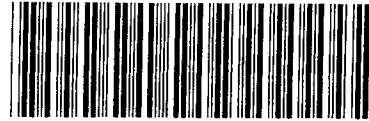


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FOR REGISTRATION REGISTER OF DEEDS
Judy D. Martin
Moore County, NC
October 26, 2006 12:49:50
Book 3119 Page 425-448
FEE: \$83.00
INSTRUMENT # 2006021222



INSTRUMENT # 2006021222

**AMENDMENT AND RESTATEMENT OF DECLARATION OF CONDITIONS,
RESTRICTIONS, COVENANTS, AGREEMENTS AND EASEMENTS
FOR
CAROLINA EQUESTRIAN VILLAGE**

**THIS AMENDMENT AND RESTATEMENT OF DECLARATION OF
CONDITIONS, RESTRICTIONS, COVENANTS, AGREEMENTS AND EASEMENTS OF
CAROLINA EQUESTRIAN VILLAGE** (the "Amendment and Restatement") is made the 15th
day of October, 2006 by and between **All Of The Owners of Property in Carolina Equestrian
Village** (the "Owners") and **The Carolina Equestrian Village Owners Association, Inc., a North
Carolina non-profit corporation** (the "Association").

W I T N E S S E T H:

WHEREAS, the developer of the property known as Carolina Equestrian Village, as shown
on various Plats filed in the Moore County Registry, filed a Declaration of Protective Covenants in
Book 396, Page 728 of the Moore County Registry (the "Declaration", as amended); and

WHEREAS, the Declaration was amended in Book 399, Page 681, Book 429, Page 382 and
Book 1028, Page 280, Moore County Registry; and

WHEREAS, a vote of the Owners was taken by written ballot pursuant to NCGS §55A-7-
08 after a meeting of the Board of Directors authorizing the Officers to amend the Declaration after
approval of the Owners, and to file an Amendment and Restatement of Declaration of Conditions,
Restrictions, Covenants, Agreements and Easements of Carolina Equestrian Village (the
"Amendment and Restatement"); and

WHEREAS, a majority of the Owners of the property in Carolina Equestrian Village have
responded and approved the Amendment and Restatement as per the requirements in the
Declaration, and the Vote documentation is filed with the Corporate Secretary.

NOW, THEREFORE, the Officers of the Association hereby publish this Amendment and Restatement for the purpose of filing the new Amendment and Restatement on the public record in Moore County, North Carolina.

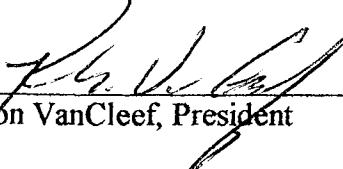
This Amendment and Restatement is intended to replace the prior Declaration and its amendments in their entirety and any reference to the Declaration shall mean this Amendment and Restatement as further amended from time to time.

HENCEFORTH, any reference to the "Declaration" or Conditions, Restrictions, Covenants, Agreements and Easements of Carolina Equestrian Village shall mean the Amendment and Restatement which is attached hereto and incorporated by reference and this Amendment and Restatement shall run with the Land and bind All Present and Future Owners of property in Carolina Equestrian Village.

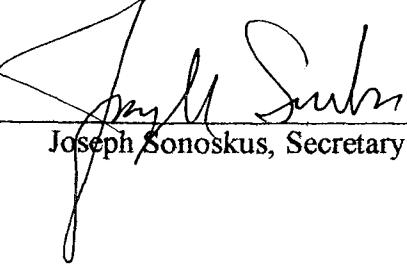
Attached to this Amendment and Restatement are the Bylaws approved by the Board of Directors for filing with this Amendment and Restatement, which have been duly adopted by the Board of Directors and approved by the Vote of the Members of the Association.

IN WITNESS WHEREOF, the duly authorized Corporate Officers hereby execute this Amendment and Restatement the 19 day of October, 2006.

**CAROLINA EQUESTRIAN VILLAGE OWNERS
ASSOCIATION, INC.**

By: 

Ron VanCleef, President

By: 

Joseph Sonoskus, Secretary

AMENDMENT AND RESTATEMENT
TO BY-LAWS OF
CAROLINA EQUESTRIAN VILLAGE OWNERS ASSOCIATION

ARTICLE I. OFFICES

Section 1. Name and Purpose. The name of the Association shall be Carolina Equestrian Village Owners Association, Inc. and the Association is organized for the purpose of complying with the covenants and restrictions dedicated and established to govern and control Carolina Equestrian Village, a subdivision of a certain tract or parcel of real property situated in Bensalem Township, Moore County, North Carolina, for carrying out the statement of purposes contained in the Articles of Incorporation, and for all such other lawful purposes.

