STATE OF TEXAS §
§
COUNTY OF COLLIN §

PRESTON GREEN HOMEOWNERS ASSOCIATION'S POLICIES AND REGULATIONS IN COMPLIANCE WITH TEXAS PROPERTY CODE

WHEREAS, Lots in Preston Green are subject to the Declaration of Covenants, Conditions and Restrictions (Preston Green) for Preston Green Homeowners Association ("Association"), recorded on May 17, 1996 as Document Number 96-0040572 in the Real Property Records, Collin County, Texas. The Association, acting through its Board of Directors (the "Board") wishes to update and adopt reasonable policies and regulations to be in compliance with laws enacted by the Texas State Legislature;

WHEREAS, the following sections regarding policies and regulations control over any provision in any other Association governing document to the extent of any conflict, including all provisions of the original Declaration of Covenants, Conditions, and Restrictions (Preston Green) filed on May 17, 1996.

WHEREAS, the Board intends to file and record these policies and regulations in the Real Property Records of Collin County in compliance with 202.006 of the Texas Property Code;

NOW, THEREFORE, IT IS RESOLVED that the following reasonable policies and regulations have been adopted and approved by the Board of Preston Green Homeowners Association:

I. DOCUMENT RETENTION

1. Certificates of formation, bylaws, restrictive covenants and all amendments to the certificates of formation, bylaws and restrictive covenants shall be retained permanently.

2. Financial books and records shall be retained for seven (7) years;

3. Account records of current owners shall be retained for five (5) years;

4. Contracts with a term of one (1) year or more shall be retained for four (4) years after the expiration of the contract term;

5. Minutes of meetings of the owners and the board shall be retained for (7) years; and

6. Tax returns and audit records shall be retained for seven (7) years.

II. RECORDS PRODUCTION AND COPYING

The books and records of the Association are available for inspection and copying by any owner or their authorized agent after he/she submits **a written request by certified mail** with sufficient detail describing the books and records requested to the mailing address of the Association or authorized representative as reflected on the most current management certificate that is filed in the Property Records of Collin County. The request must contain an election to either inspect the books and records before obtaining copies or to have the Association forward copies of the requested books and records.

If copies are requested, the following charges will apply:

1. $0.10 per page for photocopies (each side that has recorded information is a page;
2. $1.00 per diskette;
3. $1.00 per compact disk;
4. $3.00 for each DVD;
5. $.50 per page for oversized documents;
6. If there is any other format requested, it is the actual cost incurred by the Association;
7. Labor for a computer programmer is charged at $28.50 per hour;
8. Labor charge for processing, locating and compiling the information is $15.00 per hour to include locating and redacting confidential or personal information.
9. Actual costs for miscellaneous supplies, such as boxes and labels, used to produce the requested information.
10. Actual costs for related postal and shipping expenses to produce documents.

Advance payment is required. The Association may determine in its discretion what medium to use to produce the documents. An invoice with the estimated cost will be supplied to the person requesting the documents, but the estimated cost must be paid before documents are produced.

Should an inspection be requested, the Association has ten (10) business days from receipt of the written request to give written notice stating the dates during normal business hours that the owner may inspect the requested records. The inspection will be at a mutually agreed on time during normal business hours and during the inspection, the owner may designate documents to be copied by the Association and forwarded to the owner. The Association will send an invoice with the estimated cost of production within ten (10) business days after the inspection date. After the Association has received payment for the estimated costs of production, the documents will be forwarded to the owner within ten (10) business days. Depending on the volume of records requested, the Association has the **sole** discretion to elect to copy the requested documents and deliver to the owner upon payment on the day of inspection.

If no inspection is requested and the owner requests copies of designated records, the Association will respond within ten (10) business days after receipt of the request to produce documents within ten (10) business days. If the Association is unable to produce the records they

must inform the owner that it cannot be done and provide a date on which the documents will be made available not later than the fifteen (15) business days after the date of such notice is given to the owner that they cannot be produced within ten (10) business days. An estimated cost for production must be paid before documents are produced.

