No cents ($240.00) shall be collected from the purchaser of such Lot and transferred to the Association as part of its working capital. The purpose of the working capital fund is to ensure that the Association will have adequate cash available to meet its initial operating expenses or to acquire additional equipment or services deemed by the Board of Directors to be necessary or desirable. Amounts paid to the Association pursuant to this Section shall not be considered as an advance payment of any regular assessment.

Section 9. Declarant's Obligation to Fund Operating Deficits. During the Declarant Control Period, Declarant shall be obligated to fund any deficit between the normal operating expenses of the Association and the monies received by the Association from the Owners from assessments. Declarant, at its option, may pay such expenses directly to the Person providing the services or materials or pay to the Association the amounts necessary to fund the operating deficit. Any monies paid at any time or by the Declarant for or on behalf of the Association shall be credited against past or future assessments due from the Declarant.

ARTICLE VII
DAMAGE OR DESTRUCTION OF IMPROVEMENTS; INSURANCE

Section 1. Damage or Destruction In the event of the occurrence of any damage or destruction by fire or other casualty to any one or more Dwellings, such damage or destruction shall be repaired or rebuilt in all events. All repair, reconstruction or rebuilding of any Dwelling shall be substantially in accordance with the plans and specifications for such damaged or destroyed Dwelling prior to the occurrence of such damage, or in accordance with such differing plans and specifications as are approved for such purpose by both the Owner of the Dwelling which is to be so repaired, reconstructed or rebuilt, and by the Executive Board. The work of repairing, reconstructing or rebuilding any damaged or destroyed Dwelling shall be completed as soon after the occurrence of such damage or destruction as is reasonably practicable.

Section 2. Insurance. As provided in Section 47F-3-113 of the Act, it shall be the duty of the Association to obtain and maintain in effect at all times a comprehensive policy of public liability insurance. The comprehensive policy of public liability insurance shall have a reasonable amount of coverage, as shall be determined by the Executive Board, and shall provide for such deductibles, as shall be determined by the Executive Board. During the Declarant Control Period, both insurances may be provided by a self-insurance program maintained by the Declarant. No Owner shall make any use of his Lot or Dwelling which would cause an increase in the cost of any insurance policy to the Association.

ARTICLE VIII
ARCHITECTURAL CONTROL

Section 1. Architectural Control.

(a) No building, fence, awning, lawn statute, wall, garage, carport, playhouse, swimming pool, mail-box or other structure shall be commenced, erected or maintained upon any Lot, nor shall any exterior addition to, change in (including, without limitation, any change in the type of roofing material or in the color of the paint, stain or varnish), or alteration of, the Dwelling located on any Lot or any other structure located on any Lot be made until complete and final plans and specifications, setting forth the information hereinafter described, shall have been submitted to, and approved in writing by, the Executive Board as to the harmony of the exterior design and general quality with the existing standards of the improvements located on the other Lots, and as to location in relation to surrounding structures and topography. All plans must meet city zoning and building codes, but it shall not be the responsibility of the Executive Board to determine compliance with same. In the event the Executive Board fails to approve or disapprove such design and location with thirty (30) days after said plan and specifications have been submitted to it, approval will not be required, and this Section 1 of Article VIII will be deemed to have been fully complied with.

(b) The plans and specifications which must be submitted to the Executive Board prior to the alteration or addition to any Dwelling or the commencement of any structure upon any Lot; as hereinabove provided, shall contain at least the following information:

(i) A site plan showing the shape and size of the proposed structure and its location on the Lot on which the same is proposed to be constructed; and

(ii) Building plans of the proposed structure which shall include an exterior elevation drawing of the proposed structure;

(iii) In the case of any fence proposed to be erected on any Lot, a site plan showing the location of the proposed fence and a statement of the material out of which it will be constructed; and

(iv) In the case of the alteration of the exterior of any Dwelling, a complete description of the alteration proposed to be made, including a sample of any varnishes or paints proposed to be used.

