

THE STATE OF T E X A S |
 |
COUNTY OF MONTGOMERY |

KNOW ALL MEN BY THESE PRESENTS:

THAT, FAR HILLS CORPORATION, a Texas corporation, referred to herein as "Developer", is the owner of all of the lots, reserve areas and other parcels of land in Far Hills, a subdivision in the Elijah Collard League, Abstract No. 7, Montgomery County, Texas, according to the map or plat thereof recorded in Volume 7, Page 355, of the Map Records of Montgomery County, Texas, to which map or plat reference is here made for a full description of said properties, subject only to the streets, drainage, utilities and other easements indicated on said plat;

Developer desires to create and carry out a uniform plan for the improvement, development and sale of all of the lots in the subdivision for the benefit of the present and future owners of said lots, and for the protection of the property values therein; and, to that purpose, Developer hereby adopts and establishes the following dedications, reservations, restrictions, covenants, conditions and easements to apply uniformly to the use, improvement, occupancy and conveyance of all lots in the subdivision, including the roads, avenues, streets and waterways therein; and each contract or deed which may be hereafter executed with regard to any of the lots in the subdivision shall conclusively be held to have been executed, delivered and accepted subject to the following covenants, restrictions, limitations and provisions (regardless of whether or not the same are set out in full or by reference in said contract or deed):

SUBDIVISION RESTRICTIONS

1. USE: None of the lots or improvements thereon shall be used for anything other than single-family, private residential purposes (except where noted herein). After the construction of such residence, it

is understood that there may be constructed a garage, servants' and/or guests' quarters, so long as the same are used in conjunction with such single-family private residence. No such residence or appurtenant structure shall be over two stories in height.

2. LOT AREA: After the original sale by Developer, no lot shall be re-subdivided without specific approval in writing of the Architectural Control Committee; and not more than one single-family dwelling shall be constructed on any lot.

3. ARCHITECTURAL CONTROL COMMITTEE: The Architectural Control Committee is composed of Homer L. Bruce, Jr., Parker H. Scott, Constance H. Bruce and Pauline R. Scott, all of Houston, Texas. The Developer may fill vacancies in the committee or may change the membership of the committee from time to time, and the Developer may assign the right and authority to designate the members of such committee and take over all of the rights and duties imposed upon such committee to the Property Owners Association, to be formed as hereinafter provided. It shall be the purpose of the committee, in reviewing plans, specifications and plot plans, to insure, for all owners, harmony of external and structural design and quality with existing structures and with the overall intended quality of the subdivision. The Committee shall have the right to designate a representative to act for it in all matters arising hereunder.

4. STRUCTURES:

(a) Lots 1 - 45, inclusive:

No dwelling shall be erected or permitted to remain on any one of the above lots having a floor area of less than 1,000 square feet (when measured to exterior walls) exclusive of garages, servants' and/or guests' quarters.

(b) Lots 46 - 56, inclusive:

No dwelling shall be erected or permitted to remain on any one of the above lots having a floor area of less than 800 square feet (when measured to the exterior walls) exclusive of the garages, servants' and/or guests' quarters.

(c) No two-story dwelling shall be erected or permitted to remain on any lots of the subdivision having a ground floor area of less than 800 square feet (when measured to the exterior walls) exclusive of garages, servants' and/or guests' quarters.

(d) Subject to the provisions of this subparagraph and subparagraphs (e) and (f), next below, no dwelling, garage, servants' and/or guests' quarters shall be located on any lot nearer to the lot lines than the following:

<u>Lot Nos.</u>	<u>Side Lines</u>	<u>Front Lines</u>	<u>Rear Lines</u>
1-20	10 ft.	40 ft.	50 ft.
21-45, 52-56	10 ft.	35 ft.	10 ft.
46-51	10 ft.	35 ft.	20 ft.

Lots 1-20, 21-32, 39, 42-45, inclusive, shall be construed to front on Valley Drive South. Lots 33-38, 40, 41, 46-50, inclusive shall be construed to front on Crest Drive. Lots 51-56, inclusive, shall front on Cude Cemetery Road.

All houses on Lots 1-20, inclusive, shall face the rear of the lots (the shoreline of proposed Lake Conroe). All houses on Lots 21-32, 39, 42-45, inclusive, shall face Valley Drive South. All houses on Lots 33-38, 40, 41, 46-50, inclusive shall face Crest Drive; and all houses on Lots 51-56, inclusive, shall face Cude Cemetery Road.

No dwelling, garage, servants' and/or guests quarters shall be located on Lots 32 and 33 nearer than twenty-five (25') feet to the side line on Crest Drive, and on Lot No. 39, no such improvement shall be located nearer than thirty-five (35') feet to the side line of such lot on Crest Drive.

(e) If one structure is constructed on a homesite consisting of more than one lot, the combined area, for the purposes of these restrictions, shall be considered to be one lot.

(f) The set back lines may be relaxed by the Architectural Control Committee if the above described distances are not feasible considering the terrain of a particular lot.