Within thirty (30) business days after production is made, a final invoice will be delivered to owner stating actual production cost and if additional amounts are due, the owner has thirty (30) business days from date of the invoice to pay additional amounts. If additional amounts are not reimbursed to the Association before the 30th business day after the date of the invoice sent, the amount may be added to the owner's account as an assessment. If there is a refund due to the owner, it will be issued and sent with the final invoice.

The Association's books and records include the financial records, minutes of Board meetings and owners meetings, and Dedicatory Instruments filed with Real Property Records of Collin County. Not included are the Association's attorney files (excluding invoices sent to an owner), violation history of an individual owner of an association and the owners personal financial information to include records of payment or nonpayment of amounts due the Association, the owner's contact information (other than owner's address) and information related to an employee of the Association, including personnel files.

An owner must expressly agree in writing to the Association to allow the inspection of any of the items above that are not required to be produced by law. Upon receipt of express written approval of the owner whose records are subject to the request and only then, will the Association produce those records. After consultation with its counsel, the Association will respond to any and all lawful court orders.

III. ALTERNATIVE PAYMENT SCHEDULE FOR CERTAIN ASSESSMENTS

Upon the request of a delinquent owner, the Association shall enter into an alternative payment schedule with the owner, subject to the following guidelines:

1. An Alternate Payment Schedule ("APS") is only available to owners who have become delinquent in any regular or special assessment, fines assessed by the Association, attorney's fees incurred by fines assessed by the Association, or any other amount owed to the Association.

2. The minimum term for an Alternative Payment Schedule is three (3) months from the date of the owner's request for an Alternative Payment Schedule. During the course of an Alternative Payment Schedule, additional monetary penalties on the delinquency shall not be charged against the owner while in compliance. The owner is responsible for reasonable costs associated with administering the payment plan

and interest, all of which shall be included in calculating the total amount due and payments. During the three (3) month period, any assessments that becomes due during that time **MUST** be paid when due.

3. In the discretion of the Board, if the owner established that a three (3) month payment period is not feasible, the Board may in its sole discretion extend the eighteen (18) months. If the time is extended, any assessments or charges that become due during that time period **MUST** be paid when due.

4. The Association does not have to enter into an Alternative Payment Schedule, except in the sole discretion of the Board, with an owner who has failed to honor the terms of a previous payment plan during the two (2) years following the owner's default of a previous payment plan.

5. All other terms of an Alternative Payment Schedule are at the discretion of the Board.

6. The delinquent owner must request a payment plan for delinquent monies owed to the Association in writing no later than thirty (30) days after the Association sends notice to the owner via certified mail. The request must give an explanation for the delinquency and if a term of longer than (3) months is requested, the justification that would allow the Board to exercise discretion for extending. The written request must also acknowledge that any monies that become due during the Alternative Payment Schedule must and will be paid when due.

IV. PRIORITY OF PAYMENTS

A. Except as provided by Section B of this policy, a payment received by the Association from an owner shall be applied to the owner's debt in the following order of priority:
   1. Any delinquent assessments;
   2. Any current assessment;
   3. Any attorney's fees or third party collections costs incurred by the Association associated solely with assessment or any other charge that could provide the basis for foreclosure;
   4. Any attorney's fees incurred by the Association that are not subject to Subsection 3, above;
   5. Any fines assessed by the Association; and
   6. Any other amount owed to the Association.

B. If, at any time the Association receives a payment from owner who is in default under an Alternative Payment Schedule entered into with the Association, the Association is not required to apply the payment in the order of priority in Section A above.

Instead, the payment shall be applied to the debt in the following order of priority:

1. Any attorney's fees or third party collection costs incurred the Association associated solely with assessments or any other charge that could provide the basis for foreclosure;
2. Any attorney's fees incurred by the Association that are not subject to the previous Section B, Section 1;
3. Any delinquent assessment;
4. Any current assessment;
5. Any other amount owed to the Association; and
6. Any fines assessed by the Association.)