(c) The Association shall upon demand at any time, furnish to any member of the Association a certificate in writing signed by an officer of the Association, stating that any building, fence, wall, garage, carport, playhouse, swimming pool, or other structure erected upon such Owner's Lot, or any exterior addition to, change in, or alteration of any Dwelling or other structure owned by such member on a Lot, is in compliance with the provisions of this Section 1 of Article VIII, and such certificate shall be conclusive as to whether the same is in such compliance.

(d) In the event that any construction or alteration work is undertaken or performed upon any Lot without application having been first made and approval obtained as provided in paragraph (a) of this Section 1, said construction or alteration work shall be deemed to be in violation of this covenant, and the Person upon whose Lot said construction or alteration work was undertaken or performed may be required to restore to its original condition, at his sole expense, the property upon which said construction or alteration was undertaken or performed. Upon the failure or refusal of any Person to perform the restoration required herein, the Executive Board, or their authorized agents or employees, may, after fourteen (14) days' notice to such Person, enter upon the property upon which such unauthorized construction or alteration work has been performed, and make such restoration as the Executive Board, in the exercise of its discretion, may deem necessary or advisable. The Person upon whose Lot such restoration work shall have been so performed shall be personally liable to the Association for all direct and indirect costs which the Association shall incur in the performance of such restoration work, and the liability for such cost shall be secured by all the liens, and shall be subject to the same means of collection, as the assessments provided for in Article VI of this Declaration. Such costs shall be paid to the Association by the person liable for the same at the same time as the next due Base Assessment payment, as provided in Section 3 of Article VI of this Declaration, or at such earlier time, and in such installments, as the Executive Board shall determine.

Section 2. Exemption. Notwithstanding anything stated to the contrary herein, nothing contained in this Article VIII shall be construed as prohibiting any construction by the Declarant upon any Lot while such Lot is owned by the Declarant. Any new construction performed upon any Lot while such Lot is owned by the Declarant shall be exempt from the provisions of Section 1 of this Article VIII.

Section 3. Architectural Advisory Committee. The Executive Board shall be authorized but is not required to appoint an architectural advisory committee to advise it and assist it in connection with its performance of its responsibilities under Section 1 of this Article VIII. If such committee is appointed, the functions which it may perform shall include reviewing plans and specifications which are submitted to the Executive Board in connection with proposals to construct or alter improvements upon the Lots and to make recommendations to the Executive Board with respect to such plans and specifications.

ARTICLE IX
RESTRICTIONS

In order to provide for the maximum enjoyment of the Lots and Dwellings located thereon by all of the residents thereof and to provide protection for the value of the same, the use of the Lots and Dwellings located thereon shall be restricted to, and shall be only in accordance with, the following provisions:

Section 1. Single-Family Use. All of the Lots shall be restricted exclusively to single-family residential use. The term "single-family" shall include one or more related

or unrelated adults, as well as the children of any such adults. No Lot shall at any time be used for any commercial, business or professional purpose. Notwithstanding the foregoing, however, nothing set forth in this Section 1 shall prohibit: (a) the Declarant from conducting such sales, leasing and promotional activities on any Lot as said Declarant shall determine (including but not limited to, using any Dwelling as a model home and sales office); (b) the Owner of any Dwelling from using a portion of that Dwelling as an office, provided that such use does not create regular customer or client traffic to and from such Lot and Dwelling located thereon and no sign, logo, symbol or nameplace identifying such business is displayed anywhere on such Lot or (c) the Owner of any Dwelling from renting that Dwelling to residential tenants for a profit.

Section 2. Prohibited Activities. No noxious or offensive activity shall be conducted on any Lot. Each Owner of any Lot, his family, tenants, guests and invitees, shall refrain from any act or use of his property which could reasonably cause embarrassment, discomfort, annoyance or nuisance to any other resident or residents of any other Lot.

Section 3. Nuisances. No nuisance shall be permitted to exist upon any Lot. Without limiting the generality of the foregoing, no exterior speakers, horns, whistles, bells, or other sound devices, except security devices used exclusively for security purposes, shall be located, used or placed on any Lot; or any portion thereof.