(g) No improvements shall be placed or altered or added to on any lot until the building plans, specifications and plot plan showing the location of such improvements, alteration or addition on the lot have been approved in writing by the Architectural Control Committee. In the event the Architectural Control Committee disapproves of any such plans, notice of such disapproval shall be by delivery in person or by registered or certified mail addressed to the

party submitting the same at an address which must be supplied with the submission. Any such notice must set forth in detail the elements disapproved, and the reason or reasons therefor, but need not contain suggestions as to methods of curing any matters or things disapproved. The judgment of the Architectural Control Committee in this respect, in the exercise of its discretion, shall be final and conclusive. If said committee fails to approve or disapprove said plans, specifications and/or plot plans within thirty (30) days after the same have been submitted to it, it will be presumed that the same have been approved.

(h) No improvement shall be used or occupied until the exterior thereof, as approved pursuant to paragraph (g) above, and sanitary sewage disposal facilities (complying with paragraph 14 below) are completely finished.

(i) No trailer, tent, shack, garage, barn or any structure of a temporary nature or character, shall, at any time, ever be used as a residence, temporary or permanent; nor shall any structure of a temporary character ever be used in any way or moved onto or permitted to remain on any lot, except during the construction of permanent improvements.

(j) With reasonable diligence, and in all events within six (6) months from the commencement of construction (unless completion is prevented by war, strikes, or act of God) any dwelling shall be completed as to its exterior and all temporary structures removed.

(k) No fence, wall or hedge shall be built nearer to any street than the building set back line for such lot, except on Lots 1-20; and no radio or television aerials shall be built on any lot nearer to the street than such lot's set back lines.

5. SIGNS: No "For Sale" nor any "For Rent" or other signs or advertisement shall be displayed on any lot without the prior written approval of the Architectural Control Committee; provided, however, that a sign showing the lot number and/or street number and/or to whom such lot has been sold or by whom it is occupied may be placed thereon by Developer or by the occupant.

6. NUISANCES: No noxious or offensive activity shall be carried on or maintained on any lot in the subdivision, nor shall anything be done or permitted to be done thereon which may be or become a nuisance in the neighborhood or contrary to law.

7. FIREARMS: The use or discharge of firearms is expressly prohibited in the subdivision, except in the protection of home and family.

8. GARBAGE AND TRASH DISPOSAL: No lot shall be used as a dumping ground for rubbish. Trash, garbage and other waste shall be kept in sanitary containers and no food, metal material, glass material nor any material which shall be incapable of disposition by burning shall be disposed of in incinerators on any lot. Any incinerator or other equipment for the storage or disposal of any burnable material shall be kept in a clean, sanitary and sightly condition. During the construction of improvements, no trash shall be burned on any lot except in a safe incinerator, and, unless so burned, shall be removed by the lot owner. Any lot owner shall be liable for damage to any other lot or lots or improvements in the subdivision resulting from fires on his lot during construction.

9. STORAGE OF MATERIALS: No building material of any kind shall be placed or stored upon any lot except during construction; and then such material shall be placed within the property lines of the lot on which the improvements are to be erected.

10. ANIMALS: No horses, cows, poultry, livestock or animals of any kind (except house pets) may be kept on any lot.

11. DRAINAGE STRUCTURES: Drainage structures under driveways shall always have a net drainage area of sufficient size to permit the free flow of water without backwater.

12. UNSIGHTLY STORAGE: If open carports are used, no unsightly storage shall be permitted therein that is visible from the street. No trucks or unsightly vehicles shall be stored on any lot or drives unless in enclosed garages or storage facilities protected from the view of the public and other residents of the subdivision.

13. OFF-STREET PARKING: Both prior to and after the occupancy of any residence on any lot, the owner thereof shall provide for adequate and

appropriate space for off-the-street parking for his vehicles.

14. SEWAGE: No cesspools or outside toilets shall be permitted. No installation of any kind for the disposal of sewage shall be allowed which will or reasonably would result in raw or untreated sewage being carried to the surface of the ground or into water beyond or within the limits of said subdivision. No means of sewage disposal may be installed or used except a septic tank or similar or approved sanitary method of sewage disposal meeting the requirements of and approval of the proper governmental authority or authorities having jurisdiction with respect thereto and the Architectural Control Committee.

15. EASEMENTS: Perpetual easements are reserved in and over the lots and roads in the subdivision for the purpose of installing, repairing and maintaining or conveying to proper parties so that they may install, repair and maintain electric power, water, sewage disposal, gas, telephone and similar utility facilities and services, for all the lots and properties in the subdivision as follows: All easements shown on the recorded plat of the subdivision are adopted as a part of these restrictions. There are also reserved and dedicated hereby, for the use of the Developer and any public or private utility company, the following easements:

1. An aerial easement from a plane eighteen feet (18') above the ground, twenty feet (20') wide with its centerline above the centerline of all dedicated utility easements shown on the plat.
2. An aerial easement from a plane eighteen feet (18') above the ground, seventy-two feet (72') wide with its centerline located above the centerline of each and every road in the subdivision.
3. An easement, ten feet (10') wide, along the easterly line of Lots 46-56, inclusive, being the side of such lots on Cude Cemetery Road, for utility, drainage and road purposes.
4. Guy easements, five feet (5') wide by thirty-five feet (35') long from the street along the lot lines between all lots from Lot 1 through 20, inclusive.

