

**CONSTITUTION AND BY-LAWS
FOUNTAIN HILLS PROPERTY OWNER'S ASSOCIATION**

CONSTITUTION

**ARTICLE I.
NAME**

1.1 The name of this organization shall be "**Fountain Hills Property Owner's Association.**"

**ARTICLE II.
PURPOSE**

2.1 The purpose of this organization shall be to protect the restrictions within the subdivision and prevent violations thereof; obtain needed improvements and benefits for the community; and assist in economic, civic, social enterprises and activities that are for the welfare of the community.

**ARTICLE III.
OFFICERS**

3.1 The officers of this organization shall be the President, Vice-President, Secretary and Treasurer who shall be elected as prescribed by the By-Laws.

**ARTICLE IV.
BOARD OF DIRECTORS**

4.1 The Board of Directors shall consist of not less than three (3) and no more than ten (10) directors. The duties of said Board of Directors shall be as prescribed by the By-Laws.

**ARTICLE V.
MEMBERSHIP**

5.1 The membership of this organization shall be comprised of Class A members and a Class B Member. Class A members are limited to resident property owners within the Fountain Hills Estates, Fountain Hills and Reunion Park Subdivisions. Each household shall be entitled to one vote per lot. When more than one person is an owner, such multiple owners shall be a single Class A Member and only one vote may be cast for the Lot owned by such Owners. The Class B Member shall be the Declarant and has five (5) votes for each lot owned. The Class B membership ceases upon the expiration of thirty (30) years following the date of the Declaration, unless Declarant sooner terminates the Class B membership by written notice of termination recorded in the public records of Lubbock County, Texas. If Declarant still owns Lots as of the date the Class B Membership terminates or expires, Declarant will become a Class A Member with respect to such Lots.

5.2 No member may participate in the affairs of this organization unless he be in "good standing," by which is meant the payment of the required assessments for the current year.

5.3 The control and management of this organization shall be vested in the membership unless otherwise provided by the Constitution or By-Laws.

5.4 All meetings shall be open to the general public. However, the privilege of making motions, debating, voting and participating in the affairs of the organization shall be limited to members in good standing.

5.5 The officers of the Board of Directors of this organization shall be elected by the members of the Board of Directors and shall serve for a period of one (1) year or until their successors are elected.

5.6 At least one-third (1/3) of the Board of Directors will be elected each year. The initial Board of Directors will determine the initial term, not to exceed three years, of each director. The election shall be held in accordance with the By-Laws.

ARTICLE VI. FISCALYEAR

6.1 The fiscal year of this organization shall be a calendar year, from the first day of January until the last day of December of the same year.

ARTICLE VII. QUORUM

7.1 Except as otherwise provided by the Constitution or By-Laws, the presence in person or by proxy of twenty percent (20%), or 30, of the total votes of the Association, whichever is the lesser amount, shall constitute a quorum at any regular or special meeting called pursuant to the provisions of the By-Laws.

7.2 At all meetings, a majority of the Board of Directors will constitute a Quorum of The Board of Directors.

ARTICLE VIII. AUDIT

8.1 The Board of Directors shall have the right, at their sole discretion, to appoint an auditing committee. Such committee shall audit the books and records of the Treasurer of this organization and make a report in writing to the membership at the last meeting thereof in March of each year. Such committee shall be appointed in accordance with the By-Laws.

ARTICLE IX. AMENDMENT

9.1 This constitution may be revised, changed or amended at any regular or special meeting of the membership by a two-thirds vote of the voting members present who are in good standing. However, a copy of the proposed revision, change, or amendment shall be delivered to the residence of each member in good standing at least seven (7) days before the meeting at which the same is submitted.

ARTICLE X. SUGGESTIONS

10.1 Suggestions or complaints shall be submitted to the Board of Directors, whether in writing or in person at any regular or special meeting of the Board of Directors called pursuant to the By-Laws.