Section 4. Garbage and Refuse Disposal. No Lot shall be used in whole or in part for storage or rubbish of any character whatsoever and no trash, rubbish, stored materials, wrecked or inoperable vehicles or similar unsightly items shall be allowed to remain on any Lot outside an enclosed structure; provided however, that the foregoing shall not be construed to prohibit temporary deposits of trash, rubbish and other debris for collections by governmental or private waste services or other similar garbage and trash removal units. In addition, all trash, garbage and other waste shall be stored in sanitary containers in the space provided in the garage or in the fenced area on each Lot designated for sanitary container or public safety authority having a jurisdiction over the Property.

Section 5. Vehicles; Trailers; Boats; Automobiles. No boat, trailer, boat trailer, camper, truck or utility trailer shall be permitted to be openly stored or repaired upon any part of Sunset Glen Property, except with the permission of the Executive Board, and then, only in compliance with all requirements imposed by the Executive Board as a condition to the issuance of such permission. Boats, trailers, boat trailers, campers, trucks and utility trailers may be stored within a garage. No automobile may be parked upon any Lot unless the same is parked on a paved area located on such Lot for such purpose, and the same is in operating condition and has affixed thereon a then current license tag and operating sticker.

Section 6. Animals. No animals, livestock, or poultry of any kind shall be kept or maintained on any Lot or in any dwelling except that dogs, cats or other household pets may be kept or maintained provided that they are not kept or maintained for commercial purposes.

Section 7. Signs. No sign of any kind or character shall be erected on any portion of any Lot, or displayed to the public on any portion of any Lot, without the prior written consent of the Executive Board, except for (a) customary name and address signs (b) one "for sale" sign advertising a Lot for sale and (c) reasonably sized political signs of which the right to display is protected by the North Carolina or United States Constitutions. The restriction herein stated shall include the prohibition of placement of any sign within a Dwelling in a location from which the same shall be visible from the outside and the placement of any sign in or upon any motor vehicle. Notwithstanding the foregoing, the Declarant and it agents, with the prior consent of Declarant, shall have the right to erect and maintain signs of any type and size on any lot which Declarant owns and on the Common Area in connection with the development and sale of the Lots.

Section 8. Antennas; Aerials; Satellite Dishes. Except for such as are covered by, and installed in strict compliance with, the requirements of the Telecommunications Act of 1996, as amended, no outside radio or transmission tower or receiving antenna, including a satellite dish antenna, and no outside television antenna or satellite dish may be erected or installed on or be permitted on his or her Lot without prior written approval of the Executive Board. Even if so approved, so long as reception of any acceptable quality is not precluded, the antenna, aerial, satellite dish or other reception of appropriate size shall be located only on that portion of the Lot which is least visible from public view and shielded so as to minimize any risk and to ensure a nuisance is not created.

Section 9. Clotheslines. No clothesline shall be erected on any portion of any Lot other than inside an area wholly enclosed within a fence.

Section 10. Window Air-Conditioners. No air-conditioner shall be installed in any window of any Dwelling, nor shall any air-conditioner be installed on any Dwelling on any Lot so that the same protrudes through any exterior wall of such Dwelling.

Section 11. Temporary Structures. Subject to the right of the Declarant to promote the sale of Lots, no structure of a temporary character, including, without limitation, any trailer, tent, shack, garage or other building, shall be permitted on any Lot at any time, whether temporarily or permanently, except with the prior written consent of the Executive Board; provided, however, that temporary structures may be erected or placed upon a Lot for use in connection with the repair or construction of structures upon such Lot.

Section 12. Subdivision of Lots. Lots may not be subdivided without the written consent of the Executive Board. The former provision shall not affect the right of the Declarant to alter the boundaries of Lots as provided in Article II, Section 2 of this Declaration.

Section 13. Enforcement by Members. In the event that the Owner of any Lot, or any Person who is entitled to occupy any Lot, shall fail to comply with or abide by any restriction set forth in this Article IX, the Owner of any other Lot who is aggrieved by such failure of compliance or abidance shall have the right to proceed at law or in equity to

compel such Owner or such occupant to comply therewith and abide thereby. Additionally, any Owner of any Lot who, or whose tenant, shall fail to comply with or abide by any such restriction shall be liable for any damages as may be suffered by any other Owner of any Lot as a consequence of such failure.