Section 2. Covenants and Restrictions. The covenants and restrictions affecting said property appear of record in the office of the Register of Deeds of Moore County in Deed Book 396, at Page 728; Deed Book 1028, at Page 280; Deed Book 399, at Page 681; Deed Book 429, at Page 382, and Deed Book 541, at Page 594, and as the same may be amended from time to time.

Section 3. Non-Profit Status. The Association shall be a nonprofit corporation established pursuant to Chapter 55A, the Non-Profit Corporation Act of North Carolina as appears of record in the General Statutes of North Carolina.

Section 4. No Pecuniary Benefit to Members. No part of the net earnings of the Association shall inure to the benefit of any officer, director or member of the Association. Upon dissolution of the Association, the assets of the Association shall be, after due provisions have been made for the satisfaction of all liabilities and obligations of the Association, distributed to another association or associations organized for purposes substantially similar to the purposes for which this Association was organized.

Section 5. Principal Office. The principal office of the Association shall be located in Carolina Equestrian Village, Carthage, Moore County, North Carolina 28327.

Section 6. Registered Office. The registered office of the Association required by law to be maintained in the State of North Carolina may be, but need not be, identical with the principal office. Mailing address shall be Post Office Box 753, West End, North Carolina 27376.

ARTICLE II. MEMBERS

Section 1. Membership Based on Lot Ownership. Each owner of a lot in the Subdivision, upon the recordation of a deed to such lot, shall become a member in the Association for so long as such person shall be a owner of such lot. Each lot shall be deemed to have only one (1) owner

regardless of the number of persons owning undivided interests therein. The Grantor shall be a member of the Association with respect to all lots until such time as a land contract or deed shall be recorded to effectuate a conveyance of or to create an interest in such lot in some person or entity other than the Grantor. Membership in the Association shall consist of two classes. One class, designated Class A membership, shall consist of all persons, other than Grantor, who are the record owners of Lots in the Subdivision. Each Class A member shall be entitled to one vote on any matter presented for a vote to the membership provided that there still be no more than one vote for each Lot owned by a Class A member. The other class, designated Class B membership, shall consist of the Grantor, its successors or assigns, which shall be entitled to one-third (1/3rd) of a vote for each Lot owned by it at any such meeting of the membership. No additional votes may be created by the filing of any plat or the re-subdivision of any lot shown on any existing filed plat of Carolina Equestrian Village by the owners and developers, James L. Frith, Jr. and Bonnie L. Frith, or their successors or assigns. Eligible voting member shall be all those owners who remain in good and current standing. All persons or entities whose Association assessments are fully paid on all lots owned, shall be deemed members in good standing and shall be entitled to vote and the use of the facilities (pool, tennis courts, barn, lakes, trails, etc.).

Section 2. Lot Definition. A lot shall mean and refer to any numbered plot of land as shown on the plats of the subdivision as appear of record in the office of the Register of Deeds and must be of such a size and configuration so that said parcel or tract contains a building site for a single family detached residence suitable for issuance of all necessary permits for health, zoning and building of any such residence. Division of a parcel for the sole purpose of increasing relative rights within this Corporation shall not be recognized.

Section 3. Death of a Member. Upon the death of any Class A member or Class B member, that member's respective vote and interest shall pass to his heirs or devisee in the same manner and in the same proportion as his heirs or devisee and have an ownership interest in said property.

Section 4. Membership as an Incident of Ownership. Membership in the Association and the share of an owner in the funds and assets of the Association shall be construed as incidents of ownership of lots in the subdivision and shall not under any circumstances be assigned or transferred except as title to each lot shall be assigned, mortgaged or transferred. No mortgagee or beneficiary in a Deed of Trust or other lienor on any of said lots shall become a member of the Association until he or it shall have first foreclosed said security or otherwise obtained title and became the owner of record of said lot. All members shall report any change in ownership immediately upon the occurrence of such change to the Board of Directors of the Association.

ARTICLE III. MEETINGS OF MEMBERS

Section 1. Place of Meetings. All meetings of members shall be held at the principal office of the Corporation, or at such other place, within Moore County, North Carolina, as shall be designated in the notice of the meeting or agreed upon by a majority of Members entitled to vote there at.

Section 2. Annual Meetings. The annual meeting of members shall be held during the months of

September or October of each year on such date and at such time and place as shall be designated in the notice of meeting as voted upon by a majority of the then Board of Directors. At such annual meeting, the election of directors of the Association, and the transaction of such other business as may be properly brought before the meeting may be considered.

