lot even if the deceased Owner occupied the residence for less than twelve (12) consecutive months prior to his or her death. The Board of Directors may enact reasonable rules requiring submission of proof of Owner-occupancy, including, but not limited to, submission of drivers' licenses, utility bills, and other indicia of occupancy.

The foregoing Owner-occupancy requirements shall only apply to those individuals and entities that acquire record ownership a Lot after sixty (60) days or more from the date of the recording of this Amendment in the Wake County Registry and shall not apply to those individuals and entities that are Lot Owners of record as of the date of recording of this Amendment.

(c) Leasing Cap. No more than five (5) of the forty-six (46) Lots within Sunset Glen subdivision shall be leased (the "Leasing Cap"), at any given time except as stated hereinbelow.

(d) Leasing Permit Procedure. An Owner who has occupied their Lot for at least twelve (12) consecutive months since purchase of the Lot shall be eligible to lease the Lot. Prior to leasing the Lot, the Owner shall apply in writing to the Board of Directors for a "Leasing Permit". The Board will consider written requests for a Leasing Permit at the next regularly scheduled Board meeting following the receipt of such request. Leasing Permits shall be issued for a one (1) year period and shall be renewed for an additional one (1) year period upon request prior to the expiration of the Permit. A Leasing Permit shall not be granted for any subsequent consecutive years if there are other Owners on the waiting list that desire to lease. If granting the Leasing Permit, would exceed the Leasing Cap, then no Leasing Permit shall be issued except in the case of Hardship Permits and Special Permits. To the extent an Owner is granted a Leasing Permit, Hardship Permit or Special Permit, no Lot shall be leased, for a term period of less than twelve (12) consecutive months. Owners who have been denied a Leasing Permit shall automatically be placed on a waiting list and shall be issued a Leasing Permit if they so desire when the number of outstanding Leasing Permits falls below the Leasing Cap. In addition to a wait list, the Board shall maintain a list of Lots that are leased, and the terms of the respective leases, for the purpose of determining the number of Lots that are leased at any given time.

A Lot subject to a lease as of the date of recordation of this Amendment shall automatically be granted a Leasing Permit as long as such request is made in writing to the Board within sixty (60) days of the date of recording this Amendment. A copy of said lease shall be submitted with the written request for the Board's records.

(e) Hardship Permits. Under demonstrated hardship conditions, the Board in its sole discretion may waive the Leasing Cap requirements of Subsection 14(c) and allow a Lot to be leased in excess of the Leasing Cap via a "Hardship Permit". In determining whether hardship conditions have been demonstrated, the Board shall consider: (1) the nature, degree and likely duration of the hardship; (2) the harm, if any, which will result to the community if the Hardship Permit is granted; (3) whether the Owner has been granted a Hardship Permit previously; (4) the Owner's ability to cure the hardship; and (5) the overall number of leased Lots, including via Hardship Permits. Any lease allowed pursuant to a Hardship Permit shall have a term of not more than twelve (12) consecutive months. Owners may thereafter apply for an additional Hardship Permit, but such Permit is not guaranteed. By way of example and not limitation, the following are examples of what may constitute an emergency and undue hardship: military deployment such that the Owner would be afforded certain protections under the 2003 Service members Civil Relief Act; job loss by the Owner; death in Owner's family necessitating a move from Wake County or any adjoining County in North Carolina; significant illness

requiring re-location for treatment or alternative living arrangements by the Owner, and where the Owner dies and the Lot is being administered by his or her estate.

(f) Special Permits. An Owner who has resided in his or her Lot for five (5) years or more may request a Special Permit to lease the Lot if the Leasing Cap is met, meaning (5) Lots within Sunset Glen subdivision are leased at the time of the request to lease. In that event, the Board shall approve a Special Permit, as long as the granting of the Special Permit does not cause the overall number of leased Lots to exceed seven (7) Lots within Sunset Glen.

(g) Revocation of Permits. Any Leasing Permit, Special Permit or Hardship Permit shall be automatically revoked if: (1) the Owner fails to lease the Lot within ninety (90) days of the permit having been issued; (2) the Owner fails to have the Lot leased for any consecutive ninety (90) day period thereafter; (3) the Owner sells or otherwise conveys the Lot to another person or entity whether voluntarily or involuntarily; or (4) the Owner advises the Board that the Owner no longer wishes to lease the Lot. In the event a permit is revoked or surrendered, permission to lease shall be granted to the next Owner on the waiting list, on a first-come, first-served basis.