V. COLLECTION

Friendly Notice:

A. Issued after the Association's late date as a statement showing the total amount due. The late date is the 20th.

B. Only issued to owners with a balance of $10 or more.
   - Late/interest fees may vary based on governing documents.
   - Late date may vary based on governing documents.

C. $25 monthly plus $8.00 processing fee applicable.

Second Friendly Notice:

A. Issued as a late letter (30 days after the Friendly Notice).

B. Includes the Fair Debt Collections verbiage and allows the account holder 30 days from receipt of notice to address the delinquent amount.
   - Per Texas Code, these notices must be mailed certified (also mailed first class).

C. Only issued to owners with a balance of $50 or more.
   - A second late statement may be sent to owners in lieu of or in addition to the second notice, but the processing fees and collateral cost (print, envelopes, postage, etc.) still apply to each review and mailing.

D. $18.00 processing fee applicable.

Demand Letter:

A. This is a second 30-day collection notice (similar to the Second Formal Notice) sent via certified mail.

B. The Association will automatically proceed with referring an account for demand unless the Manager or Board of Directors stipulates otherwise.

C. Association collection policies may require demand letter processing through attorney's office.

D. $35.00 Request for demand plus collection agency/attorney's fees applicable.

Lien:

A. If an account is referred directly to an attorney's office, the Association will automatically proceed with an Authorization to Lien unless the Board of Directors stipulates otherwise.

B. If an account is referred to a collection agency, the account is automatically processed for a lien subsequent to the 30-day time line referenced in the Demand Letter.

C. The lien is filed with the Clerk of Collin County and is a legal record that a debt is owed and is secured against the property in question.

D. Processing and filing a lien with the County Clerk can take up to thirty (3) days.

. $20.00 request for lien plus collection agency/attorney fees are applicable.

Foreclosure:

A. *Authorization for Foreclosure must be Board approved in writing.*

- The approval should be in the form of Board-approved meeting minutes or a signature on an approved form.
- The collection agency or attorney's office requires the Board to sign an Assignment of Substitute Trustee (AST) that allows the chosen representative to post and settle a foreclosure on behalf of the Board.

B. Processing an account for foreclosure an take up to ninety (90) days.

C. A homeowner has a six-month (180 day) period to redeem property that has been foreclosed by paying the amount owed in full, including all dues, legal and collection fees.

- If the property is redeemed, the next step is Authorization to Sell or Authorization to Evict.
- The Association can proceed with Authorization to Evict once the property has been foreclosed.

Note 1: The Association lien is subordinate to the first lien holder (mortgage company). If the mortgage company forecloses on the property, the Association lien is relinquished and the amount owed is written off to unrecovered assessments. The mortgage company is responsible for all dues and fees incurred after the date of foreclosure, as they are the new legal owners of the property.

Note 2: There are two types of foreclosure available to Associations, judicial and expedited non-judicial. The governing documents for each community will specify which methods of foreclosure are available to the Association.

- Expedited non-judicial foreclosure is a new requirement for Associations that do not require judicial foreclosure per HB 1228 effective 1/1/2012.

D. $20.00 request for foreclosure plus collection agency or attorney's fees applicable.

VI. RAIN BARRELS AND RAINWATER HARVESTING SYSTEMS

Upon request, an owner may install rain barrels or rain water harvesting systems only with **preapproval** and only in accordance with restrictions described in this section.