The easements dedicated and reserved under the provisions hereof shall be

for the general benefit of the subdivision as herein defined, and shall also inure to the benefit of and may be used by any public or private utility company entering into and upon said property for the purposes aforesaid, without the necessity of any further grant of such easement rights to such utility company or companies.

16. MAINTENANCE OF LOTS: The owner of a lot or lots in this subdivision will be required to keep said property free of underbrush, weeds or any other unsightly growth from the date of purchase of said lot or lots. This requirement shall be effective on unoccupied lots as well as occupied lots. For the purpose of this and all other covenants, a lot or lots purchased under a contract for deed will be considered to be owned by the purchaser the same as if it had been deeded to said purchaser. The Developer, or Property Owners Association to be created under covenants contained hereinafter, will have the authority to employ laborers to mow and clean any lot that is unkept and bill the owner of said lot for the reasonable cost of work done plus ten per cent (10%) service fee and \$1.00 per month until the owner repays the amount expended. Funds used will be the maintenance funds (as provided for in paragraph 17, next below) collected from lot owners; and the ten per cent service fee and \$1.00 per month charge will be paid into said funds along with the amount of cost charged the lot owner when paid by the owner of the lot or lots on which the work is done.

17. MAINTENANCE CHARGE AND LIEN: For the purpose of maintaining the subdivision in a manner consistent with its overall quality, there is hereby established a maintenance fee, to be paid annually, on each lot in the subdivision. All lots in this subdivision are subject to a maintenance fee of \$30.00 per year, to be paid on or before the 1st day of February of each year by the owner of such lot or lots. This fee may be levied at the discretion of the Developer, or its successors, and the privileges of levy may be assigned to the Directors elected by a Property Owners Association.

Any such funds collected must be expended for the benefit of the subdivision as a whole and an annual report made to the property owners in this subdivision at the address registered with the Developer or with the Property Owners Association. Mailing of such report to the last known address of the property owner shall constitute compliance with this requirement.

The amount of the maintenance charge may be increased by a majority of the property owners in the subdivision (not including Developer as a property owner) at an election called and conducted by the Developer or by the Property Owners Association.

Failure of a property owner to pay this levy shall constitute the levy of a lien on the property owned and the owner will forfeit the privilege of using any and all available privileges in the subdivision. The payment of such levy may be enforced by suit or otherwise by the Developer or by the Property Owners Association.

It is specifically provided that Developer shall not be required to pay the maintenance charge on more than two lots in the subdivision. In the event Developer is required to repossess any lots in the subdivision sold on contract for deed, or by deed, Developer shall not be required to pay any delinquent maintenance charge against such lot or lots, nor shall such delinquent charge be a charge against subsequent owners of such lot or lots; provided, however, that this provision does not relieve the purchaser in default who failed to pay such maintenance fees and/or penalties, and from whom said lot was repossessed, of his personal liability to pay therefor.

18. MULTI-OWNERSHIP: Corporate or multi-ownership of any lot or lots in this subdivision (except ownership by husband and wife) shall exclude all such owners from use of the facilities in the subdivision, except that such group or corporation may designate one person, or husband and wife, as having the privilege of the use of the facilities, and the persons

so designated may have all of the rights and privileges of an individual or husband and wife ownership.

19. RULES AND REGULATIONS GOVERNING USE OF RECREATIONAL FACILITIES: Rules and regulations governing the use of any recreational facilities in this subdivision will be made by the Developer. This authority may be assigned to the Property Owners Association at Developer's option.

20. PROPERTY OWNERS ASSOCIATION: At the request of Developer, the property owners in the subdivision will organize a corporate Property Owners Association with a charter and by-laws and having their purpose clearly set forth. Said association will elect a Board of Directors according to the by-laws who will administer funds and govern said association. Upon satisfaction of the Developer that said association is properly organized for the benefit of the property owners, the Developer may convey to such association all community facilities and assign to the association the authority to collect and administer the funds as set forth herein.

21. All reserved areas designated on the plat of said subdivision shall be restricted to the following usages:

Reserves A, B & C (Lot 1) Single family residences, or park and recreation facilities, streets, utility and drainage easements, water system facilities.

Reserves D (Lot 38) and E (Lot 56) Single family residence and/or water system facilities.