ARTICLE X
MAINTENANCE OF DWELLINGS, LOTS, AND LANDSCAPING

Section 1. Maintenance by Owner. The Owner of each Lot shall be obligated to maintain and repair in good condition such Lot and the Dwelling constructed thereon, including but not limited to the exterior walls, fence, driveway and landscaping located on that Owner's Lot.

Section 2. Failure of Maintenance. In the event that the Owner of any Lot shall fail to maintain any portion of his Lot, including the Dwelling that is located on such Lot, as required under the terms and provisions of this Article X, the Executive Board shall have the right, exercisable by it or through its agents or employees, and after giving the Owner of such Lot at least five (5) days notice and an opportunity to correct the unsatisfactory condition, to enter upon the Lot, and correct the unsatisfactory condition. The Owner of the Lot upon which such maintenance work is performed by the Association (or its agents or employees) shall be personally liable to the Association for all direct and indirect costs as may be incurred by the Association in connection with the performance of such maintenance work, and the liability for such costs shall be secured by all of the liens, and shall be subject to the same means of collection, as are the assessments and charges provided for in Article VI of this Declaration. In the event that the need for maintenance or repair is caused through the willful or negligent act of the Owner, his family, or tenants, guests, contractors, or invitees, or contract purchasers the cost of such maintenance or repairs shall be added to, and become a part of, the assessment to which such Lot is subject. All such costs shall be paid to the Association by such Owner at the same time as the next due annual assessment payment, as provided in Section 2 of Article VI of this Declaration, or at such earlier time, and in such installments, as the Executive Board shall determine.

ARTICLE XI
AMENDMENT

Section 1. Amendment by Members. The terms provisions, covenants and restrictions of this Declaration may be amended upon the approval of such amendment by (a) those members of the Association who own in the aggregate, no-fewer than sixty-seven percent (67%) of the Lots not owned by the Declarant, (b) the Declarant, if the Declarant shall then own any Lot; and (c) the Institutional Lenders holding Mortgages secured by no fewer than fifty percent (50%) of the Lots (following the rules for Institutional Lenders as provided in Section 1 of Article XII of this Declaration). The approval of any such amendment by the members of the Association shall be given by each such member either by casting a vote in favor of such amendment at a meeting of the members of the Association duly called for such purpose, or by such member signing a written approval of

such amendment after the date on which such meeting was held, notwithstanding anything set forth to the contrary in the Articles of Incorporation or Bylaws.

Section 2. Evidence of Member Approval. Any amendment to the terms, provisions, covenants or restrictions of this Declaration shall become effective only upon the recording with the Wake County Register of Deeds, supported by a Certification signed by the President or Secretary of the Association in substantially the following form:

CERTIFICATE OF SUNSET GLEN HOMEOWNERS ASSOCIATION, INC.

This is to certify that, upon proper notice given a [the] Special [Annual] Meeting of the Members of the SUNSET GLEN HOMEOWNERS ASSOCIATION, INC., was held on [Date and Year] at [Time]. The purpose [One of the purposes] of the meeting, as set forth in the Notice of Meeting, was to: [State action for which Member approval is required.]

At such meeting, at which a quorum was present, in person or by proxy, a total of _____ votes were cast: _____ votes were cast in favor of such action, and _____ votes were cast against such action. Accordingly, the motion to approve [described the action approved] was approved by at least ____% of the Members as required by the Declaration and Bylaws of the Association.

_____
[President/Secretary]

The matters set forth in such instrument shall be presumed to be true and accurate and the amendment which is set forth in such instrument shall be effective, unless it shall be determined by a court of competent jurisdiction that the matters certified to in such instrument are not true and accurate.

Section 3. Amendment by Declarant. Notwithstanding any other provision of this Declaration, the Declarant shall have the right to amend this Declaration without restriction and without the consent or joinder of any other Owner or the Association, for so long as it owns any property which is subject to this Declaration.

