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BOOK 3139 PAGE 349

PREPARED BY RICHARD WIGGINS, ATTORNEY

STATE OF NORTH CAROLINA
COUNTY OF CUMBERLAND

AMENDMENT TO DECLARATION OF
COVENANTS, CONDITIONS AND
RESTRICTIONS OF KAREN LAKE
TOWNHOMES

This is an Amendment to the Declaration of KAREN LAKE TOWNHOMES, made this 4th day of March, 1986, by PRESTIGE HOMES OF FAYETTEVILLE, INC., a North Carolina corporation, hereinafter referred to as "Declarant";

W I T N E S S E T H :

WHEREAS, heretofore on the 5th day of February, 1986 Declarant caused to be executed a Declaration subjecting properties described therein to the easements, restrictions, covenants and conditions which were set forth in said Declaration; and

WHEREAS, Declarant wishes to amend Sections 5 of said Declaration to read as follows:

Section 5. Insurance. It shall be the duty of the Association to maintain in effect liability insurance as follows:

- a. Amount and Scope of Insurance. The Association shall obtain public liability insurance, as from time to time may be required by private institutional mortgage investors for projects similar in construction, location and use as the properties and the improvements thereon all under the terms and conditions as the responsible authority may determine. In any event, however, the Association shall procure liability coverage for an amount which shall adequately insure the Association against legal liability for property damage, bodily injuries, and death of person in connection with the operation, maintenance or use of the common areas.
- b. Premiums. All insurance policy premiums on the property for the benefit of the Association purchased by the Board of Directors are as designee, and any deductibles payable by the Association upon loss shall be a common expense and the Association shall levy against the owners equally as an additional annual assessment (herein called "insurance assessment"), which shall be in addition to the amounts provided for under Section 3 above, an amount sufficient to pay the annual cost of such liability insurance premiums.
- c. Proceeds. All insurance policies purchased pursuant to these provisions shall provide that all proceeds thereof shall be payable to the Board as Insurance Trustee, or to such Attorney at Law, or institution with trust powers as may be approved by the Board of Directors.
- d. Policies. All insurance policies purchased by the Board of Directors shall be with a company or companies permitted to do business in the State of North Carolina and holding a rating "A" or better by the current issue of Best Insurance Reports. All insurance policies shall be written for the benefit of the Board of Directors and the lot owners as their respective interest may appear; and

WHEREAS, this Amendment of Declaration has been approved by the Board of Directors of the Association in accordance with Section 4 (a) of the Declaration.

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REGISTERED DEEDS
CUMBERLAND COUNTY NC

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NOW, THEREFORE, Declarant hereby reaffirms and declares that all of the properties described in the original Declaration which is a record in Book 3132, page 110, Cumberland County Registry, shall be held, sold and conveyed subject to the easements, restrictions, covenants, and conditions as set forth therein except as herein amended, which are for the purpose of protecting the value and desirability of, and which shall run with the real property and be binding on all parties having any right, title or interest in the properties described in the original Declaration, or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

IN WITNESS WHEREOF, this Amendment to Declaration has been executed in behalf of PRESTIGE HOMES OF FAYETTEVILLE, INC. by its Officers which have caused this instrument to be executed in its Corporate name, its Corporate seal affixed by its duly authorized Officers as of the day and year first above written.

PRESTIGE HOMES OF FAYETTEVILLE, INC.

By: [Signature]
President

ATTEST:

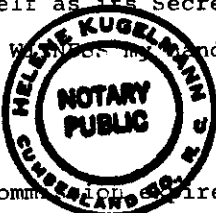
[Signature]
Secretary

(corporate seal)

STATE OF NORTH CAROLINA

COUNTY OF CUMBERLAND

I, Helene Kugelmann, a Notary Public in and for the aforesaid County and State do hereby certify that MARGARETE KOENIG personally appeared before me this day and acknowledged that she is the Secretary of PRESTIGE HOMES OF FAYETTEVILLE, INC., a North Carolina corporation, and that by authority duly given and as the act of the said corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by herself as its Secretary.



and notarial seal, this 4th day of March, 1986.

Helene Kugelmann
Notary Public

My Commission Expires:

10 Dec 89

NORTH CAROLINA, CUMBERLAND COUNTY

The foregoing or annexed certificate of Helene Kugelmann

Notary Public/Notaries Public is/are certified to be correct.

This instrument was presented for registration and recorded in this Office at Book 3139 Page 349

This 5 day of March 19 86 at 4:47 o'clock P M.

George E. Tatum
Register of Deeds

By [Signature]
Deputy Register of Deeds