22. The construction of a dam across the San Jacinto River has been projected by the San Jacinto River Authority. If constructed as projected, a lake, tentatively known as Lake Conroe, will be created with its water level normally at an elevation of 201 feet above mean sea level. Developer makes no representation that such dam will be constructed or that such lake, if created, will maintain its level at 201 feet above mean sea level. However, in the event that such lake is created in such manner that some of the lots in the said subdivision have lake frontage, then it shall be

permissible for the owners of lots abutting on said lake upon which permitted dwellings have been constructed, to erect structures such as piers, wharves, boat houses and slips for their private use subject only to the approval of the Architectural Control Committee. No business, commercial or industrial use of any kind shall be made of or conducted in or upon such structures. All the restrictions, covenants, provisions and limitations, except the building lines set out in Paragraph 4 (d), which are by this instrument imposed upon the lots in the said subdivision shall apply as well to any such structures as may extend into the waters of said lake.

23. COVENANTS RUNNING WITH THE LAND: All of the restrictions, covenants and easements herein provided for and adopted apply to each and every lot in the subdivision, and shall be covenants running with the land. Developer, its successors and assigns, shall have the right to enforce observance and performance of the restrictions and covenants contained and provided herein, and in order to prevent a breach or to enforce the observance or performance of the same, shall have the right, in addition to all legal remedies or remedies elsewhere provided herein, to an injunction either prohibitive or mandatory. The Property Owners Association, or the owner of any lot or lots in the subdivision, shall likewise have the right either to prevent a breach of any restriction or covenant or to enforce the performance thereof.

24. DURATION OF RESTRICTIONS:

(a) The restrictions and covenants herein provided for and adopted shall remain in full force and effect until January 2, 1987.

(b) At the end of the term provided above in (a) and at the end of each ten (10) year term extension herein provided, the restrictions and covenants herein provided shall be automatically renewed and extended for succeeding periods of ten (10) years each, unless, within six (6) months prior to the date such restrictions and covenants otherwise would be automatically extended an instrument shall have been signed by the then owners of a majority of the lots in the subdivision and shall have been recorded in the Office of the County Clerk of Montgomery County, Texas, agreeing to change said restrictions and covenants, in whole or in part. In the instance of community property, signature of the husband alone shall suffice.

26. Developer shall have the right to change those portions of these restrictions with respect to set back lines (Paragraph 4(d)) and concerning the width of utility easements (as shown on the plat); provided, however, that such utility easements shall never be greater than ten (10) feet in width on any lot. This right, reserved to Developer, shall terminate on December 1, 1966, or at such time prior thereto as Developer shall decide. No joinder by lienholders or by owners in such subdivision shall be needed to effectuate a change, except that if such a proposed change directly affects a lot owned by someone other than Developer, such owner shall have to consent to the change.

EXECUTED this 7TH day of JUNE, 1966.

FAR HILLS CORPORATION

By: Homer L. Bruce, Jr.
President



We, A. H. Crouch and Rosemary Crouch, husband and wife, and Charles Thomas Crouch, all of Montgomery County, Texas, being the sole owners and holders of:

1. The vendor's lien retained in that certain deed from us to Homer L. Bruce, Jr., dated October 8, 1965, recorded at pages 896, et seq of Volume 604 of the Deed Records of Montgomery County, Texas; and

2. The lien created by that certain deed of trust dated October 8, 1965, given by Homer L. Bruce, Jr., to W. C. McClain, Trustee, which is recorded at Page 535, et seq., of Volume 133, of the Deed of Trust Records of Montgomery County, Texas;

said vendor's lien having been retained and said deed of trust lien having been given to secure the payment of a part of the purchase price for the land conveyed in said deed (part of which land is in the aforesaid sub-

division) by our signatures hereto affixed, for ourselves, our heirs and assigns, approve, adopt, ratify and consent to this instrument in all its terms and provisions and declare that any and all lien or other interest held by us or any of us in the land included in said subdivision is subordinate to and affected by the terms and provisions hereof.

WITNESS OUR HANDS this 7TH day of JUNE, 1966.

A. H. Crouch
A. H. CROUCH

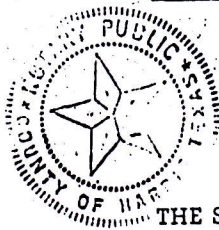
Rosemary Crouch
ROSEMARY CROUCH

Charles Thomas Crouch
CHARLES THOMAS CROUCH

THE STATE OF TEXAS |
COUNTY OF HARRIS |

BEFORE ME, the undersigned authority, on this day personally appeared HOMER L. BRUCE, JR., President of FAR HILLS CORPORATION, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein set forth and as the act and deed of said corporation.

GIVEN under my hand and seal of office this the 7TH day of JUNE, 1966.