(h) Restrictions On Ownership And Leasing of Multiple Lots. It is the intent of Section 14 that Lots be primarily Owner-occupied and not held as rental properties for investment purposes. Accordingly, and notwithstanding, Subsections 14(a) and 14(b) above, no person or entity shall be granted a Leasing Permit in more than one (1) Lot within Sunset Glen at a time, and each Leasing Permit must be held by a "Distinct Lot Owner". By way of illustration, but not limitation, a Lot Owner is not a Distinct Lot Owner, if any of the owners of record or beneficial owners of a Lot: (i) have an ownership interest in another Lot in Sunset Glen subdivision; (ii) have a spouse or domestic partner who is the record owner of a Lot or has an ownership interest in another Lot in Sunset Glen; or (iii) has an ownership interest in another Lot in Sunset Glen through an Affiliated Entity. The term "Affiliated Entity" shall mean and refer to an entity in which an owner of record or beneficial owner holds any ownership interest, directly or indirectly. For example, is an owner, partner, silent partner, investor, officer, director, manager, member or trustee of any entity that is a record owner of a Lot within Sunset Glen.

The foregoing restriction on the ownership of multiple Lots and leasing thereof shall not apply to a particular Lot until the first transfer or conveyance of that Lot to a third party that occurs more than sixty (60) days following the recording of this Amendment and will apply whether such conveyance is voluntary or involuntary. Thus, the restrictions in Subsection

14(h) shall not be utilized to invalidate any particular ownership of multiple Lots and the leasing thereof that exists as of the date of recording of this Amendment.

(i) Lease Requirements. It is the intent of this Declaration that all leases be for single family residential purposes. No Lots may be leased for hotel or transient purposes. All lease agreements shall be in writing and shall be for a term of at least twelve (12) consecutive months, and not for short-term habitation (including via programs such as Airbnb, VRBO and similar enterprises). The leasing of anything less than the entire Lot is prohibited. There shall be no partial leases or room leases. Subleases and assignment of leases is also prohibited. No interest in any Lot may be subjected to a time share program as that term is defined in N.C.G.S. § 93A-41(10).

All lease agreements shall incorporate the requirements of the Declaration, the Bylaws and rules and regulations of the Association, and shall require any lessee of a Lot to abide by all the obligations set forth in those documents as a condition of the lease agreement. The lease agreement shall state that any failure of a lessee to comply with the terms of such documents shall be a condition of default under the lease. The lease agreement shall contain the following provision: "Tenant shall obey, adhere to and be bound by all provisions of the Declaration of Covenants, Conditions, And Restrictions For Sunset Glen as recorded in the Wake County Registry. Tenant acknowledges that he or she has received a copy of such Declaration and the rules and regulations of the Association and is familiar with the provisions of the same." If an Owner fails to include said provision in any lease, it shall be conclusively deemed to be included and part of said lease. No Lot shall be leased to any tenant or occupant under the lease who has been convicted of a felony within ten (10) years of the start of the lease for violent criminal activity, drug-related criminal activity or other criminal activity that would affect the health, safety and welfare of the Association membership.

(j) Provision of Documents to Lessees; to Board. Owners are required to provide lessees with a copy of the Declaration, Bylaws, and rules and regulation of the Association, and shall require lessees to sign a statement indicating that they received and reviewed a copy of the Declaration, Bylaws and rules and regulations of the Association. A copy of such signed statement shall be submitted to the Board by the Owner along with a copy of the executed lease agreement. A copy of the executed lease agreement shall be filed with the Board within fifteen (15) days of the date of signing such agreement. The Owner of the Lot shall submit to the Board with every lease agreement a copy of a criminal background check for every proposed occupant of the Lot under the lease who is over the age of eighteen (18) years of age, performed by a business specializing in such services, evidencing that the proposed occupants have no felony convictions within ten (10) years of the start of the lease for violent criminal activity, drug

related criminal activity or other criminal activity that would affect the health, safety and welfare of the Association membership.

Owners authorized to lease via a Leasing Permit, Hardship Permit or Special Permit are required to notify the Board of all updates and changes pertaining to a lease agreement within thirty (30) days of the date of such change to the lease, including but not limited to, termination of the lease or changes in occupants. Additionally, Owners authorized to lease via a Leasing Permit, Hardship Permit or Special Permit Owners shall not enter into any extension or renewal of a lease agreement or new lease agreement without first requesting approval in writing from the Board and providing any other information required by the Board and receiving written approval from the Board. As such, the Board may enact reasonable rules related to the leasing procedure process, including requiring submission of proof of the individuals who are occupying the Lot during the lease term, including, but not limited to, submission of drivers' licenses, utility bills, and other indicia of occupancy.