[End of Constitution. By-Laws on following pages]

BY-LAWS

ARTICLE I. MEMBERSHIP

1.1 The membership of this organization shall be comprised of Class A Members and a Class B Member. Class A Members are limited to resident property owners within the Fountain Hills Estates, Fountain Hills and Reunion Park Subdivisions. Each household shall be entitled to one vote per lot. When more than one person is an owner, such multiple owners shall be a single Class A Member and only one vote may be cast for the lot owned by such Owners. The Class B Member shall be the Declarant and has five (5) votes for each lot owned. The Class B membership ceases upon the expiration of thirty (30) years following the date of the Declaration, unless Declarant sooner terminates the Class B membership by written notice of termination recorded in the public records of Lubbock County, Texas. If Declarant still owns lots as of the date the Class B Membership terminates or expires, Declarant will become a Class A Member with respect to such lots.

1.2 Terms of membership shall be continuous from year to year, beginning with the first meeting in January to the last meeting in December of the fiscal year.

ARTICLE II. DUES & PAYMENT PLAN POLICY

A. Dues

2.1 The Association, by action of its Board of Directors, shall levy annual assessments, in accordance with the budget presented to and approved by the Members at the annual meeting, against the Assessable Tracts to obtain funds reasonably anticipated to be needed for the purposes stated in these By-Laws. Provided however, that unless approved by a majority of the then lot owners, there shall be no increase in the annual assessment for the year 2016 and thereafter. The annual assessment for 2016 shall be Twenty-Five and No/100 Dollars (\$25) each month for Class A Members per lot.

2.2 Special assessments may be levied by a two-thirds (2/3) vote of the members in good standing who are present or submit a written proxy vote at any regular or special meeting of the membership, provided that such proposal shall have been delivered in writing to the residence of each member at least seven (7) days prior to the meeting.

B. Payment Plan Policy

2.3 Subject to paragraph 2.14 below, owners are entitled to make partial payments for delinquent amounts owed to the Association under a Payment Plan in compliance with this Policy.

2.4 Late fees, penalties and delinquent collection related fees will not be added to the owner's account while the Payment plan is active. The Association may impose a fee for administering a Payment Plan. Such fee, if any, will be listed on the Payment Plan form and may change from time-to-time. Interest will continue to accrue during a Payment Plan as allowed under the Deed Restrictions. The Association can provide an estimate of the amount of interest that will accrue under any proposed plan.

2.5 All Payment Plans must be in writing on the form provided by the Association and signed by the owner.

2.6 The Payment Plan becomes effective and is designated as "active" upon:

- (a) receipt of a fully completed and signed Payment Plan form;

- (b) receipt of the first payment under the plan; and
- (c) acceptance by the Association as compliant with this Policy.

2.7 A Payment Plan may be as short as three (3) months or as long as eighteen (18) months based on the guidelines below. The durations listed below are provided as guidelines to assist owners in submitting a Payment Plan:

- (a) Total balance up to 2 times annual assessment up to 6 months;
- (b) Total balance up to 3 times annual assessment up to 12 months; or
- (c) Total balance greater than 3 times annual assessment up to 18 months.

2.8 On a case-by-case basis and upon request of the owner, the Board of Directors may approve more than one Payment Plan to be executed in sequence to assist the owner in paying the amount owed. The individual Payment Plans may not exceed eighteen (18) months.

2.9 A Payment Plan must include sequential monthly payments. The total of all proposed payments must equal the current balance plus Payment Plan administrative fees, if any, plus the estimated accrued interest.

2.10 If an owner requests a Payment Plan that will extend into the next assessment cycle, the owner will be required to pay future assessments by the due date in addition to the payments specified in the Payment Plan.

2.11 If an owner defaults on the terms of the Payment Plan, the Payment Plan will be voided. The Association will provide written notice to the owner that the Payment Plan has been voided. It is considered a default of the Payment Plan, if the owner:

- (a) fails to return a signed Payment Plan form with the initial payment;
- (b) misses a payment due in a calendar month;
- (c) makes a payment for less than the agreed upon amount; or
- (d) fails to pay a future assessment by the due date in a Payment Plan which spans additional assessment cycles.