1. Rain barrels and rainwater harvesting systems ("improvements") may not be installed on property owned by the Association, property owned in common by the members of the Association or property between the front of the owner's home and an adjoining or adjacent street.
2. Prior to installation of any rain barrel or rain harvesting system or any part thereof, written permission must be obtained by the Association.
3. Owners must submit plans showing proposed location, colors, materials shielding, dimensions and whether any part of the proposed improvements will be visible from the street, another lot, or a common area and if so, what parts will be visible. The location information must provide how far in feet and inches the improvements will be from the side, front and back property line of the owner's property.
4. Color must be consistent with the color scheme of the owner's home and not display any language other than as it is manufactured and be constructed in accordance with plans approved by Association.
5. If any part of the rain barrel or water harvesting system is installed in a side yard, or will be visible from the street, another lot, or common area, the Association may impose restrictions on the size, type, materials and shielding of, the improvements through denial of plans or conditional approval of plan(s).

VII. SOLAR ENERGY DEVICES

A. **Prior Approval Required**. An owner may install solar energy devices (solar panels, solar tiles, solar shingles and other similar solar devices) only on property solely owned and solely maintained by the Owner and only with prior approval by the Association and in accordance with the restrictions provided herein.

1. Solar energy devices may not be located anywhere on an Owner's property other than on the roof of the home or inside a fenced side or rear yard.
2. Roof mounted solar energy devices
   a. may not be mounted on any front or side portion of the roof that faces a street (except otherwise allowed by law);
   b. may not extend higher than or extend above the roof-line of that portion of the roof where the solar energy device is mounted;
   c. must conform to the slope of that portion of the roof where the solar energy device is mounted and have a top edge that is parallel to the roof-line of that portion of the roof;
   d. must have a frame, support brackets and visible piping or wiring that is silver,

bronze or black tone, whichever lends most effectively with the roof color.

3. Yard mounted solar energy devices must be completely enclosed by solid approved fencing and may not be taller than the lowest portion of the surrounding fence. All fencing must conform to Association specifications.

B. **Written approval of Adjoining Property Owners Required**. Notwithstanding the foregoing, the Board shall determine in writing that the placement of any and all solar energy devices proposed by an owner does not interfere with the use and enjoyment of land by causing unreasonable discomfort or annoyance to persons of ordinary sensibilities. For the purposes of making such a determination under this subsection, all applicants must submit the written approval of the installation and final placement of any solar energy device by all property owners of adjoining properties as evidence that such a condition does not exist.

1. For the purpose of this section, the definition of an "adjoining property" shall be any property that shares a common property line, or would share a common property line if not separated by a street or alley.

C. **Approval Procedure**. The general procedure for an owner to obtain Association approval for the installation of solar energy shall be:

1. Owner should have a preliminary discussion of requirements for the Owner's lot with the Board and the City of Plano;
2. Owner must prepare drawings of the proposed elevations along with photos and/or samples of material to be used;
3. Owner must obtain a permit from the City of Plano for all work proposed;
4. Owner must obtain written approval from adjoining property owners. The approval must describe specific work in sufficient detail for the adjoining property owner to understand impact, if any, on the adjoining property owner;
5. A formal request, with all documentation, must be submitted to the Board for approval.

D. **Enforcement**. If the solar device has been installed without approval of the Association or has been installed with any variation to the plans the were approved by the Association, an owner can be required to remove that solar energy device.

E. **Maintenance**. All solar energy devices must be maintained throughout the duration of installation or mounting on any property. A solar energy device that is no longer functioning or operating as intended shall be removed by the owner. Notwithstanding any agreement between the owner and a third-party vender, the owner is responsible for maintenance.

VIII. CERTAIN ROOFING MATERIALS

SOLAR SHINGLES. An owner may install roofing shingles on the roof of the owner's property with **prior approval**, that:

1. Are designed primarily to:
   a. be wind and hail resistant;
   b. provide heating and cooling efficiencies greater than those provided by customary composite shingles; **or**
   c. provide solar generation capabilities; **and**
2. When installed:
   a. resemble the shingles used or otherwise authorized for use on property in the subdivision;
   b. are more durable than or of equal or superior quality to the shingles used or otherwise authorized for use on property in the subdivision; and
   c. match the aesthetics of the property surrounding the owner's property; **and**
3. Have been **approved** for that owner's property by the Association.