Michael L. Pearson
Notary Public in and for Harris
County, Texas

THE STATE OF TEXAS |
COUNTY OF MONTGOMERY |

BEFORE ME, the undersigned authority, on this day personally appeared A. H. CROUCH and ROSEMARY CROUCH, his wife, both known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they each executed the same for the purposes and consideration therein expressed. And the said ROSEMARY CROUCH, wife of the said A. H. CROUCH, having been examined by me privily and apart from her husband, and having the same fully explained to her, she, the said ROSEMARY CROUCH, acknowledged such instrument to be her act and deed, and declared that she had willingly signed the same

FAR HILLS ASSOCIATION BY-LAWS

ARTICLE 1

OFFICES

1.01 Principal Office. The principal office of the Association shall be located at 13126 Crest Drive, Willis, TX 77378. The Board of Directors may change the location of the office of the Association. Meetings of Members and the Board of Directors may be held at such places within Montgomery County, Texas as may be designated by the Board of Directors.

ARTICLE 2

DEFINITIONS

2.01 "Association" shall mean and refer to FAR HILLS ASSOCIATION, its successors and assigns.

2.02 "Subdivision" shall mean and refer to that certain real property known as FAR HILLS, a subdivision in the Elijah Collard League, Abstract No. 7, Montgomery County, Texas, according to the map or plat thereof recorded in Volume 7, Page 355 of the Map Records of Montgomery County, Texas, as described in the Dedication and Restrictions, etc., filed with the County Clerk of Montgomery County, Texas, under Clerk's File No. 192164 and as may be amended in the Real Property Records of Montgomery County, Texas, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

2.03 "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners of property in the Subdivision.

2.04 "Lot" shall mean and refer to the lots of land shown upon any recorded map of the Subdivision with the exception of the Common Area.

2.05 "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Subdivision, including contract purchasers, but excluding those having such interest merely as security for performance of an obligation.

2.06 "Restrictions" shall mean and refer to the Dedication and Restrictions applicable to the Subdivision as filed in the office of the County Clerk of Montgomery County in Volume 619, Pages 346-358 of the Deed Records of Montgomery County, Texas, together with any amendments thereto.

2.07 "Member" shall mean and refer to those persons entitled to membership in the Association.

ARTICLE 3

QUALIFICATIONS FOR MEMBERSHIP

3.01 Membership. The membership of the Association shall consist of all the owners of the Lots within the Subdivision or brought within the scheme of the Restrictions for the Subdivision pursuant to the provisions and authority of said Restrictions. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to

and may not be separated from ownership of any lot which is subject to assessment by the Association under the Restrictions.

3.02 Proof of Membership. The rights of membership shall not be exercised by any person until satisfactory proof has been furnished to the Secretary of the Association that the person is qualified as a Member. Such proof may consist of a copy of a duly executed and acknowledged deed or title insurance policy evidencing ownership of a Lot or Lots in the Subdivision. Such deed of policy shall be deemed conclusive in the absence of a conflicting claim based on a later deed or policy.

3.03 No Additional Qualification. The sole qualification for membership shall be ownership of a Lot or Lots in the Subdivision. No initiation fees, costs, or dues shall be assessed against any person as a condition of membership except such assessments, levies, and charges as are specifically authorized under the Restrictions.

ARTICLE 4

VOTING RIGHTS

4.01 Voting. Member(s) are entitled to the number of votes as specified in the table below. If record title to a particular Lot or Lots is in the name of two or more persons, all co-owners shall be Members and may attend any meeting of the Association but the voting rights appurtenant to each such Lot may not be divided and fractional votes shall not be allowed. Any one of said co-owners may exercise the vote appurtenant to each such Lot so owned at any meeting of the Members and such vote shall be binding and conclusive on all of the other co-owners of said Lot who are not present; provided, if one of the non-attending co-owners has given the Association notice of objection to the attending co-owner's vote, no vote shall be cast for said Lot except upon notice of unanimous consent by all such co-owners being given to the Association. In the event more than one vote is cast for a single Lot by an owner, none of the votes so cast shall be counted and all of such votes shall be deemed void. If a lot defined in the plat of Far Hills is divided and each part of the lot becomes a portion of a home site along with the each adjacent lot, each combined site becomes a single lot for the purposes of these By-Laws.

	Number of Votes
Member(s) who owns one lot	1
Member(s) who owns two or more lots	2
Member(s) who owns one lot with house	2
Member(s) who owns one lot with house and an additional lot(s)	3
Member(s) who owns two lots each with a house	4
Maximum number of votes per member(s)	4

4.02 Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary of the Association. Every proxy shall be revocable and shall automatically cease on conveyance by the Member of his Lot, or on receipt of notice by the Secretary of the death or judicially declared incompetence of such Member. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise specifically provided in the proxy.

4.03 Quorum. The presence, either in person or by proxy, at any meeting, of at least twenty (20%)

percent of the total Membership shall constitute a quorum for any action. In the absence of a quorum at a meeting of Members, a majority of those Members present in person or by proxy may adjourn the meeting to a time not less than five (5) days nor more than forty-five (45) days from the meeting date. The following rules shall apply with respect to Lots with Multiple Owners or Owner(s) of Multiple Lots when determining the number of members for quorum purposes:

If two or more people own a lot or lots, all owners are members and are eligible to vote according to the rules set forth in Article 4 - Voting Rights - Paragraph 4.01. Provided, however, for purposes of determining a quorum, only one membership is allotted.