Section 3. Special Meetings. Special meetings of the members may be called at any time by the President or by the Board of Directors of the Association, or by any Member pursuant to the written request of not less than one-tenth of all the members entitled to vote at the meeting.

Section 4. Notice of Meetings. Written or printed notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, not less than twenty (20) days nor more than sixty (60) days before the date of such meeting, to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 5. Voting. Each Member entitled to vote shall be entitled to one vote per lot owned by such Member. In no event shall more than one vote per lot be cast. Members who are not in good standing, that is delinquent in dues and/or assessments on any lots owned, shall not be entitled to vote. Voting on all matters shall be by voice vote or by a show of hands, except for the voting on Board members, which shall be by ballot only, unless the holders of one-tenth (1/10th) of the votes represented at the meeting shall, prior to the voting on any matter, demand a ballot vote on that particular matter.

Section 6. Proxies. Any member may vote in person or by proxy executed in writing by the member or his duly authorized attorney in fact. The form and sufficiency of a proxy shall be subject to determination by the Board of Directors and the action of the Board of Directors in allowing or denying any particular proxy shall be final.

Section 7. Quorum. A quorum shall consist of one twentieth (1/20th) of the votes entitled to vote represented in person or by proxy at a meeting of members. If there is no quorum at the opening of a meeting of members, there can be no meeting.

Section 8. Record of Members. The Treasurer shall keep a record of membership. A list of members showing name, address, and lot ownership shall be available for inspection and copying at any time. Members are responsible for notifying the Board of Directors of Carolina Equestrian Village on any changes to their current mailing address and telephone number. Records in the office of the Register of Deeds shall be searched prior to giving notice of the annual meeting in order to determine any unreported changes in membership and certification thereof made at the annual meeting.

Section 9. Mail Ballots. Any action that may be taken at any annual, regular, or special meeting of the members may be taken without a meeting if the Association delivers a written ballot to every member entitled to vote on the matter in accordance with N.C.G.S 55A-7-08, or the

corresponding section in any future act or statute.

ARTICLE IV. BOARD OF DIRECTORS

Section 1. General Powers. The business and affairs of the Association shall be managed by its Board of Directors who must be voting members in good standing. A voting member in good standing is one whose Association assessments are fully paid on all lots owned.

Section 2. Number, Term and Qualifications. The number of Directors of the Association shall be either three (3), five (5), or seven (7), as determined at the annual meeting of the members. Each director shall hold office for three (3) years, initially staggered, or until his/her death, resignation, retirement, removal, disqualification, or his successor is elected.

Section 3. Election of Directors. Except as provided in Section 6 of this article, a slate proposed by the Nominating Committee shall be presented for election at the annual meeting of Members by written ballot. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Section 4. Nominating Committee. A Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two members of the Association. The Nominating Committee shall make as many nominations for election to the Board of Directors, but not less than the number of vacancies that are to be filled. Candidates for election to the Board of Directors will be chosen from the membership. Members must be willing to serve and be members in good standing whose Association assessments are fully paid on all lots owned.

Section 5. Removal. Any Director may be removed at any time with cause by a majority vote of the Members entitled to vote at an election of Directors. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor. The Members may elect a director at any time to fill any vacancy not filled by the Directors.

Section 6. Vacancies. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote or majority of the remaining directors even though less than a quorum, or by the sole remaining director. A director elected to fill a vacancy shall be elected for the unexpired term of this predecessor in office. Any directorship to be filled by reason of an increase in the authorized number of directors shall be filled only by election at an annual meeting or at the special meeting of Members called for that purpose.

Section 7. Chairman of the Board. The President of the Association elected by the Directors

from their number at any meeting of the Board, shall serve as Chairman of the Board of Directors, and shall preside at all meetings of the Board of Directors and perform such other duties as may be directed by the Board.

Section 8. Compensation. The Board of Directors shall not compensate directors for their services as such but may provide for the reimbursement of any or all reasonable expenses incurred by directors.

Section 9. Indemnification. Each director, officer, and member of the Architectural Committee or Nominating Committee, now or hereinafter in office and his heirs, executors and administrators, shall be indemnified by the Association against all costs, expenses, and amounts of liability imposed on him in connection with or resulting from any action, suit, proceeding or claim to which he may be a part or which may be asserted against him, or in which he may be made a party or which may be asserted against him, or in which he may be or become involved by reason of his acts of omission or commission, or alleged acts of omission or commission, provided such actions are undertaken for the Association in good faith and without personal malice detrimental to third parties.