Section 4. Acceptance of Amendments. Each person who shall own any Lot, by acceptance of a deed or other conveyance thereto, and by acceptance of such Ownership, and by taking record title thereto, and each holder of a Mortgage upon any portion of any Lot, by acceptance of such Mortgage, thereby agrees that the terms, provisions, covenants and restrictions of this Declaration may be amended as provided in this Article XI.

ARTICLE XII
MISCELLANEOUS

Section 1. Rights Reserved to Institutional Lenders. So long as any Institutional Lender shall hold any Mortgage upon any Lot, or shall be the Owner of any Lot, such Institutional Lender shall have the following rights:

(a) To be furnished with at least one copy of the annual budget of the Association, including a detailed statement of annual carrying charges or income collected and operating expenses, such budget to be furnished within 120 days of the end of each fiscal year.

(b) To be given notice by the Association of the call of any meeting of the membership to be held for the purpose of considering any proposed Amendment to the Declaration, or the Articles of Incorporation and Bylaws of the Association, which notice shall state the nature of the amendment being proposed, and to be given permission to designate a representative to attend all such meetings.

(c) To be given notice of default in the payment of assessments of sixty (60) days or more by any Owner of a Lot encumbered by a Mortgage held by the Institutional Lender, such notice to be given in writing and to be sent to the principal office of such Institutional Lender, or to the place which it or they may designate in writing to the Association.

(d) To inspect the books and records of the Association and the Declaration, Bylaws and any Rules and Regulations during normal business hours and to obtain copies thereof.

(e) To be given notice by the Association of any substantial damage to any part of the Common Elements.

(f) To be given notice by the Association if any portion of the Common Elements is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority.

(g) To be given notice of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

(h) To be given notice of any proposal requiring consent of the Institutional Lender, including but not limited to any proposed amendment to this Declaration under Article XI.

Whenever any Institutional Lender desires the benefits of the provisions of this section, such Lender shall serve written notice of such fact upon the Association by Registered Mail or Certified Mail addressed to the Association and sent to its address stated herein, identifying the Lot upon which any such Institutional Lender holds any Mortgage, or identifying any Lot owned by it, together with sufficient pertinent facts to identify any Mortgage which may be held by it, and which notice shall designate the place to which notices are to be given by the Association to such Institutional Lender.

Notwithstanding any other provision in this Declaration, for any proposal for which Institutional Lender consent is required, the following rules shall apply: (1) any Institutional Lender which has not served notice as provided in the foregoing paragraph shall be deemed to have consented to the proposal; (2) in the case of an abandonment,

encumbrance, sale or transfer of the Common Elements under Article III, Section 5 of this Declaration, an Institutional Lender which has served notice as provided in the foregoing paragraph shall be deemed to have consented to such abandonment, encumbrance, sale or transfer if it has been given notice of the proposal at least thirty (30) days prior to the date on which the transfer or encumbrance will take effect and has not objected to such in writing; (3) in the case of an amendment under Article XI of this Declaration, an Institutional Lender which has served notice as provided in the foregoing paragraph shall be deemed to have consented to such amendment if it has been given notice of the amendment at least thirty (30) days prior to the date on which the amendment will be recorded with the Wake County Register of Deeds and has not objected to such in writing.

Section 2. Failure of Enforcement. In the event that the Association shall fail to enforce the compliance with any of the provisions of this Declaration by the Owner of any Lot, then the Owner of any other Lot shall have the right to file an action in a court of competent jurisdiction for an order from such court requiring that the Association enforce such compliance; provided, however, that decisions to enforce or not enforce this Declaration in a particular case are subject to the business judgment rule; and provided further that in no event shall the Executive Board, or any officer of the Association, or any of their agents, be personally liable to anyone on account of their failure to enforce any of the terms, provisions or restrictions set forth in this Declaration.

Section 3. Waivers. In no event shall the failure by the Association to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, provisions or agreements set forth in this Declaration be construed as a waiver or relinquishment of the future enforcement of any such term, covenant, condition, provision, or agreement. The acceptance of performance of anything required to be performed with knowledge of the breach of a term, covenant, condition, prevision or agreement shall not be deemed a waiver of such breach, and no waiver by the Association of any term, covenant, condition, provision or agreement shall be deemed to have been made unless expressed in writing and signed by a duly authorized officer of the Association.

