

**FIRST AMENDMENT AND FIRST SUPPLEMENT
TO
NOTICE OF FILING OF DEDICATORY INSTRUMENTS
FOR
PRESTON HIGHLANDS
PHASE ONE AND PHASES II AND III**

STATE OF TEXAS §
 § **KNOW ALL MEN BY THESE PRESENTS:**
COUNTY OF COLLIN §

THIS FIRST AMENDMENT AND FIRST SUPPLEMENT TO NOTICE OF FILING OF DEDICATORY INSTRUMENTS FOR PRESTON HIGHLANDS PHASE ONE AND PHASES II AND III (this "First Supplement") is made this 18 day of September, 2012, by Preston Highlands Community Improvement Association d/b/a Preston Highlands Homeowner's Association, Inc. (the "Association").

WITNESSETH:

WHEREAS, Frankford Associates, a Texas general partnership ("Declarant") prepared and recorded an instrument entitled "Declaration of Restrictions for Preston Highlands, Phase One" on or about November 14, 1978, at Volume 1143, Page 618 *et seq.* of the Real Property Records of Collin County, Texas (the "Phase One Declaration"); and

WHEREAS, Frankford Associates, a Texas general partnership ("Declarant") prepared and recorded an instrument entitled "Declaration of Restrictions for Preston Highlands, Phases II and III" on or about December 19, 1979 at Volume 1213, Page 740 *et seq.* of the Real Property Records of Collin County, Texas (the "Phases II and III Declaration"); and

WHEREAS, the Phases II and III Declaration extended the Phase One Declaration to the properties located in Phases II and III of Preston Highlands; and

WHEREAS, the Association is the property owners' association created by the Declarant to manage or regulate the planned development subject to the Phase One Declaration and the Phases II and III Declaration, which development is more particularly described in the Phase One Declaration and the Phases II and III Declaration; and

WHEREAS, Section 202.006 of the Texas Property Code provides that a property owners' association must file each dedicatory instrument governing the association that has not been previously recorded in the real property records of the county in which the planned development is located; and

WHEREAS, on or about December 9, 2004, the Association recorded a Notice of Filing of Dedicatory Instruments for Preston Highlands, Phase One, recorded as Document No. 2004-0176636 at Volume 05812, Page 03339 of the Deed Records of Collin County, Texas (the "Notice"); and

WHEREAS, the Association desires to amend the Notice to replace the dedicatory instrument entitled "Assessment Collection Policy" (adopted November 24, 2004), with the dedicatory instrument entitled "Assessment Collection Policy" (revised March 2012), attached hereto as Exhibit "A-1"; and

WHEREAS, the Association desires to supplement the Notice by recording the dedicatory instrument attached hereto as Exhibit "A-2" in the Real Property Records of Collin County, Texas, pursuant to and in accordance with Section 202.006 of the Texas Property Code.

NOW, THEREFORE, the dedicatory instruments attached hereto as Exhibits "A-1" and "A-2" are true and correct copies of the originals and are hereby filed of record in the Real Property Records of Collin County, Texas, in accordance with the requirements of Section 202.006 of the Texas Property Code.

IN WITNESS WHEREOF, the Association has caused this First Amendment and First Supplement to the Notice of Filing of Dedicatory Instruments for Preston Highlands, Phase One and Phases II and III to be executed by its duly authorized agent as of the date first above written.

**PRESTON HIGHLANDS COMMUNITY
IMPROVEMENT ASSOCIATION, d/b/a PRESTON
HIGHLANDS HOMEOWNER'S ASSOCIATION, INC.,
a Texas non-profit corporation**

By: 

Its: Board President

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF COLLIN §

BEFORE ME, the undersigned authority, on this day personally appeared Charlie Ross, President of Preston Highlands Community Improvement Association, d/b/a Preston Highlands Homeowner's Association, Inc., known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that (s)he executed the same for the purposes and consideration therein expressed on behalf of said corporation.

SUBSCRIBED AND SWORN TO BEFORE ME on this 26 day of OCTOBER, 2012.



Belinda Cogburn
Notary Public, State of Texas

3/01/2014
My Commission Expires

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EXHIBIT "A"

A-1 Assessment Collection Policy

**PRESTON HIGHLANDS COMMUNITY IMPROVEMENT ASSOCIATION d/b/a
PRESTON HIGHLANDS HOMEOWNER'S ASSOCIATION, INC.**

ASSESSMENT COLLECTION POLICY

WHEREAS, Preston Highlands Community Improvement Association d/b/a Preston Highlands Homeowner's Association, Inc. (the "Association") has authority pursuant to Article V of the "Declaration of Restrictions for Preston Highlands, Phase One" (the "Phase One Declaration") to levy assessments against Owners of Lots located within Preston Highlands, Phase One and Preston Highlands, Phases II and III, a planned community located in Collin County, Texas (the "Development"); and

WHEREAS, in order to facilitate the timely collection of assessments and other amounts owed by Owners, and in order to comply with the Declaration and state law regarding the collection of unpaid amounts, the Board desires to establish certain procedures for the collection of assessments that remain unpaid beyond the prescribed due dates.