In the absolute discretion of the Association, the Association may waive default under item (b), (c) or (d), above, if the owner makes up the missed or short payment on the immediate next calendar month payment. The Association may, but has no obligation to, provide a courtesy notice to the owner of the missed or short payment.

2.12 On a case-by-case basis, the Association may agree, but has no obligation, to reinstate a voided Payment Plan once during the original duration of the Payment Plan if all missed payments are made up at the time the owner submits a written request for reinstatement.

2.13 If a Payment Plan is voided, the full amount due by the owner shall immediately become due. The Association will resume the process for collecting amounts owed using all remedies available under the Deed Restrictions and the law.

2.14 The Association has no obligation to accept a Payment Plan from any owner who has defaulted on the terms of a Payment Plan within the last two (2) years.

2.15 The foregoing Policy shall be effective upon recordation in the Public Records of Lubbock County, Texas, and supersedes any policy regarding alternative payment schedules which may have previously been in effect. Except as affected by Section 209.0062 of the Texas Property Code and/or by this Payment Plan Policy, all other provisions contained in the Deed Restrictions or any other dedicatory instruments of the Association shall remain in full force and effect.

**ARTICLE III.
OFFICERS**

3.1 A President, Vice President, Secretary and Treasurer shall be elected by the Board of Directors. Officers will be elected annually by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the Voting Members. The Board of Directors may appoint other officers having the authority and duties prescribed by the Board of Directors. Any two or more offices may be held by the same person, except the offices of president and secretary.

3.2 If any officer ceases to be a member in good standing during his term of office, and does not promptly pay his current assessments upon five (5) days' written notice, his office shall be automatically vacated and a successor shall be elected for the unexpired term as herein provided.

3.3 If a vacancy occurs in the office of the President, Vice-President, Secretary or Treasurer, the Board of Directors shall elect a successor to serve for the unexpired term.

3.4 The Board of Directors may remove any officer for any reason or no reason at all whenever, in the Board of Directors' judgment, the interests of the Association will be served thereby.

3.5 Any officer may resign at any time by giving written notice to the Board of Directors, the president, or the secretary. Resignation takes effect on the date of the receipt of the notice or at any later time specified in the notice.

3.6 The President shall preside at all meetings of this organization, preserve order, enforce the Constitution and By-Laws, and exercise supervision of its affairs generally. He shall decide all questions of procedure and order for the organization. He may vote, but shall not be required to, except in the case of a tie vote at elections of officers and members of the Board of Directors. In the event that the President is required to sign for any obligation on behalf of the Association, and is personally liable for such obligation, the President shall serve in that office until such time as the obligation is fully satisfied.

3.7 The Vice-President shall assist the President in the discharge of his duties, preside at all meetings of this organization and the Board of Directors in the absence of the President. In the absence of the President, or in the event the office of President is vacant, he shall perform all the duties of the President, and such other duties as are customarily performed by such officer.

3.8 The Secretary of this organization shall keep a full, true and correct record of all proceedings of this organization, receive all communications, conduct all correspondence, have charge of all the records, shall perform the same duties with respect to the Board of Directors, and shall perform such other duties as are customarily performed by such officer.

3.9 The Treasurer of this organization shall receive dues of the Members, giving his receipt therefore. All money shall be deposited in the bank designated by the Board of Directors and shall be withdrawn therefrom upon the signing of two (2) of the following three (3) officers: President, Vice-President or Treasurer. He shall also perform such other duties as are customarily performed by such officer.

**ARTICLE IV.
BOARD OF DIRECTORS**

4.1 The Board of Directors shall meet at the call of the President, or in his absence, the Vice-President, any three (3) duly qualified Directors or upon the request of any five (5) Members of this organization in good standing in compliance with the By-Laws. It shall advise with the President on matters placed before it, and shall perform such

other and further duties as may be determined from time to time by the Board of Directors. At least one (1) such regular meeting shall be held during each fiscal year.