(k) Rules and Regulations. The Board of Directors is authorized to establish reasonable rules and regulations related to the leasing of Lots, including rules for administering and implementing this Section, such as requiring registration of leases with the Board.

(l) Enforcement. Any Owner leasing his or her Lot in violation of this Section, or the rules and regulations promulgated hereunder, may be subject to the imposition of fines, assessment of damages or costs, including legal fees incurred by the Association in any enforcement action, and/or injunctive relief. Owners are also responsible for any violations of the Association's governing documents committed by their tenants and all other occupants under a lease. The restrictions contained in this Section, as with other restrictions, covenants, bylaws and rules and regulations of the Association may be enforced by an action in law or in equity against the Owner, as well as the issuance of fines and suspension of membership privileges pursuant to N.C.G.S. § 47F-3-107.1. The Lot Owner charged shall be given notice of the charge and opportunity to be heard and notice of the decision. If it is decided by the Board that a fine should be imposed, a fine not to exceed one hundred dollars ($100.00) may be imposed for the violation and without further hearing, for each day more than five days after the decision that the violation occurs. Such fines shall be assessments secured by liens under N.C.G.S. § 47F-3-116.

(m) Effective Date; Applicability.

(i) The Owner-occupancy requirement described in Subsection 14(b) and the restrictions related to the ownership of multiple Lots and rental thereof as described in Subsection 14(h) shall not apply to a particular Lot until the first transfer or

conveyance of that Lot to a third party that occurs more than sixty (60) days following the recording of this Amendment and will apply whether such conveyance is voluntary or involuntary.

(ii) The remaining restrictions contained in this Section 14 of the Declaration shall be effective upon recordation of this Amendment and shall apply to all Lots except those Lots subject to a lease or renewal thereof as of the date of recordation of this Amendment. Those Lots subject to a lease or renewal thereof as of the date of recordation of this Amendment, shall become subject to the remaining restrictions contained in this Section 14 upon the termination of that lease or renewal thereof or the conveyance of the Lot to a third-party whichever occurs first.

A Lot subject to a lease or renewal thereof as of the date of recordation of this Amendment shall automatically be granted a Leasing Permit as long as such request is made in writing within sixty (60) days of the date of recording this Amendment. A copy of said lease shall be submitted with the written request for the Board's records.

(iii) All Lots shall be included when calculating whether the Leasing Cap has been reached and determining the availability of a Leasing Permit for other Owners."

2. Except as amended herein, the remaining portions of the Declaration are and shall remain unchanged and in full effect.

3. This Amendment shall be effective upon recordation in the Office of the Wake County Registry of Deeds.

WHEREFORE, the President and Secretary of the Association have hereunto affixed the corporate certification for the purpose of enacting the foregoing Amendment to the Declaration.

[*Signature Page to Follow*]

CERTIFICATION OF VALIDITY OF AMENDMENT TO
DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR
SUNSET GLEN

By authority of its Board of Directors, the undersigned President of Sunset Glen Homeowners Association, Inc., a North Carolina nonprofit corporation, hereby certifies that the foregoing instrument has been duly approved by Lot Owners to which at least sixty-seven percent (67%) of the votes in the Association are allocated, and is therefore, a valid amendment to the existing Declaration of Covenants, Conditions, And Restrictions For Sunset Glen.

SUNSET GLEN HOMEOWNERS ASSOCIATION, INC.,

By: _____
PRESIDENT Aimee Marva

ATTEST:

_____
Secretary

STATE OF NORTH CAROLINA

ACKNOWLEDGEMENT

COUNTY OF WAKE

I, DONALD K AMANN, a Notary Public of the County and State aforesaid, certify that Marc Alumbaugh, personally appeared before me this day and acknowledged that he/she is the Secretary of Sunset Glen Homeowners Association, Inc. and that by the authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President and attested to by its Secretary.

Witness my hand and official stamp or seal, this 21 day of MARCH, 2025.

_____
Notary Public

DONALD K AMANN
Printed Name

My Commission Expires: 8-28-25

DONALD K AMANN NOTARY PUBLIC WAKE COUNTY, NC My Commission Expires 08-28-2025