IX. FLAGS

A. **General**. An owner may display flags only on his or her lot and only in compliance with this Section. No free standing flagpoles shall be permitted on any Residence unless they meet the following and are approved by the Association:

1. One flag pole no more than 20 feet in height is allowed on a lot with the following restrictions: Only the flag of the United States of America, the flag of the State of Texas or an official or replica flag of any branch of the United States armed forces may be flown.
   a. The flag of the United States may be displayed in accordance with 4 U.S.C. Sections 5-10;
   b. the flag of the State of Texas be displayed in accordance with Chapter 3100, Government Code;
   c. a pennant, banner, plaque, sign or other item that contains a rendition of a permitted flag does not qualify as a permitted flag;
   d. the flagpole attached to a dwelling or a freestanding flagpole must be constructed of permanent, long-lasting materials, with a finish appropriate to the materials used in the construction of the flagpole and harmonious with the dwelling.
   e. the display of a flag, or the location and construction of the supporting flagpole, comply with applicable zoning ordinances, easements, and setbacks of record; and,
   f. a displayed flag or flagpole on which it is flown be maintained in good condition and that any deteriorated flag or deteriorated or structurally unsafe flagpole be repaired, replaced or removed.

2. An owner may have one flagpole in an approved location or a resident-mounted flag mount, but not both a flagpole and a flag mount.

3. An owner may display flags only on his or her lot and only in compliance with this section. An Owner may not display flags on the Common areas or any other lands owned by the Association for any reason or at any time.

B. **Prior Approval Required**: An owner must submit plans to the Association for each installation, detailing the dimension type, location, materials and style/appearance of the flag, flag pole, flag mount, lighting and related installation. The Association shall have the sole discretion of determining whether such items and installations comply with this Section and under State law. The size of the flag must be approved by the Association. Lights (size, location and intensity) if any, must be approved by the Association. Flag poles must be installed such that noise is abated from an external halyard.

C. **Pre-approved Flag Mount**. The foregoing notwithstanding, an owner may, without prior approval from the Association, attach to the exterior of the residence one (1) flag mount subject to the following conditions;

1. The flag is not lit, except by an incidental, pre-existing light source (e.g., a porch light in its original orientation);
2. The flag mount is no larger than 72 inches with a diameter of no more than 3 inches;
3. The suggested location of a flag be in a complementary location on the residence (e.g., a column on the front porch, the garage doorframe;
4. No flag mount may be installed on the roof;
5. Any configuration and flagstaff in excess of six (6) feet must be approved by the Association prior to installation or display; and
6. The flag mount and related flag comply with all other appropriate provisions of this Section.

D. **Additional Requirements Related to Flags**. No more than one flag at a time may be displayed on a flag mount. No more than two flags at a time may be displayed on a flag pole. If both the U.S. and Texas flags are displayed on a flagpole, they must be of approximately the same size and the U.S. flag must be the highest flag flown. The flags can be no larger than 3' x 5' in size. Flags must never be flown upside down and must never touch the ground.

E. An owner may additionally display one (1) ornamental flags, such as school or sport team flag, so long as the flag:
1. Contains no more than 12 square feet of material or otherwise approved;
2. Does not contain any symbols, insignias, or language that are commercial or deemed by the Board or Architectural Committee, in their sole discretion, to be offensive to a person of ordinary sensibilities;
3. Is in good taste and presentation; and
4. Is displayed in a complimentary location and manner or otherwise approved.

X. RELIGIOUS DISPLAYS

A. State statute allows owners to display certain religious items on the owner's entry, and further allows the Association to impose certain limitations on such entry displays. Notwithstanding any other language in the governing documents to the contrary, residents may display on the entry door or door frame of the owner's property one or more religious items, subject to the restrictions outline in Paragraph B below. Allowed religious displays are limited to displays motivated by the owner's sincere religious belief.