ARTICLE V. ELECTIONS

5.1 At the first annual meeting of the Members, the Voting Members will elect directors to succeed the initial directors. At subsequent annual Members' meetings, successors for each director whose term is expiring will be elected. Nominations for successors for each director whose term is expiring may be made by the Board of Directors or a nominating committee appointed by the Board of Directors, at the annual Members' meeting. The candidate or candidates receiving the most votes will be elected, even if no candidate receives a majority of the votes. The directors elected by the Voting Members will hold office until their respective successors have been elected.

5.2 The newly elected directors, along with the remaining directors, shall elect a President, Vice-President, Secretary and a Treasurer at the first meeting.

5.3 Any director may be removed, with or without cause, by the vote of: (i) the Class B Member; and (ii) a majority of the Class A Members. Any director may be removed at a Board of Directors' meeting, if the director:

- (a) failed to attend three (3) consecutive Board of Directors' meetings;
- (b) failed to attend fifty percent (50%) of Board of Directors' meetings within one (1) year;
- (c) is delinquent in the payment of any Assessment for more than thirty (30) days; or
- (d) is the subject of an enforcement action by the Association for violation of the Governing Documents.

5.4 If a director is removed or a vacancy exists, a successor will be elected by the remaining directors until the next annual meeting of the Members, at which meeting the Voting Members will elect a director for the vacated director position.

ARTICLE VI. DUTIES OF THE BOARD OF DIRECTORS

6.1 The Board of Directors have all powers necessary to administer the Association's affairs. The Board of Directors shall be the governing body of the organization with full rights and authority to determine policy, outline, plan, and carry into execution all business, activities, and policy, to enter into and execute all necessary agreements and instruments incident thereto in the name of the organization and shall constitute the representatives of the organization. In addition to the foregoing powers, the Board of Directors shall be authorized to institute, settle or compromise, in the name of the organization or otherwise, any necessary legal proceedings to carry into effect the purpose and policies of the organization, or to enforce, or prevent violations of, the covenants or restrictions applicable to the Subdivision; and to employ legal counsel in connection with any of the foregoing, subject to the approval or ratification of the members.

6.2 Written minutes and records of all proceedings of the Board of Directors shall be kept by the Secretary, all of which shall be opened to the inspection of the members in good standing at all reasonable times. Further, all action taken, plans and projects proposed or undertaken by the Board of Directors shall be reported to the membership at the next following meeting thereof, provided that at any such meeting the full minutes of the Board of Directors' proceedings shall be read if requested by any member in good standing.

**ARTICLE VII.
MEETINGS**

7.1 A regular annual meeting of the membership of this organization shall be held at a time and place designated in the notice thereof.

7.2 Special meetings of the membership may be called by the President. The President shall call a special meeting if directed by the Class B Member or by a resolution of a majority of a quorum of the Board of Directors or upon a Petition signed by at least twenty percent (20%), or 30, whichever is the lesser amount, of the total votes of the membership upon written notice to all the membership after seven (7) days' notice.

7.3 Written notice stating the place, day and hour of each Members' meeting must be given to each Member not less than seven (7) nor more than thirty (30) days before the meeting. The special Members' meeting notices must also state the meeting's purpose, and no business may be conducted except as stated in the notice. Notice to a Member is deemed given when hand delivered, mailed, or e-mailed. Members are responsible for keeping an updated e-mail address registered with the Association.

7.4 A regular meeting of the Board of Directors, shall be held at the time and place designated upon the call of the President, or in his absence, the Vice-President, upon the written request of any three (3) members of the Board of Directors, or upon request of any five (5) members of this organization in good standing in compliance with the By-Laws. At least one (1) such meeting shall be held each fiscal year.

7.5 Special Meetings of the Board of Directors will be held when called by written notice signed by the President or any two (2) Directors.

7.6 Owners shall be notified of regular or special Board of Directors' meetings in the following manner:

- (a) The notice shall contain the date, hour, place and general subject matter of a regular or special Board of Directors' meeting, including a general description of any matter to be brought up for deliberation in executive session;
- (b) The notice shall be provided by mailing the notice to each of the property owners not later than the 10th day or earlier than the 60th day before the date of the meeting;
- (c) At least 72 hours before the start of the meeting, the notice shall be e-mailed to each owner who has registered their e-mail address with the association;
- (d) The notice shall be posted on the associations website; or
- (e) The notice shall be posted at a conspicuous location within the subdivision.