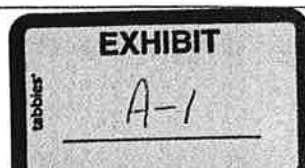
NOW, THEREFORE, IT IS RESOLVED that the following procedures and practices are established for the collection of assessments owing and to become owing by Owners in the Development and the same are to be known as the "Assessment Collection Policy" ("Policy") for the Association:

1. Generally. The steps and procedures contained in this Policy serve as a general outline of the Association's collection process. The Association is not bound to follow these exact procedures in every collection matter except as required by the Declaration and the laws that govern collection of assessments. The procedures below are not intended to constitute a prerequisite or condition precedent to the Association's legal ability to collect unpaid assessments and other amounts except as required by the Declaration or law.

2. Delegation to Management. To facilitate cost-effective and timely collection of all amounts owed by owners, including but not limited to assessments, dues, charges and/or related costs, the Association may delegate to management those duties determined by the Board in its sole discretion to be necessary to assist collection efforts.

3. Ownership Interests. As used herein, the term "Delinquent Owner" refers to that person who held title to a Lot on the date an assessment became due. As used herein, the term "Current Owner" refers to that person who then holds title to a Lot. Unless expressly denoted otherwise, the "Owner" of a Lot refers to the Delinquent Owner or the Current Owner or both, as may be appropriate under the circumstances in question.

4. Due Dates. Pursuant to Article V of the Declaration, the due date for the Regular Assessment and Special Assessment is the thirtieth (30th) day after the mailing of the invoice for same. Regular Assessments may be assessed monthly, quarterly, or semi-annually. Currently, the Regular Assessments are levied JANUARY 31. The due date for any assessment shall be collectively referred to in this Policy as the "Due Date". Any assessment or part thereof which is not paid in full on or before the Due Date is delinquent (the "Delinquency Date") and shall be assessed handling charges and interest as provided in Paragraphs 7 and 8 below.



5. Written Notice of Delinquency. Subsequent to an Owner becoming delinquent, and prior to sending the account to the Association's legal counsel for collection, the Association will send written notice of the delinquency to the Owner via certified mail, return receipt requested (the "Delinquency Notice"). The Delinquency Notice shall: (i) specify each delinquent amount and the total amount owed; (ii) describe the options the Owner has to avoid having the account turned over to the Association's legal counsel, including the availability of a payment plan; and (iii) provide the Owner a period of at least thirty (30) days to cure the delinquency before further collection action is taken.

6. Payment Plans. Section 209.0062 of the Texas Property Code requires that the Association adopt reasonable guidelines to establish an alternative payment schedule by which an owner may make partial payments for delinquent amounts owed to the Association in certain circumstances. The Board has adopted and recorded a policy which governs payment plans and the Association will follow the policies and procedures contained therein.

7. Interest. In the event any assessment, or any portion thereof, is not paid in full by the Due Date, interest on the principal amount due may be assessed against the Owner, the rate of said interest to be ten percent (10%) per annum and shall accrue from the Due Date until paid. Such interest, as and when it accrues hereunder, will become part of the assessment upon which it has accrued and, as such, will be subject to recovery in the manner provided herein for assessments.

8. Handling Charges and Return Check Fees. In order to recoup for the Association the costs incurred because of the additional administrative expenses associated with collecting delinquent assessments, collection of the following fees and charges are part of this Policy:

a. Any handling charges, administrative fees, collection costs, postage or other expenses incurred by the Association in connection with the collection of any assessment or related amount owing beyond the Delinquency Date for such assessment will become due and owing by the Delinquent Owner.

b. A charge of \$25.00 per item will become due and payable for any check tendered to the Association which is dishonored by the drawee of such check, the charge being in addition to any other fee or charge which the Association is entitled to recover from an Owner in connection with collection of assessments owing with respect to such Owner's Lot.

c. Any fee or charge becoming due and payable pursuant to this Paragraph will be added to the amount then outstanding and is collectible to the same extent and in the same manner as the assessment, the delinquency of which gave rise to the incurrence of such charge, fee or expense.