If a person(s) owns more than one lot, that person(s) is allotted one membership for quorum purposes, but is/are eligible to vote according to the rules set forth in Article 4 - Voting Rights - Paragraph 4.01.

4.04 Required Vote. The vote of the majority of the votes entitled to be cast by the Members present, or represented by proxy, at a meeting at which a quorum is present shall be the act of the meeting of the Members, unless the vote of a greater number is required by statute. Fifty One (51%) percent or more of the votes entitled to be cast by the members present, or represented by proxy, shall constitute a majority.

4.05 Cumulative Voting. Cumulative voting, being defined as a system of voting, whereby a person having a number of votes equal to the number of positions to be chosen, is allowed to concentrate all of said votes upon one person, or to distribute said votes as desired, shall not be permitted during the election of Directors.

4.06 Forfeiture of Voting Rights. Owners of a lot who are in arrears in the payment of their maintenance fee or any special assessment fees are members of the Association and may speak at any meeting of the Association, but they forfeit their right to vote. An owner shall be deemed to be in arrears when any current or past maintenance fees, mowing charges and/or special assessments have not been paid by the time of the annual meeting in February or by the time of any special meeting, if any, held later in the year.

ARTICLE 5

MEETING OF MEMBERS

5.01 Annual Meetings. The annual meeting of the Members of the Association shall be held in February of each year on a day and at a time determined by the Board of Directors.

5.02 Special Meetings. Special meetings of the Members may be called by the Board of Directors, or by at least ten (10%) percent of the Members. The Total Membership on which the ten (10%) percent is based shall be determined on the same basis as given in Article 4 - Paragraph 4.03 - Quorum.

5.03 Place. Meetings of the Members shall be held within the Subdivision or at a meeting place as close thereto as possible as the Board may specify in writing.

5.04 Notice of Meetings. Written notice of all Members' meetings shall be given by or at the direction of the Secretary of the Association (or other persons authorized to call the meeting) by mailing or personally delivering a copy of such notice at least thirty (30) but not more than sixty (60) days before such meeting to each

Member entitled to vote at such meeting, 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 nature of the business to be undertaken. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Member at the address last appearing on the books of the Association with postage thereon paid.

5.05 Order of Business at Meetings. The order of business at all meetings of the Members shall be as follows:

- (1) Roll call;
- (2) Proof of notice of meeting or waiver of notice;
- (3) Reading of Minutes of preceding meeting;
- (4) Reports of officers;
- (5) Reports of committees;
- (6) Election of directors;
- (7) Unfinished business; and
- (8) New business.

5.06 Action without Meeting. Any action required by law to be taken at a meeting of the Members, or any action which may be taken at a meeting of the Members, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Members and filed with the Secretary of the Association.

5.07 Meeting Conduct and Procedure. Meetings shall be conducted in accordance with the latest edition of Robert's Rules of Order in effect at the time of said meeting.

ARTICLE 6

BOARD OF DIRECTORS

6.01 Number. The affairs of the Association shall be managed by the Board of Directors consisting of three (3) persons, all of whom must be members of the Association. Only one spouse of a married couple can serve on the Board of Directors at the same time.

6.02 Term. Each director shall serve a term of three (3) years but shall not serve more than two (2) consecutive terms. Each director shall hold office until a successor is elected and qualified. It is desirable that one director be elected to the board each year.

6.03 Removal. Directors may be removed from office with or without cause by a majority vote of the Members of the Association.

6.04 Vacancies. In the event of a vacancy on the Board caused by death, resignation or removal of a Director, the remaining Directors shall, by majority vote, elect a successor who shall serve until the next annual meeting of the Association.

6.05 Compensation. No Director shall receive compensation for any service he may render to the Association. A Director may, however, be reimbursed by the Board for actual expenses incurred by him in the performance of his duties.

6.06 Powers and Duties. The Board shall have the powers and duties, and shall be subject to limitations on such powers and duties, as enumerated in these By-Laws or as set forth in the Articles of Incorporation of the Association. In addition, the Board of Directors shall have the following powers and duties:

- a. cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Members who are entitled to vote;
- b. supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- c. propose any change in the amount of the annual maintenance fee, if needed, as a specific agenda item at any annual or special meeting of the Association, after which an affirmative vote of a majority (51% or more of the votes entitled to be cast by the members present, or represented by proxy) shall be sufficient to change such annual maintenance fee;
- d. issue, or to cause an appropriate office to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- e. procure and maintain adequate liability and hazard insurance on property owned by the Association;
- f. cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- g. cause the Common Area to be maintained;
- h. cause the Restrictions of the Subdivision to be enforced and administered;
- i. employ such accountants, attorneys, contractors or other persons or entities as they deem necessary to manage and administer the affairs of the Association;
- j. manage the affairs of the Association;
- k. require that the checks of the Association be signed by the Treasurer and by one member of the Board of Directors who is not the treasurer; and
- l. audit the financial records of the Association at any time that there is a change in the office of the Treasurer.