B. **Prohibited Items**. No religious items displayed may:

1. Threaten the public health or safety;
2. Violate a law;
3. Contain language, graphics, or any display that is patently offensive to a passerby;
4 Be located anywhere other than the main entry door or entry door frame or extends past the outer edge of the frame of the owner's or resident's dwelling; or
6. Individually or in combination with each other religious item displayed or affixed on the entry door or door frame has a total size of greater than 25 square inches.

Note 1: This section does not authorize an owner or resident to use a material or color for an entry door or door frame or make an alteration to the entry door or door frame that is not authorized by the restrictive covenants governing the dwelling.

Note 2: A property owner's association may remove an item displayed in violation of a restrictive covenant permitted by this section.

C. **Seasonal Religious Holiday Decorations**. This rule will not be interpreted to apply to otherwise permitted temporary seasonal religious holiday decorations such as Christmas lighting or Christmas wreaths. The Board has the sole discretion to determine what items qualify as seasonal religious holiday decorations and may impose time limits or other restrictions on the display of such declarations.

D. **Other Displays**. Nonreligious displays in the entry area of the owners dwelling and all displays religious or otherwise outside of the entry area are governed by other applicable governing covenants.

XI. TRANSFER FEES

A. In addition to fees for issuance of a resale certificate and any updates or reinsurance of the resale certificate, transfer fees are due upon the sale of any property in accordance with the then current fee schedule, including any fee charged by a managing agent. It is the Owner/Seller's responsibility to determine the then current fees. Transfer fees not paid at

or before closing are the responsibility of the purchasing owner and will assessed to the owner's account accordingly. The Association may require payment in advance for issuance of any resale certificate or other transfer related documentation.

B. If a resale certificate is not requested and a transfer occurs, all fees associated with Association record updates will be the responsibility of the new owner and may be assessed to the Lot's account at the time the transfer becomes known. These fees will be set according to the then current schedule of the Association or managing agent, and may be equivalent to the resale certificate fee or in any other amount.

XII. EMAIL ADDRESSES

A. **E-Mail Addresses**. An owner is required to keep a current e-mail address on file with the Association. Failure to supply an e-mail to the Association or to update the address in a timely manner may result in an owner not receiving the Association's e-mail communication. The Association has no duty to request an updated address from an Owner in response to each return e-mail or otherwise. The Association may require owners to sign up for a group e-mail, e-mail listserv, or other e-mail subscription service in order to receive Association e-mails.

B. **Updating E-Mail Addresses**. An Owner is required to notify the Association when e-mail addresses change. Such notice must be in writing and delivered to the Association's Board or managing agent by U.S. mail, or e-mail. The notice must be for the sole purpose of requesting an update to the owner's e-mail address. For example: merely sending an e-mail with a new e-mail address, or including the e-mail address in the communications sent for any other purpose other than providing notice for a new e-mail address, does not constitute a request for change of owner's e-mail in the records of the Association.

This to certify that the foregoing policies and regulation were adopted by the Board of Directors, in accordance with the Texas Property Code.

PRESTON GREEN HOMEOWNERS ASSOCIATION
Acting by and through its Board of Directors

By: Christine Grogan
Printed Name: Christine Grogan
Title: Assistant Secretary

(Notary on following page.)

STATE OF TEXAS §
§
COUNTY OF Collin §

This instrument was acknowledged before me on the 30th day of December, 2015, by Christine Grogan as Assistant Secretary for Preston Green Homeowners Association.

Printed Name: Curtis Carter

Notary Public, State of Texas

CURTIS CARTER NOTARY PUBLIC STATE OF TEXAS EXPIRES 03/23/2019

Filed and Recorded
Official Public Records
Stacey Kemp, County Clerk
Collin County, TEXAS
12/31/2015 10:21:16 AM
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