9. Ownership Records. All collection notices and communications will be directed to those persons shown by the records of the Association as being the Owner of a Lot for which assessments are due and will be sent to the most recent address of such Owner solely as reflected by the records of the Association. Any notice or communication directed to a person at an

address, in both cases reflected by the records of the Association as being the Owner and address for a given Lot, will be valid and effective for all purposes pursuant to the Declaration and this Policy until such time as there is actual receipt by the Association of written notification from the Owner of any change in the identity or status of such Owner or its address or both.

10. Notification of Owner's Representative. Where the interests of an Owner in a Lot have been handled by a representative or agent of such Owner or where an Owner has otherwise acted so as to put the Association on notice that its interests in a Lot have been and are being handled by a representative or agent, any notice or communication from the Association pursuant to this Policy will be deemed full and effective for all purposes if given to such representative or agent.

11. Remedies and Legal Actions. If an Owner fails to cure the delinquency within the thirty (30) day period stated in the Delinquency Notice (as provided for above), the Association may, at its discretion and when it chooses, refer the delinquency to legal counsel for the Association. Any attorney's fees and related charges incurred by virtue of legal action taken will become part of the Owner's assessment obligation and may be collected as such as provided herein.

At the direction of Management and/or the Board, legal counsel for the Association may pursue any and all available legal remedies with regard to the delinquencies referred to it including, but not limited to, the following:

a. Notice Letter. As the initial correspondence to a Delinquent Owner, counsel will send a notice letter (the "Notice Letter") to the Owner advising the Owner of the Association's claim for all outstanding assessments and related charges, adding to the charges the attorney's fees and costs incurred for counsel's services.

b. Notice of Lien. If an Owner fails to cure the delinquency indicated in the Notice Letter, upon being requested to do so by the Board and/or Management, counsel may prepare and record in the Real Property Records of Collin County, a written notice of lien (referred to as the "Notice of Lien") against the Lot. A copy of the Notice of Lien will be sent to the Owner, together with an additional demand for payment in full of all amounts then outstanding.

c. Judicial Foreclosure. In the event that the Owner fails to cure the delinquency, the Board may direct legal counsel to pursue foreclosure of the lien. In any foreclosure proceedings, the Owner shall be required to pay the costs and expenses of such proceedings, including reasonable attorney's fees. The Association may file suit for judicial foreclosure ("Judicial Foreclosure") of the assessment lien, which suit may also seek a personal money judgment. Upon receipt from the Court of an order foreclosing the Association's assessment lien against the Lot, the sheriff or constable may post the Lot for sheriff's sale at an upcoming foreclosure sale. The Association shall have the power to bid on the Owner's Lot and improvements at foreclosure and to acquire, hold, lease, mortgage, convey or otherwise deal with the same.

d. Lienholder Notification. In pursuing Expedited Foreclosure or Judicial Foreclosure, the Association shall provide the 61-day notice letter to lienholders pursuant to Section 209.0091 of the Texas Property Code.

e. Lawsuit for Money Judgment. The Association may file suit for a money judgment in any court of competent jurisdiction.

f. Bankruptcy. Upon notification of a petition in bankruptcy, the Association may refer the account to legal counsel.

g. Suspension of Rights to Use Recreational Facilities. If authorized by the Declaration, Bylaws or rules and regulations, and in accordance with Chapter 209 of the Texas Property Code, the Association may suspend an Owner's privileges to use the Association's recreational facilities.

h. Remedies Not Exclusive. All rights and remedies provided in this Policy and hereinabove are cumulative and not exclusive of any other rights or remedies that may be available to the Association, whether provided by law, equity, the Association's governing documents or otherwise.

12. Lock Boxes. The Association may establish a lock box for the receipt of assessment payments. Payments made to the lock box are deposited in the Association's bank account without regard to communications or other notices enclosed with or stated on the payment. Any notice or communication (including, without limitation, a dispute of the debt) enclosed with or stated on the payment to the lock box will be ineffective and not binding on the Association. Any dispute of an assessment or related charge, any proposed tender of an amount less than the entire amount claimed to be due which is intended to satisfy the Owner's debt in full, or any change in the identity, status or address of an Owner, must be in writing, sent to and received by Management at the address listed on the Association's most recent management certificate.

13. Compromise of Assessment Obligations. In order to expedite the handling of collection of delinquent assessments owed to the Association, the Board may, at any time, compromise or waive the payment of any assessment, interest, late charge, handling charge, collection cost, legal fee or any other applicable charge. The Association may, at its option, notify the Internal Revenue Service of the waiver or forgiveness of any assessment obligation.

14. Credit Bureaus. The Association may also notify any credit bureau of an Owner's delinquency. The Association will notify the Owner that it has filed such a report and will comply with any local, state, or federal laws in connection with the filing of such report.