Directors shall exercise ordinary business judgment in managing the affairs of the Association. Directors shall act as fiduciaries with respect to the interests of the Members. In acting in their official capacity as directors of this Association, directors shall act in good faith and take actions they reasonably believe to be in the best interests of the Association and that are not unlawful. In all other instances, the Board of Directors shall not take any action that they should reasonably believe would be opposed to the Association's best interests or

would be unlawful. A director shall not be liable if, in the exercise of ordinary care, the director acts in good faith relying on written financial and legal statements provided by an accountant or attorney retained by the Association.

6.07 Actions of Board of Directors. The Board of Directors shall try to act by consensus. However, the vote of a majority of directors present and voting at a meeting at which a quorum is present shall be sufficient to constitute the act of the Board of Directors unless the act of a greater number is required by law or the By-Laws. A director who is present at a meeting and abstains from a vote is considered to be present and voting for the purpose of determining the decision of the Board of Directors. For the purpose of determining the decision of the Board of Directors, a director who is represented by proxy in a vote is considered present.

ARTICLE 7

NOMINATION OF DIRECTORS

7.01 Nomination and Election of Directors. Nomination(s) for director(s) can be made by any member of the Association at any annual meeting of the Association in which a vacancy on the Board of Directors is to be filled. The nominee shall have been contacted before the meeting to verify that the nominee is willing to serve if elected.

7.02 Election. Directors are elected at the annual meeting of Members of the Association. Members, or their proxies, may cast, in respect to each vacant directorship, as many votes as they are entitled to exercise under the provisions of the Declaration. The nominees receiving the highest number of votes shall be elected. No Member may cumulate votes.

ARTICLE 8

MEETINGS OF DIRECTORS

8.01 Meetings. Meetings of the Board of Directors will be held on an as needed basis. Notice of the time and place of such meeting shall be delivered to each member of the Board of Directors not less than three (3) nor more than thirty (30) days before the date of the meeting.

8.02 Calling of Meetings. A meeting of the Board of Directors can be called by the President or any two (2) members of the Board. The place, date and time of the meeting shall be mutually agreeable to members of the Board, if at all possible.

8.03 Quorum. A quorum for the transaction of business by the Board of Directors shall be any two (2) members of the Board.

8.04 Voting Requirement. The act of the majority of Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors unless any provision of the Articles of Incorporation or these By-Laws requires the vote of a greater number.

8.05 Open Meetings. Meetings of the Board shall be open to all Members of the Association; provided, however, that Association Members who are not on the Board may not participate in any deliberation or discussion unless expressly so authorized by the vote of a majority of a quorum of the Board.

ARTICLE 9
COMMITTEES

9.01 Appointed by Board of Directors. The Board of Directors shall appoint such committees as are required by the Restrictions. The Board may from time to time establish and appoint to such other committees as it shall deem necessary and advisable to assist the Board in the general operation and management of the Association. The Chairman and all Members of each such committee must be a member of the Association.

9.02 Authority of Committees. The Board of Directors may grant to any committee thus established by the Board such authority and power consistent with these By-Laws as the Board shall deem required to carry out the intended purposes and functions of such committee.

9.03 Discharge of Committees and Committeemen. The Board of Directors may discharge any committee established by the Board and may remove and replace any committeeman appointed to any committee.

9.04 Architectural Control Committee.

- a. The Board of Directors shall appoint member(s) to the Architectural Control Committee as vacancies on this committee arise.
- b. Members of the Architectural Control Committee shall serve three (3) year terms and may serve two (2) consecutive terms.
- c. Terms shall be staggered so that one term expires each year.
- d. The Board of Directors may remove and replace any member of the Architectural Control Committee.
- e. Only one spouse of a married couple can serve on the Architectural Control Committee at the same time.

ARTICLE 10
OFFICERS

10.01 Enumeration of Officers. The Officers of this Association (who shall at all times be members of the Association) shall be a President, a Vice President, a Secretary and a Treasurer. The President and Vice President shall at all times be members of the Board of Directors. The Board of Directors may, by resolution, create other offices as it deems necessary or desirable.

10.02 Term. The Officers of this Association shall be elected annually by the Board of Directors and each shall hold office for a term of one year, unless such officer shall sooner resign, be removed, or be otherwise disqualified to serve.

10.03 Resignation and Removal. Any Officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect at the date of receipt of such notice or at any later time specified therein. Any officer may be removed from office by the Board whenever, in the Board's judgment, the best interests of the Association would be served by such removal.

10.04 Multiple Offices. Any two or more offices may be held by the same person on the Board of Directors, except the office of President.

10.05 Non-Board-Member Officers. The offices of Secretary and Treasurer may be elected from Members of the Board of Directors (not the President) or the Secretary and/or Treasurer may be appointed by the Board of Directors from members of the Association. Any such appointed officer shall attend meetings of the Board of Directors and may speak at the meetings, but shall not having voting privileges.