ARTICLE V. MEETING OF DIRECTORS

Section 1. Regular Meetings. A regular meeting of the Board of Directors shall be held within thirty (30) days after the annual meeting. In addition, the Board of Directors may provide the time and place within Moore County, North Carolina for the holding of additional regular meetings.

Section 2. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two directors.

Section 3. Notice of Meeting. Regular meetings of the Board of Directors may be held without notice. The person or persons calling a special meeting of the Board of Directors shall, at least three days before the meeting, give notice thereof by any usual means of communication. Such notice must specify the purpose for which the meeting is called.

Section 4. Waiver of Notice. Any Director may waive notice of any meeting. The attendance by a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 5. Quorum. A majority of the Directors fixed by these bylaws shall be necessary to constitute a quorum for the transaction of business at any meeting of the Board of Directors.

Section 6. Manner of Acting. Except as otherwise provided in these bylaws, the act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 7. Presumption of Assent. A director of the Association who is present at a meeting of the Board of Directors at which action on any matter is taken shall be presumed to have assented to the action taken unless his contrary vote is recorded or his dissent is otherwise entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

Section 8. Informal Action by Directors. Action taken by a majority of the Directors without a meeting is nevertheless Board action if written consent to the action in question is signed by the Directors and filed with the minutes of the proceedings of the Board, whether done before or after the action so taken. Directors may meet by telephone or any other electronic means as long as all Directors are able to hear and communicate with all other Directors.

ARTICLE VI. OFFICERS

Section 1. Officers of the Association. The officers of the Association shall consist of a President, a Secretary, a Treasurer and such Vice-Presidents, Assistant Secretaries, Assistant Treasurers, and other officers as the Board of Directors may from time to time elect. No two or more offices may be held by the same person. A director, however, may also serve as an officer.

Section 2. Election and Term. The officers of the Association shall be elected by the Board of Directors at its first meeting following the election of the Board of Directors at the annual meeting of members.

Section 3. Compensation of Officers. No Officer shall be compensated for his services, but he may be reimbursed by the Board of Directors for any and all reasonable expenses incurred in the performance of his duties.

Section 4. Removal. Any officer elected or appointed by Board of Directors may be removed from their position as an officer, by the Board whenever in its judgement the best interests of the Association will be served thereby; but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 5. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as the Board may, from time to time, determine.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. President. The President shall be the principal executive officer of the Corporation and, subject to the control of the Board of Directors, shall supervise and control the management

of the Corporation in accordance with these bylaws. He shall, when present, preside at all meetings of members. He shall sign, with any other proper officer, any deeds, mortgages, bonds, contracts, or other instruments which may be lawfully executed on behalf of the Corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be delegated by the Board of Directors to some other officer or agent; and, in general, he shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 8. Vice-Presidents. The Vice-Presidents in the order of their election, unless otherwise determined by the Board of Directors, shall, in the absence of disability of the President, perform the duties and exercise the powers of that office. In addition, they shall perform such other duties and have such other powers as the Board of Directors shall prescribe.

Section 9. Secretary. The Secretary shall keep accurate records of the acts and proceedings of all meetings of members and directors. He shall give all notices required by law and by these bylaws. He shall have general charge of the corporate books and records and of the corporate seal, and he shall affix the corporate seal to any lawfully executed instrument requiring it. He shall sign such instruments as may require his signature, and in general, shall perform all duties incident to the office of Secretary and such other duties as may be assigned him from time to time by the President or by the Board of Directors.

Section 10. Treasurer. The Treasurer shall have custody of all funds and securities belonging to the association and shall receive, deposit or disburse the same under the direction of the Board of Directors. He shall keep full and accurate accounts of the finances and he shall cause a true statement to be made of its assets and liabilities every three months and as of the close of each fiscal year and of the results of its operations for such fiscal year all in reasonable detail. He shall have general charge of the membership records of the Corporation and shall keep a record of members showing the name, address and lot ownership. The Treasurer shall in general perform all duties incident to his office and such other duties as may be assigned to him from time to time by the President or by the Board of Directors.

Section 11. Assistant Secretaries and Treasurers. The Assistant Secretaries and Treasurers shall in the absence or disability of the Secretary or the Treasurers respectfully perform the duties and exercise the powers of those officers and they shall in general perform such other duties as shall be assigned to them by the Secretary or Treasurer, respectively, or by the President or the Board of Directors.