15. Severability and Legal Interpretation. In the event that any provision herein shall be determined by a court with jurisdiction to be invalid or unenforceable in any respect, such determination shall not affect the validity or enforceability of any other provision, and this Policy shall be enforced as if such provision did not exist. Furthermore, in the event that any provision of this Policy is deemed by a court with jurisdiction to be ambiguous or in contradiction with any law, this Policy and any such provision shall be interpreted in a manner that complies with an

interpretation that is consistent with the law. In the event any provision of this Policy conflicts with the Declaration, the Declaration controls.

IT IS FURTHER RESOLVED that this Policy replaces and supersedes in all respects all prior policies and resolutions with respect to the collection of assessments by the Association and is effective upon adoption hereof, to remain in force and effect until revoked, modified or amended.

This is to certify that the foregoing resolution was adopted by the Board of Directors at a meeting of same on 18 Sept 2012, and has not been modified, rescinded or revoked.

DATE: 18 Sept 2012


Secretary

P:\RWB\WPAF Directory (Association Transactions)\Collect\Preston Highlands ~ 2012 collection policy

EXHIBIT "B"

- B-1 Records Retention and Production Policy**
- B-2 Waiver Policy**
- B-3 Payment Plan Policy**
- B-4 Guidelines for Rain Barrels/Collection Devices**
- B-5 Guidelines for Solar Energy Panels and Certain Roofing Materials**
- B-6 Design Guidelines for Installation and Display of Flags and Flagpoles**
- B-7 Guidelines for Religious Displays**
- B-8 First Amendment to Compliance Policy**

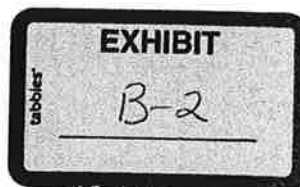
Preston Highlands Homeowners Association, Inc.
Waiver Policy

Purpose: To establish a uniform and consistent policy to manage requests for waivers of late fees, interest and/or other charges to an owner's account incurred as a result of non-payment by the due date or grace period.

It is the intention of the Board of Directors to work with homeowners who have a legitimate reason for making a late payment, but not to the detriment of homeowners who make their payments in a timely manner.

The Board of Directors recognizes there may be extenuating circumstances that may prevent a homeowner from making their payment on time. Therefore, the Board will grant a waiver to any homeowner subject to the following conditions:

- 1) Requests for waivers shall not be granted for any out of pocket collection costs to the Association i.e. demand letters, attorney's fees, collection costs or administrative costs incurred by the Association for the management of the community's receivables i.e. NSF and return check charges.
- 2) Requests for waivers shall not be granted to a homeowner that has previously defaulted on a payment plan in the preceding two (2) years.
- 3) Requests for waivers shall not be granted to any homeowner that has received a waiver within the preceding two (2) years.
- 4) Requests for waivers will be subject to the homeowner's unpaid balance being received within ten (10) business days from the date of notification or a date mutually agreed upon by the owner and the Association. If a homeowner is unable to abide by the terms of a conditional waiver, the waiver will be denied but the homeowner will be allowed to request a payment plan, if eligible, under the Association's payment plan policy.
- 5) In the event the conditions of a waiver are not met, the homeowner will not be eligible to request another waiver for a period of six (6) months or until they are again eligible for a waiver under the terms of the policy.



Preston Highlands Homeowners Association, Inc.
Payment Plan Policy

Purpose: The purpose of this policy is to provide a uniform and consistent way to manage homeowner's requests for payment plans to address their delinquent assessments and fees due to the Association.

It is the intention of the Board of Directors to work with homeowners to satisfy their obligation to the Association.

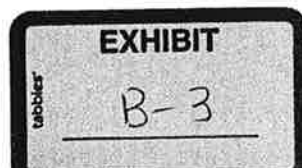
Therefore, in an effort to assist those homeowners in the payment of their obligations to the Association, the Board of Directors has established the following policy.

Payment Plans:

- 1) The Association will allow payment plans for repayment of delinquent amounts with a minimum of three (3) months' duration.
- 2) Terms for repayment of delinquent amounts shall not exceed six (6) months.
- 3) Assessments that become due and are added to the homeowner's account during the term of the payment plan must be paid in a timely manner in addition to repayment of delinquent amounts or must be addressed in the payment plan.
- 4) The Association will charge a fee to negotiate, establish and initiate a payment plan for the owners' delinquent balance and charge a monthly fee to administer the plan for the duration of the payment plan.
- 5) The plan must include the total debt owed to the Association, including late fees, interest, fines and other collection costs.
- 6) There shall be no waiver of any charges on the homeowner's account unless the owner submits a request for consideration of a full or partial waiver in accordance with the Association's recorded Waiver Policy.
- 7) To be eligible for a payment plan, the homeowner must not have defaulted on a prior payment plan within the two (2) year period preceding the default.
- 8) Interest on the unpaid balance on the homeowner's account will be charged during the payment plan.
- 9) The plan must contain a schedule setting forth the date that each payment will be made and the exact amount of each payment to be made.
- 10) Payment plans approved after the account has been turned over to the Association's attorney for collection must be paid in certified funds.
- 11) Payment plans approved after notice has been given to a homeowner that the property is in foreclosure must include a minimum amount established by the Board of Directors in the individual payment plan request and the initial payment must be received on or before the deadline established by the Association's attorney.

Settlements:

The Board of Directors will consider offers to settle an account once the homeowner is at the foreclosure stage. Settlements must be paid in certified funds and are subject to the deadlines established by the Association's attorney.



Default:

The Board of Directors shall herein establish criteria for determining what constitutes "default" on payment plans.

"Default" may include one or all of the following:

- 1) Failure of an owner to make a payment by the proposed date in accordance with the approved payment plan.
- 2) Failure of an owner to make the full amount of a payment as stated in the approved payment plan.
- 3) Failure of an owner to make a timely payment of any additional assessments that come due during the term of the payment plan.

Should the homeowner default on a payment plan:

- 1) The Board of Directors, at their sole discretion, reserves the right to add suspended interest from the date the plan was approved.
- 2) The Board of Directors, at their sole discretion, can declare the outstanding balance due and payable immediately in certified funds.
- 3) The Board of Directors reserves the right to proceed with appropriate collection measures in accordance with the Association's Collection Policy in order to secure payment of amounts due to the Association.

Priority of Payments:

Except as otherwise provided for and authorized by law, the Association will apply partial payments from owners in accordance with state statute, in other words, in the following order:

- 1) Delinquent assessments
- 2) Current assessments
- 3) Attorney fees and collection costs associated solely with delinquent assessments, and any other charge that could provide the basis for foreclosure
- 4) Other attorney fees not associated with the collection of assessments
- 5) Fines
- 6) Other amounts owed the Association which are unsecured

However, should an owner default on a payment plan, the Association will then apply partial payments from that owner from the date of default in the order determined by the Application of Payments policy previously filed by the Association on May 1, 2006.

Preston Highlands Homeowners Association, Inc.
Guidelines for Rain Barrels/Collection Devices
Effective September 1, 2011

The association, in accordance with State law, will permit owners to install rain barrels/collection devices if they meet architectural requirements as outlined by the association. However, the following also applies:

The association prohibits owners from installing rain barrels/collection devices on any common area or property owned by the association.

The association prohibits owners from installing rain barrels/collection devices on an owner's property between the front building line and on any area visible from the street.

General Considerations

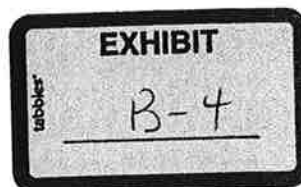
Rain barrels/collection devices should be generally designed to be unobtrusive in location and appearance and must not cause drainage problems to the property or its neighbors.

The location should take advantage of screening provided by existing or proposed structures and/or vegetation.

The installation of rain barrels/collection devices in attached housing shall be in accordance with the approved project standards established by the association for location, color, screening, etc.

Specific Guidelines

1. The preferred location is in the rear or side yard; rain barrels/collection devices shall be prohibited in front yards.
2. The rain barrel/collection device must be installed at the base of an existing downspout. Only one rain barrel/collection device may be installed per downspout.
3. The overflow from the rain barrel/collection device shall discharge to the same location as the current downspout.
4. The size of a rain barrel/collection device bin is generally limited to 36" in height and 24" in diameter.
5. The container must be designed for the purpose of collecting rainwater; a converted trash can is not an acceptable alternative.
6. The bin must be sturdily constructed of durable plastic in black, brown, green, simulated wood with a screened cover and a splash block provided for the overflow.
7. Other colors which are consistent with the trim, siding or overall color scheme of the home will be reviewed on a case by case basis.
8. The rain barrel/collection device should be set into a landscaped area, so that its appearance will be softened by plant material. Additional landscaping or screening may be required to diminish the visual impact on other properties or from the street.
9. The rain barrel/collection device should be an enclosed device to avoid becoming a breeding ground for mosquitoes and maintained so that it does not create a visual nuisance.



Submission Requirements

Homeowners are required to submit for consideration:

A copy of the existing site plan showing the location of the house, any accessory structures, significant vegetation, property lines, and the proposed location of the rain barrel/collection device.