Section 4. Duration. This Declaration and all of the terms, easements, provisions, liens, charges, restrictions and covenants set forth herein, shall run with and bind the land (the Sunset Glen Property), shall be and shall remain in effect, and shall inure to the benefit of, and be enforceable by the Association, and by any Owner of any Lot, their respective legal representatives, heirs, successors and assigns, perpetually. As provided in §47F-2-103(b) of the Act, the rule against perpetuities may not be applied to defeat any provision of the Declaration, Bylaws, or rules and regulations adopted pursuant to thereto and §47F-3-102(1) of the Act. In the absence of the protection provided in §47F-2-103(b) of the Act, if any provision of this Declaration violates any applicable rule against perpetuities, such provision shall be deemed amended to be and remain in effect for the maximum period of time that such provision could be in effect without violating the applicable rule against perpetuities.

Section 5. Notices. Any notice required to be sent to any member of the Association pursuant to any provision of this Declaration may be served by depositing such notice in the mails, postage prepaid, addressed to the member to whom it is intended, at the

address which such member shall have furnished to the Secretary of the Association in accordance with the Bylaws, or, in the absence of any such address having been so furnished to the Secretary of the Association, at the address of any Lot owned by such member. The date of service shall be the date of mailing.

Section 6. Severability. Whenever possible, each provision of this Declaration shall be interpreted in such manner as to be effective and valid, but if any provision of this Declaration or the application thereof to any person or to any property shall be prohibited or held invalid, such prohibition or invalidity shalt not affect any other provision or application, and to this end the provisions of this Declaration are declared to be severable.

Section 7. Enforcement. Notwithstanding any other enforcement method provided for in this Declaration, enforcement of these covenants and restrictions may be by any proceeding at law or in equity against any person or persons or other entities violating or attempting to violate any covenant or restriction, either to restrain violation or to recover damages, and against the Lots, to enforce any liens created by this Declaration.

Section 8. Successors to Declarant. In no event shall any person or other entity succeeding to the interest of the Declarant by operation of law or through purchase of the Declarant's interest in all or any portion of Sunset Glen Property at foreclosure, sale, under power or by deed in lieu of foreclosure, be liable for any act, omission or matter occurring, or arising from any act, omission or matter occurring, prior to the date such successor succeeded to the interest of the Declarant.

Section 9. Conflicts. In the event of a conflict between this Declaration and the Article of Incorporation of the Association, the Articles of Incorporation shall control. In the event of a conflict between this Declaration and the Bylaws, this Declaration shall control. Specific provisions shall control general provisions. Notwithstanding the foregoing, a construction consistent with the Act and the North Carolina Nonprofit Corporation Act (N.C.G.S. Chapter 55A) shall in all cases control over any construction inconsistent therewith.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed by its duly authorized officer on the day and year indicated in the notary acknowledgment below.

BILL CLARK HOMES OF RALEIGH, LLC

By: Don FS
Print Name: DON FRALEY, JR.
Print Title: DIVISION MANAGER

NORTH CAROLINA
WAKE COUNTY

I, the undersigned, a Notary Public for said County and State, do hereby certify that Donald F. Fraley, Jr., personally appeared before me and acknowledged that he/she is the Manager of Bill Clark Homes of Raleigh, LLC, and that he/she as Manager being authorized to do so, executed the foregoing on behalf of the Company.

Witness my hand and seal, this 20th day of January, 2017.

Notary Public

My Commission Expires: 9-17-2020



EXHIBIT A

Lying and being in the Town of Fuquay-Varina, Middle Creek Township, Wake County, North Carolina and being more particularly described as follows:

All of Lots 1-46 and all parcels identified as "Open Space" in Sunset Glen Subdivision, as shown on a map recorded in Book of Maps 2016, Pages 1613-1616, Wake County Registry (the "Plat").

The foregoing specifically does not include that parcel identified on the Plat as "Town of Fuquay-Varina Sewer Lift Station Lot".