ARTICLE VII. ARCHITECTURAL COMMITTEE

In order to assure an aesthetically pleasing and compatible residential community at Carolina Equestrian Village, the Association has established a standing committee called the Architectural Committee. The design philosophy of the Architectural Committee is to maintain as much of the natural beauty of the existing topography afforded Carolina Equestrian Village as possible. The Committee will deter from the traditional suburban development approach that

dictates a row effect and attempt to have houses interspersed with the natural lay of the land.

Section 1. General Powers. The architecture of homes, other structures, and improvements thereto, shall be controlled by an Architectural Committee as set forth in Article III of the Amendment and Restatements of Conditions, Restrictions, Covenants, Agreements and Easements of Carolina Equestrian Village Owners Association.

ARTICLE VIII. CONTRACTS, LOANS AND DEPOSITS

Section 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

Section 2. Loans. No loans shall be contracted on behalf of the Association and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 3. Checks and Drafts. All checks, drafts or other orders for the payment of money, issued in the name of the Association, shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors. The Treasurer is authorized to spend up to one hundred dollars (\$100.00) total without prior approval by the Board of Directors.

Section 4. Deposits. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such depositories as the Board of Directors may select.

Section 5. Independent Review of Financial Records. An independent audit will be performed every 3 years by a certified public accounting firm.

ARTICLE IX. DUES AND ASSESSMENTS

Section 1. Dues and Assessments. All Lots included in the plat of the Subdivision, which has been mapped and recorded, except streets, parks and common areas maintained for the general use of the owners of Lots in the Subdivision, shall be subject to an annual maintenance charge (assessment) to be paid by such owners annually in advance on the first day of each year. The annual assessments shall be established for each owner of a developed lot and for each owner of an undeveloped lot. A developed lot will be assessed at a higher rate. Dues shall be assessed per lot and the full amount of the charge for dues and assessments shall be paid by each lot regardless of the ownership thereof, provided however, that Class B members who owns an undeveloped lot shall make payment only at a rate one third (1/3) as great as that charged Class A member who owns an undeveloped lot. A Class B member who owns a developed lot will pay the same amount of dues and assessments as a Class A member who owns a developed lot.

Section 2. Amount of Dues and Assessments. The amount of such annual dues and assessment charge shall be established and may be adjusted from year to year as provided in the Amended and Restatement Declaration. However, if any motion to increase the dues and/or assessments shall be defeated at the annual meeting, such dues and assessments shall continue at the previous annual rate until changed by the membership at a duly called meeting.

Section 3. Use of Dues and Assessments. Dues and assessments shall be used for the purposes as set out in the Amended and Restatement Declaration, the Articles of Incorporation and the Bylaws and for such other lawful purposes as are necessary to accomplish these purposes.

Section 4. Dues and Assessments are Lien. Any dues and assessments shall be a lien and encumbrance upon the lot with respect to which said dues and assessments were charged. The owner or purchaser of any Lot in the Subdivision shall be accepting title to or by accepting a land contract to any such lot agree that he shall be liable from the time of acquiring such title or such land contract vendee's interest for all such charges falling due thereafter during the term of such period of ownership. A statement in writing setting forth such charges shall be periodically issued by the Association and shall be delivered to any owner or purchaser for such charges. Lot owners who are delinquent in payments will be charged a \$25.00 late fee, costs of collection and shall accrue interest at the rate of nine percent (9%) per annum from the date due until paid. The Board of Directors shall establish the date on which dues and assessments shall be due.

Section 5. Delinquent Dues. Members who fail to pay dues by their due date shall forfeit all rights to the use of Association facilities and to participate in or to vote at meetings of members. Delinquency cured by the payment of dues shall result in immediate reinstatement of a members forfeited right.

ARTICLE X. GENERAL PROVISIONS

Section 1. Seal. The corporate seal of the Association shall consist of two concentric circles between which is the name of the Association and in the center of which is inscribed SEAL; and such seal, as impressed on the margin hereof, is hereby adopted as the corporate seal of the Association.

Section 2. Waiver of Notice. Whenever any notice is required to be given to any member or director under the provisions of the North Carolina Non-Profit Corporation Act or under the provisions of the charter or bylaws of this Corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

Section 3. Fiscal Year. Unless otherwise ordered by the Board of Directors, the fiscal year of the Corporation shall be from January 1 to December 31.

Section 4. Amendments. Except as otherwise provided herein, these bylaws may be amended or repealed and new bylaws may be adopted by the affirmative vote of a majority of the Members of the Association.

Section 5. Robert's Rules of Order. Meetings of members and directors shall be conducted pursuant to Robert's Rules of Order except that these Bylaws, and the Articles of Incorporation and the laws of North Carolina shall prevail over Robert's Rules of Order when in conflict. [end of Bylaws:]

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