A catalog photograph or manufacturer's "cut sheet" of the rain barrel/collection device, including dimensions, material, and color.

A planting plan indicating the type and location of vegetation or other screening, existing or proposed.

Preston Highlands Homeowners Association, Inc.
Guidelines for Solar Energy Panels and Certain Roofing Materials
Effective June 17, 2011

For purposes of the Association, the term "Solar Energy Panel" means a panel device or system designed primarily to collect solar energy, and collect and subsequently use solar energy as thermal, mechanical, or electrical energy. Solar energy panels may not be installed without prior written approval of the Architectural Control Committee (ACC).

The installation of Solar Energy Panels will not be allowed if:

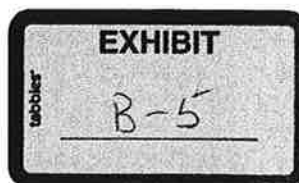
- (i) in violation of any law
- (ii) on property owned or maintained by the Association
- (iii) in common areas
- (iv) located anywhere but on the owner's roof or in his/her fenced-yard or patio and not taller than the fence
- (v) the device extends beyond the roofline or does not conform to certain allowed design guidelines
- (vi) it is installed in a manner that voids material warranties
- (vii) it is installed without prior approval by the Association or its designated Architectural Control Committee and/or
- (viii) the device would "substantially interfere with the use and enjoyment of land by causing unreasonable discomfort or annoyance to persons of ordinary sensibilities." However, this finding will be reconsidered by the Association or its designated Architectural Control Committee if the owner obtains written approval of the installation from all neighboring owners.

The intent of this restriction is to allow the installation of Solar Energy Panels but to maintain, to the greatest extent possible, the aesthetics of the community and the harmony established by the plan of development for the Association.

Certain Roofing Materials: Shingles that are designed primarily to (i) resist wind and hail, (ii) provide heating/cooling efficiency greater than ordinary composite shingles, or (iii) generate solar energy may be installed with prior written approval of the ACC so long as the shingles aesthetically resemble approved shingles within the Association, are more durable or of better quality than "normal" shingles allowed within the subdivision, and aesthetically match the owner's and surrounding properties.

ADDITIONAL RESTRICTIONS WHICH ARE ALLOWED BY STATUTE AND CAN BE INCLUDED IN GUIDELINES FOR SOLAR ENERGY PANELS:

- In all circumstances where roof installation is contemplated, Solar Energy Panels shall conform to the slope of the roof and the top edge of the Solar Energy Panel shall be parallel to the roof ridge.
- Solar Energy Panel frames, support brackets, or any visible piping or wiring must blend most effectively with the roof.
- Color or finish of the panel must blend to the greatest extent possible with existing roof color.
- Panels, mounting devices, etc. must be repaired or replaced within 120 days of date of damage.



- Ground mounted system(s) shall be as small as possible, located in rear or side yards and screened from neighboring properties by fencing or landscaping.
- No Solar Energy Panels may be placed on the front elevation of the home.

OPTIONAL SOLAR ENERGY PANEL SUBMISSION REQUIREMENTS FOR CONSIDERATION:

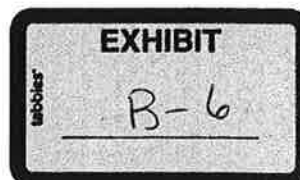
- A copy of the existing site plan showing the house and any accessory structures, significant vegetation, property lines and the proposed location of the Solar Energy Panels.
- A drawing or photographs showing the proposed location of the Solar Energy Panels and description of any visible auxiliary equipment.
- Catalog photographs or manufacturer's "cut sheets" of all components including dimensions, colors, materials, etc.
- Plans of proposed landscaping or screening for ground mounted Solar Energy Panels.
- Roof must be returned to a first class condition at no cost to the Association,

PRESTON HIGHLANDS HOMEOWNERS ASSOCIATION, INC.