**ARTICLE VIII.
COMMITTEES**

8.1 There shall be appointed from time to time by the Board of Directors, such Committees deemed advisable. The number of members of each committee to be within the discretion of the appointing authority.

**ARTICLE IX.
DOCUMENT RETENTION POLICY**

9.1 Association Documents may be maintained in paper format or in an electronic format that can be readily transferred to paper.

9.2 Association Documents shall be retained for the durations listed below:

- (a) certificate of formation or articles of incorporation, bylaws, restrictive covenants, other dedicatory instruments and any amendments to same shall be retained permanently;
- (b) financial books and records, including annual budgets, reserve studies, monthly financial statements and bank statements, shall be retained for seven (7) years (for example the July 2011 financial statements shall be retained until July 31, 2018);
- (c) account records of current owners shall be retained for five (5) years (for example, invoice, payment and adjustment records on an owner's account with a transaction date of 08/15/2011 will be retained until 08/15/2016 subject to Section (d), below);
- (d) account records of former owners shall be retained as a courtesy to that former owner for one (1) year after they no longer have an ownership interest in the property;
- (e) contracts with a term of one (1) year or more shall be retained for four (4) years after the expiration of the contract term (for example, a contract expiring on 06/30/2011 and not extended by amendment must be retained until 06/30/2015);
- (f) minutes of meetings of the owners and the Board of Directors shall be retained for seven (7) years after the date of the meeting (for example, minutes from a 07/20/2011 Board of Directors' meeting must be retained until 07/20/2018);
- (g) tax returns and CPA audit records shall be retained for seven (7) years after the last date of the return or audit year (for example, a tax return for the calendar year 2011 shall be retained until 12/31/2018); and
- (h) decisions of the Architectural Control Committee or Board of Directors regarding applications, variances, waivers or related matters associated with individual properties shall be retained for seven (7) years from the decision date (for example, an application for a swimming pool approved on 10/31/2011 must be retained until 10/31/2018).

Any Documents not described above may be retained for the duration deemed to be useful to the purpose of the Association, in the discretion of the Board of Directors, its attorney or its managing agent.

9.3 Upon expiration of the retention period listed above, the Documents shall no longer be considered Association records and may be destroyed, discarded, deleted, purged or otherwise eliminated.

9.4 The foregoing Policy shall be effective upon recordation in the Public Records of Lubbock County, Texas, and supersedes any policy regarding document retention which may have previously been in effect. Except as affected by Section 209.005 of the Texas Property Code and/or by this Policy, all other provisions contained in the Deed Restrictions or any other dedicatory instruments of the Association shall remain in full force and effect.

ARTICLE X. RECORDS PRODUCTION AND COPYING POLICY

10.1 Association Records shall be reasonably available to every owner. An owner may also provide access to Records to any other person (such as an attorney, CPA or agent) they designate in writing as their proxy for this purpose. To ensure a written proxy is actually from the owner, the owner must include a copy of his/her photo ID or have the proxy notarized.

10.2 An owner, or their proxy as described in Section 1, above, must submit a written request for access to or copies of Records. The letter must:

- (a) be sent by certified mail to the Association's address as reflected in its most recent Management Certificate filed in the County public records;
- (b) contain sufficient detail to identify the specific Records being requested; and
- (c) indicate whether the owner or proxy would like to inspect the Records before possibly obtaining copies or if the specified Records should be forwarded. If

forwarded, the letter must indicate the format, delivery method and address from the below options, respectively:

- (1) format: electronic files, compact disk or paper copies; and
- (2) delivery method: email, certified mail or personally pick-up.