10.06 Compensation. Officers shall not receive compensation for services rendered to the Association.

ARTICLE 11

PRESIDENT

11.01 Election. At the first meeting of the Board immediately following the annual meeting of the Members, the Board shall elect one of its members to act as President.

11.02 Duties. The President shall:

- a. Preside over all meetings of the Members and of the Board;
- b. Sign as President all deeds, contracts, and other instruments in writing which have been first approved by the Board, unless the Board, by duly adopted resolution, has authorized the signature of a lesser officer;
- c. Call meetings of the Board whenever he deems it necessary in accordance with rules and on notice agreed to by the Board. The notice period shall, with the exception of emergencies, in no event be less than three (3) days; and
- d. Have, subject to the advice of the Board, general supervision, direction and control of the affairs of the Association and discharge such other duties as may be required of him by the Board.

ARTICLE 12

VICE PRESIDENT

12.01 Election. At the first meeting of the Board immediately following the annual meeting of the Members, the Board shall elect one of its members to act as Vice President.

12.02 Duties. The Vice President shall:

- a. Act in the place and in the stead of the President in the event of his absence, inability or refusal to act; and
- b. Exercise and discharge such other duties as may be required of him by the Board. In connection with any such additional duties, the Vice President shall be responsible to the President.

ARTICLE 13

SECRETARY

13.01 Election. At the first meeting of the Board immediately following the annual meeting of the Members, the Board shall elect a Secretary.

13.02 Duties. The Secretary shall:

- a. Keep a record of all meetings and proceedings of the Board and of the Members;
- b. Keep a seal of the Association, if any, and affix it on all papers requiring said seal;
- c. Serve such notices of meetings of the Board and the Members as required either by law or by these By-Laws;
- d. Keep appropriate current records showing the members of this Association together with their addresses; and
- e. Sign as Secretary all deeds, contracts, and other instruments in writing which have been first approved by the Board if said instruments require a second Association signature, unless the Board has authorized another Officer to sign in the place and stead of the Secretary by duly adopted resolution.

ARTICLE 14

TREASURER

14.01 Election. At the first meeting of the Board immediately following the annual meeting of the Members, the Board shall elect a Treasurer.

14.02 Duties. The Treasurer shall:

- a. Receive and deposit in such bank or banks as the Board may from time to time direct, all of the funds of the Association;
- b. Be responsible for, and supervise the maintenance of, books and records to account for such funds and other Association assets;
- c. Disburse and withdraw said funds as the Board may from time to time direct, and in accordance with prescribed procedures; and
- d. Prepare and distribute the financial statements for the Association required by the Restrictions.

ARTICLE 15

BOOKS AND RECORDS

15.01 Maintenance. Complete and correct records of account and minutes of proceedings of meetings of Members, Directors, and committees shall be kept at the registered office of the Association. A record containing the names and addresses of all Members entitled to vote shall be kept at the registered office or principle place of business of the Association.

15.02 Inspection. The Restrictions of the Subdivision, the Articles of Incorporation and the By-Laws of the Association, the membership register, the books of account, and the minutes of proceedings, shall be available for inspection and copying by any Member of the Association or any Director for any proper purpose at any reasonable time.

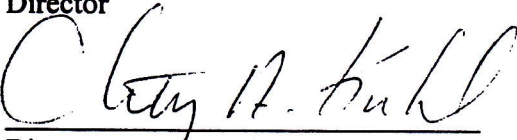
ARTICLE 16
AMENDMENTS

16.01 Amendments. These By-Laws may be modified, altered, amended, or repealed and new By-Laws adopted by a majority vote of those Members present and voting, in person or by proxy, at any annual or special meeting or election called for that purpose; provided, however, that a statement of the proposed modifications, alterations, amendments, or repeal and proposed new By-Laws signed by ten (10%) percent or more of the Members entitled to vote shall be delivered to the Board of Directors at least twenty (20) days before the date of such meeting or election; and it shall be the duty of the Board of Directors to cause a copy of such proposed modifications, alterations, amendments, or repeal and proposed new By-Laws to be mailed to each member of the Association at his last known address on the books of the Association at least seven (7) days before such meeting or election.

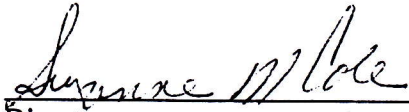
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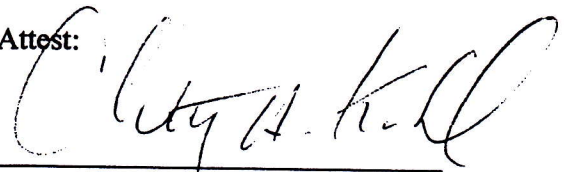
Director



Director



Director

Attest: 

Secretary

Adopted by the Members of the Far Hills Association on February 22, 1998.