DESIGN GUIDELINES FOR THE INSTALLATION AND DISPLAY

OF FLAGS AND FLAGPOLES

1. The only flags which may be displayed are: (i) the flag of the United States of America; (ii) the flag of the State of Texas; and (iii) an official or replica flag of any branch of the United States armed forces. All flags visible from any street must be mounted and displayed in accordance with the following provisions.
2. The flag of the United States must be displayed in accordance with 4 U.S.C Sections 5-10.
3. The flag of the State of Texas must be displayed in accordance with Chapter 3100 of the Texas Government Code.
4. Any freestanding flagpole, or flagpole attached to a dwelling, shall be constructed of permanent, long-lasting materials. The materials used for the flagpole shall be harmonious with the dwelling and have a finish appropriate to the materials used in the construction of the flagpole.
5. The display of a flag, or the location and construction of the supporting flagpole, shall comply with applicable zoning ordinances, easements, and setbacks of record.
6. A displayed flag, and the flagpole on which it is flown, shall be maintained in good condition at all times. Any flag that is deteriorated must be replaced or removed. Any flagpole that is structurally unsafe or deteriorated shall be repaired, replaced, or removed.
7. Only one flagpole will be allowed per Lot. A flagpole can either be securely attached to the face (the side facing the street address) of the dwelling (no other structure, including trees and fences) or be a freestanding flagpole. A flagpole attached to the dwelling may not exceed 6 feet in length; a freestanding flagpole may not exceed 20 feet in height. Any freestanding flagpole must be located in either the front yard or backyard of a Lot, and there must be distance of at least 5 feet between the flagpole and the property line. No flag may be mounted or displayed in such a manner that it hangs over any common area, sidewalk, street, or alleyway.



8. Any flag flown or displayed on a freestanding flagpole may be no larger than 6' x 8'.
9. Any flag flown or displayed on a flagpole attached to the dwelling may be no larger than 3' x 5'.
10. Any freestanding flagpole must be equipped to minimize halyard noise. The preferred method is through the use of an internal halyard system. Alternatively, swivel snap hooks must be covered or "Quiet Halyard" Flag snaps installed. Neighbor complaints of noisy halyards are a basis to have flag removed until Owner resolves the noise complaint.
11. The illumination of a flag is allowed so long as it does not create a disturbance to other residents in the community. Solar powered, pole mounted light fixtures are preferred as opposed to ground mounted light fixtures. Compliance with all municipal requirements for electrical ground mounted installations must be certified by Owner. Flag illumination may not shine into another dwelling. Neighbor complaints regarding flag illumination are a basis to prohibit further illumination until Owner resolves complaint.
12. Flagpoles shall not be installed in Common Area or property maintained by the Association.
13. All flagpole installations must receive prior written approval from Architectural Review Committee or the Modifications Committee.

These Design Guidelines are promulgated pursuant to and in accordance with Section 202.0011 of the Texas Property Code.

Preston Highlands Homeowners Association, Inc.
Guidelines for Religious Displays
(Also applies to condominiums)
Effective June 17, 2011

The association, in accordance with State law, will permit owners to display religious items exclusively on the entry to the owners' dwelling, specifically the entry door or door frame, however:

An owner may not exploit this law to use a material or color for an entry door that is prohibited by the association's governing documents.

The display of a religious item(s) may not exceed a total of 25 square inches

The association may prohibit the display of religious items if it/they:

- display obviously offensive language or graphics
- violate deed restrictions that do not conflict with this statute
- is/are in a location other than the entry door or frame

The association will not permit religious items to be displayed that pose any threat to public safety or health.



**PRESTON HIGHLANDS COMMUNITY IMPROVEMENT ASSOCIATION
D/B/A
PRESTON HIGHLANDS HOMEOWNER'S ASSOCIATION, INC.**

First Amendment to Compliance Policy

Pursuant to the provisions of Article 1396-9.10 of the Texas Non-Profit Corporation Act, as amended from time to time, the undersigned, being the Secretary of Preston Highlands Homeowner's Association (the "Association"), certify that the following resolution was adopted by the Board of Directors at a duly convened meeting of the Directors at which the Directors were present and voted.

WHEREAS, the Association has authority pursuant to Article IX, Section 9.01 of the Bylaws of Preston Highlands Homeowner's Association, Inc., a Nonprofit Corporation (the "Bylaws") to establish and amend from time to time a Compliance Policy and levy fines against Members who are not in compliance with the maintenance requirements of their property as prescribed by Dallas City Code, the Declaration of Restrictions of Preston Highlands, Phase One, the Declaration of Restrictions of Preston Highlands, Phases II and III and the Bylaws (collectively the "Governing Documents"); and

WHEREAS, the Board of Directors adopted a Compliance Policy (the "Compliance Policy") on or about May 1, 2006 and recorded on or about May 10, 2006 as Document No. 20060510000632550 of the Deed Records of Collin County, Texas; and

WHEREAS, effective January 1, 2012, Section 209.0063 of the Texas Property Code establishes a statutory priority of payments schedule for payments received by a property owners association from an owner which conflicts with the current Section 11 of the Compliance Policy; and

WHEREAS, effective January 1, 2012, Section 209.006 of the Texas Property Code adds additional notification requirements to the notice required before enforcement actions; and

WHEREAS, the Board also desires to establish a schedule of fines for repeat violations of the Governing Documents.