10.3 Within ten (10) business days of receipt of the request specified in Section 10.2, above, the Association shall provide:

- (a) the requested Records, if copies were requested and any required advance payment had been made;
- (b) a written notice that the Records are available and offer dates and times when the Records may be inspected by the owner or their proxy during normal business hours at the office of the Association;
- (c) a written notice that the requested Records are available for delivery once a payment of the cost to produce the records is made and stating the cost thereof;
- (d) a written notice that a request for delivery does not contain sufficient information to specify the Records desired, the format, the delivery method and the delivery address;
- (e) a written notice that the requested Records cannot be produced within ten (10) business days but will be available within fifteen (15) additional business days from the date of the notice and payment of the cost to produce the records is made and stating the cost thereof.

10.4 The following Association Records are not available for inspection by owners or their proxies:

- (a) the financial records associated with an individual owner;
- (b) deed restriction violation details for an individual owner;
- (c) personal information, including contact information other than an address for an individual owner;
- (d) attorney files and records in the possession of the attorney; and
- (e) attorney-client privileged information in the possession of the Association.

The information in (a), (b) and (c), above, will be released if the Association receives express written approval from the owner whose records are the subject of the request for inspection.

10.5 Association Records may be maintained in paper format or in an electronic format. If a request is made to inspect Records and certain Records are maintained in electronic format, the owner or their proxy will be given access to equipment to view the electronic records. Association shall not be required to transfer such electronic records to paper format unless the owner or their proxy agrees to pay the cost of producing such copies.

10.6 If an owner or their proxy inspecting Records requests copies of certain Records during the inspection, Association shall provide them promptly, if possible, but no later than ten (10) business days after the inspection or payment of costs, subject to Section 10.3(e), above.

10.7 The owner is responsible for all costs associated with a request under this Policy, including but not limited to copies, postage, supplies, labor, overhead and third party fees (such as archive document retrieval fees from off-site storage locations) as listed below:

- (a) black and white 8½"x11" single sided copies ... \$0.10 each;

- (b) black and white 8½"x11" double sided copies ... \$0.20 each;
- (c) color 8½"x11" single sided copies ... \$0.50 each;
- (d) color 8½"x11" double sided copies ... \$1.00 each;
- (e) PDF images of documents ... \$0.10 per page (if compact disk ... \$1.00 per page);
- (f) labor and overhead ... \$18.00 per hour;
- (g) mailing supplies ... \$1.00 per mailing;
- (h) postage ... at cost;
- (i) other supplies ... at cost; and
- (j) third party fees ... at cost.

10.8 Any costs associated with a Records request must be paid by the owner or their proxy in advance of delivery. An owner who makes a request for Records and subsequently declines to accept delivery will be liable for payment of all costs under this Policy.

10.9 On a case-by-case basis, in the absolute discretion of the Association, and with concurrence of the owner, the Association may agree to invoice the cost of the Records request to the owner's account. Owner agrees to pay the total amount invoiced within thirty (30) days after the date a statement is mailed to the Owner. Any unpaid balance will accrue interest as an assessment as allowed under the Deed Restrictions.

10.10 On a case-by-case basis where an owner request for Records is deemed to be minimal, the Board of Directors reserve the right to waive request under Section 10.2, above, and/or fees under Section 10.4, above.

10.11 All costs associated with fulfilling the request under this Policy will be paid by the Association, subject to Section 10.8, above.

10.12 The foregoing Policy is effective upon recordation in the Public Records of Lubbock County, Texas, and supersedes any policy regarding records production which may have previously been in effect. Except as affected by Section 209.005 of the Texas Property Code and/or by this Policy, all other provisions contained in the Deed Restrictions or any other dedicatory instruments of the Association shall remain in full force and effect.

**ARTICLE XI.
GUIDELINES FOR DISPLAY OF CERTAIN ITEMS**

11.1 To the extent allowed by the Texas state constitution and the United States constitution, a property owner or resident may not display or attach any item that:

- (a) threatens public health or safety;
- (b) violates any law; or
- (c) contains language, graphics or any display that is patently offensive to a passerby.

11.2 Approval from the Architectural Control Committee is not required for displaying items in compliance with these guidelines.

11.3 As provided by Section 202.018 of the Texas Property Code, the Association may remove any items displayed in violation of these guidelines. In the event that there is any dispute under Section 11.1, above, the Board of Directors, shall determine whether the disputed item displayed or attached is in compliance with these guidelines.