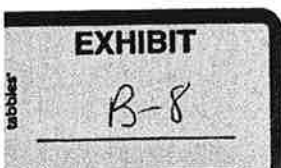
NOW, THEREFORE, IT IS RESOLVED that the Compliance Policy is amended as follows.

1. Paragraph 4 of the Collection Policy is amended by adding a new subsection g to read as follows:

g. The owner may have special rights or relief related to the enforcement action under federal law, including the Servicemembers Civil Relief Act (50 U.S.C. app. Section 501 et seq.) if the owner is serving on active military duty.

2. Paragraph 5 of the Collection Policy is amended to read as follows:

Notice of Sanction. A formal notice of the Violation and the sanction to be imposed (the "Notice of Sanction"), including the amount of any property damage or fine imposed, will be sent by the Association to the Owner by regular first class



mail and certified mail, return receipt requested, where, within the time period specified in the Notice of Violation, the Violation has not been corrected or eliminated or the Association has not timely received a written request for hearing. The imposition of fines for repeat violations within a twelve (12) month period will be on the following basis:

- a. First Violation - \$25.00
- b. Second Violation - \$50.00
- c. Third Violation - \$75.00
- d. Fourth Violation - \$100.00
- e. Fifth Violation and any additional violations - \$150.00

3. Paragraph 11 of the Collection Policy, entitled "Application of Funds Received," is deleted in its entirety and replaced by Section 209.0063 of the Texas Property Code.

IT IS FURTHER RESOLVED that except as modified herein, the Compliance Policy shall remain in full force and effect.

This is to certify that the foregoing resolution was adopted by the Board of Directors at a meeting of same on 18 Sept 2012, 2012, and has not been modified, rescinded or revoked.

DATE: 18 Sept 2012

John C. Spawort
Secretary



Filed and Recorded
Official Public Records
Stacey Kemp, County Clerk
Collin County, TEXAS
11/26/2012 01:33:01 PM
\$108.00 BVINCENT
20121126001500360

Stacey Kemp

**Preston Highlands Homeowners Association
Records Retention and Production Policy
Effective January 1, 2012**

The Association, in accordance with State law, will retain and produce records as detailed below.

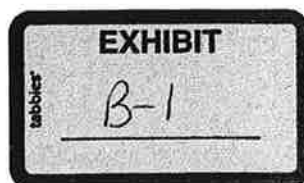
Retention of Records

The Association will maintain records in the following categories for the duration stated for each category:

<u>Category</u>	<u>Retention Period</u>
Account Records of Current Owners	Five (5) Years
Contracts for Terms of at Least One (1) Year	Four (4) Years after Expiration of Contract
Minutes of Owner Meetings / Board Meetings	Seven (7) Years
Tax Returns and Audits	Seven (7) Years
Financial Books and Records	Seven (7) Years
Governing Documents	Permanently

Production of Records

- Owners may have access to Association records, upon submission of a written request to the Association or its representative by certified mail to the mailing address of the Association or authorized representative as listed in the current management certificate.
- The written request must identify the records requested and indicate whether the owner wants to inspect the records or have the Association forward copies.
- The Association will respond to the written request within ten (10) business days from receipt of the request to, as appropriate:
 - (i) provide written notice of dates on which records may be inspected, or
 - (ii) provide the requested copies, or
 - (iii) provide the owner written notice that it is unable to produce the records within the ten (10) day period and provide a date, within fifteen (15) business days from the date of the Association's response, by which the records will be sent or made available to the owner for inspection
- Owners are responsible for the costs of producing and copying Association records in accordance with the cost schedule below. The Association will estimate the costs for producing records.



- Payment must be made in advance.

Cost Schedule

Standard Paper Copy (either 8.5" x 11" or 8.5" x 14") – ten cents (\$.10)

Oversized Paper Copy (up to 11" x 17") – fifty cents (\$.50)

Rewritable CD or Non-rewritable CD – one dollar each (\$1.00)

Programmer – twenty-eight dollars and fifty cents (\$28.50) per hour

Labor- fifteen dollars (\$15.00) per hour

Overhead – 20% of the labor and/or programmer charge

Labor charge will be applied whenever it is necessary to locate, compile, manipulate data and reproduce the requested information if the request exceeds fifty (50) pages. The Labor charge will apply regardless of the number of pages if the documents requested are in a remote storage facility.

A programmer charge will be applied if a particular request requires the service of a programmer to execute an existing program so that the requested information may be accessed and copied.

Records Which Will Not Be Produced. The Association will keep certain records confidential and decline to make them available. These specifically includes:

- (i) violation histories of owners
- (ii) owners' personal financial information
- (iii) owners' contact information other than address
- (iv) association personnel files

Approved at Board Meeting on January 19, 2012.