11.4 The foregoing guidelines are effective upon recordation in the Public Records of Lubbock County, Texas, and supersede any guidelines for certain items which may have previously been in effect. Except as affected

by Section 202.018 of the Texas Property Code and/or by these guidelines, all other provisions contained in the Deed Restrictions or any other dedicatory instruments of the Association shall remain in full force and effect.

ARTICLE XII. GUIDELINES FOR DISPLAY OF FLAGS

12.1 The following guidelines apply to the display of ("**Permitted Flags**"):

- (a) the flag of the United States;
- (b) the flag of the State of Texas; and
- (c) the official flag of any branch of the United States armed forces.

12.2 These Guidelines do not apply to any flags other than the Permitted Flags listed in Section 12.1, above, including, but not limited to:

- (a) flags for schools, sports teams, businesses or foreign countries;
- (b) flags with marketing, seasonal, historical, commemorative, nautical, political or religious themes; or
- (c) historical versions or flags permitted in Section 12.1, above.

12.3 Permitted Flags may be displayed subject to these guidelines. Advance written approval of the Architectural Control Committee is required for any free-standing flagpole and any additional illumination associated with the display of Permitted Flags.

12.4 Permitted Flags must be displayed in a respectful manner in accordance with the current relevant federal, state or military code.

12.5 Permitted Flags must be displayed from a pole attached to a structure or to a free standing pole. Permitted Flags may not be draped over or directly attached to structures. For example, a Permitted Flag may not be laid across a fence or stapled to a garage door.

12.6 Permitted Flags shall be no larger than three foot (3') by five foot (5') in size.

12.7 Only one Permitted Flag may be displayed on a flagpole attached to a structure. Up to two Permitted Flags may be displayed on an approved free-standing flagpole that is at least fourteen feet (14') tall.

12.8 Flagpoles must be constructed of permanent, long-lasting materials with an appropriate finish that is harmonious with the dwelling.

12.9 A flagpole attached to a structure may be up to six feet (6') long and must be securely attached with a bracket with an angle of 30 to 45 degrees down from vertical. The flagpole must be attached in such a manner as to not damage the structure. One attached flagpole is allowed on any portion of a structure facing a street and one attached flagpole is allowed on the rear or backyard portion of a structure. Brackets which accommodate multiple flagpoles are not allowed.

12.10 Free-standing flagpoles may be up to twenty feet (20') tall, including any ornamental caps. Free-standing flagpoles must be permanently installed in the ground according to manufacturer's instructions. One free-standing flagpole is allowed in the portion of the owner's property between the main residential dwelling and any street and one free-standing flagpole is allowed in the rear or backyard portion of a property.

12.11 Free-standing flagpoles may not be installed in any location described below:

- (a) in any location other than the Owner's property;
- (b) within a ground utility easement or encroaching into an aerial easement;
- (c) beyond the side or rear setback lines (for example, on a lot with a 10' side setback line, a flagpole may not be installed closer than 10' from the side property line);
- (d) beyond half the distance of the front setback line (for example, on a lot with a 30' front setback line, a flagpole may not be installed closer than 15' from the front property line); or
- (e) closer to a dwelling on an adjacent lot than the height of the flagpole (for example, a 20' flagpole cannot be installed closer than 20' from an adjacent house).

12.12 Lighting may be installed to illuminate Permitted Flags if they will be displayed at night and if existing ambient lighting does not provide proper illumination. Flag lighting must:

- (a) be ground mounted in the vicinity of the flag;
- (b) utilize a fixture that screens the bulb and directs light in the intended direction with minimal spillover;
- (c) point towards the flag and face the main structure on the property or to the center of the property if there is no structure; and
- (d) provide illumination not to exceed the equivalent of a 60 watt incandescent bulb.

12.13 Flagpoles must not generate unreasonable noise levels which would disturb the quiet enjoyment of other residents. Each flagpole owner should take steps to reduce noise levels by using vinyl or plastic snap hooks, installing snap hook covers or securing a loose halyard (rope) around the flagpole with a flagpole clasp.

12.14 Flagpoles are allowed solely for the purpose of displaying Permitted Flags. If a flagpole is no longer used on a daily basis, it must be removed.

12.15 All flags and flagpoles must be maintained in good condition. Deteriorated flags must be removed and promptly replaced. Deteriorated or structurally unsafe flagpoles must be promptly repaired, replaced or removed.

12.16 The foregoing guidelines are effective upon recordation in the Public Records of Lubbock County, Texas, and supersede any guidelines for display of flags which may have previously been in effect. Except as affected by Section 202.007(d) of the Texas Property Code and/or by these guidelines, all other provisions contained in the Deed Restrictions or any other dedicatory instruments of the Association shall remain in full force and effect.

XIII. GUIDELINES FOR RAINWATER RECOVERY SYSTEMS

13.1 Rainwater Recovery Systems may be installed with advance written approval of the Architectural Control Committee subject to these guidelines.

13.2 All such Systems must be installed on land owned by the property owner. No portion of the Systems may encroach on adjacent properties or common areas.

13.3 Other than gutters and downspouts conventionally attached to a dwelling or appurtenant structure, all components of the Systems, such as tanks, barrels, filters, pumps, motors, pressure tanks, pipes and hoses, must be substantially screened from public view from any street or common area. Screening may be accomplished by:

- (a) placement behind a solid fence, structure or vegetation;
- (b) by burying the tanks or barrels; or
- (c) by placing equipment in an outbuilding otherwise approved by the Architectural Control Committee.

13.4 A rain barrel may be placed in a location visible from public view from any street or common area only if configuration of the guttering system on the structure precludes screening as described above with the following restrictions:

- (a) the barrel must not exceed fifty-five (55) gallons;
- (b) the barrel must be installed in close proximity to the structure on a level base with the guttering downspout leading directly to the barrel inlet at a substantially vertical angle;
- (c) the barrel must be fully painted in a single color to blend with the adjacent home or vegetation; and
- (d) any hose attached to the barrel discharge must be neatly coiled and stored behind or beside the rain barrel in the least visible position when not in use.

13.5 Overflow lines from the Systems must not be directed onto or adversely affect adjacent properties or common areas.

13.6 Inlets, ports, vents and other openings must be sealed or protected with mesh to prevent children, animals and debris from entering the barrels, tanks or other storage devices. Open-top storage containers are not allowed, however, where space allows and where appropriate, Architectural Control Committee approved ponds may be used for water storage.

13.7 Harvested water must be used and not allowed to become stagnant or a threat to health.

13.8 All Systems must be maintained in good repair. Unused Systems should be drained and disconnected from the gutters. Any unused Systems in public view must be removed from public view from any street or common area.

13.9 The foregoing guidelines are effective upon recordation in the Public Records of Lubbock County, Texas, and supersede any guidelines for rainwater recovery systems which may have previously been in effect. Except as affected by Section 202.007 of the Texas Property Code and/or by these guidelines, all other provisions contained in the Deed Restrictions or any other dedicatory instruments of the Association shall remain in full force and effect.

ARTICLE XIV. AMENDMENT

14.1 These By-Laws may be revised, changed or amended at any regular or special meeting called pursuant to the By-Laws of the membership by a two-thirds (2/3) vote of the voting members, present who are in good standing. However, a copy of the proposed revision, change or amendment shall be delivered to the residence of each member in good standing at least seven (7) days prior to the meeting at which the same is submitted.

Executed to be effective this _____ day of August, 2016.

**FOUNTAIN HILLS PROPERTY
OWNERS ASSOCIATION**

OFFICERS

By: _____
Carl Mortensen, President

By: _____
_____, Vice President

By: _____
_____, Secretary

By: _____
_____, Treasurer

DIRECTORS

By: _____
Carl Mortensen, Director

By: _____
Carlene Mortensen, Director

By: _____
Tysen Mortensen, Director

By: _____
Michael Nelson, Director

By: _____
Dianna Romans, Director

By: _____
Mindy Douglas, Director

By: _____
James Kelly, Director