

STATE OF TEXAS §

COUNTY OF TRAVIS §

ADOPTION OF RULES AND REGULATIONS OF ROB ROY ON THE CREEK HOMEOWNERS ASSOCIATION, INC.

Document reference. Reference is hereby made to that certain Declaration of Covenants, Conditions and Restrictions, Rob Roy on the Creek Residential Area, filed at Vol. 09046, Pg. 0228 in the Real Property Records of Travis County, Texas (together with all amendments and supplemental documents thereto, the "Declaration"). Reference is further made to those certain Bylaws of Rob Roy on the Creek Homeowners Association, Inc., filed as Exhibit "B" to Document No. 2012079586 in the Official Public Records of Travis County, Texas (together with all amendments and supplemental documents thereto, the "Bylaws").

WHEREAS the Declaration provides that owners of lots subject to the Declaration are automatically made members of Rob Roy on the Creek Homeowners Association, Inc. (the "Association");

WHEREAS the Association, acting through its board of directors (the "Board"), is authorized to adopt and amend rules and regulations governing the property subject to the Declaration and the operations of the Association pursuant to Article IV Section 3(b) of the Association's bylaws and/or State law; and

WHEREAS the Board has voted to adopt the Rules attached as Exhibit "A" hereto;

THEREFORE the rules attached as Exhibit "A" have been, and by these presents are, ADOPTED and APPROVED.

ROB ROY ON THE CREEK HOMEOWNERS ASSOCIATION, INC. Acting by and through its Board of Directors

Signature: [Handwritten Signature]
Printed Name: CREEK ROY M. CREWSON
Title: President

Signature: [Handwritten Signature]
Printed Name: SYNTUIA D. NELSON
Title: Secretary

Exhibit "A": Rules

[Notary Blocks on Following Page]

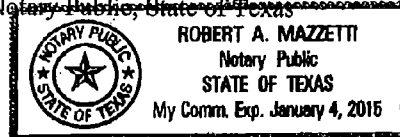
Acknowledgements

STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was executed before me on the 5<sup>th</sup> day of MARCH, 20 13, by GREGORY M. GREESON in the capacity stated above.

ROBERT A. MAZZETTI  
Notary Public, State of Texas

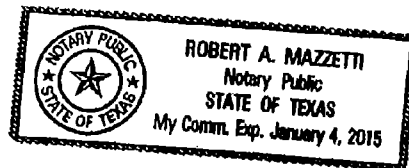


STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was executed before me on the 5<sup>th</sup> day of MARCH, 20 13, by CYNTHIA DIANE NELSON in the capacity stated above.

ROBERT A. MAZZETTI  
Notary Public, State of Texas



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### SECTION I. RECORD PRODUCTION

1. Effective Date. Notwithstanding any language to the contrary and regardless of date of adoption of these rules, the effective date of this Section is January 1, 2012.
2. Conflict with Other Provisions. Per state law, this Section controls over any provision in any other Association governing document to the contrary to the extent of any conflict.
3. Request for Records. The Owner or the Owner's authorized representative requesting Association records must submit a written request by certified mail to the mailing address of the Association or authorized representative as reflected on the most current filed management certificate. The request must contain:
  - a. sufficient detail to describe the books and records requested, and
  - b. an election either to inspect the books and records before obtaining copies or to have the Association forward copies of the requested books and records.
4. Timeline for record production.
  - a. If inspection requested. If an inspection is requested, the Association will respond within 10 business days by sending written notice by mail, fax, or email of the date(s) and times during normal business hours that the inspection may occur. Any inspection will take place at a mutually-agreed time during normal business hours, and the requesting party must identify any books and records the party desires the Association to copy.
  - b. If copies requested. If copies are requested, the Association will produce the copies within 10 business days of the request.
  - c. Extension of timeline. If the Association is unable to produce the copies within 10 business days of the request, the Association will send written notice to the Owner of this by mail, fax, or email, and state a date, within 15 business days of the date of the Association's notice, that the copies or inspection will be available.
5. Format. The Association may produce documents in hard copy, electronic, or other format of its choosing.
6. Charges. Per state law, the Association may charge for time spent compiling and producing all records, and may charge for copy costs if copies are requested. Those charges will be the maximum amount then-allowed by law under the Texas Administrative Code. The Association may require advance payment of actual or estimated costs. As of July, 2011, a summary of the maximum permitted charges for common items are:
  - a. Paper copies - 10¢ per page
  - b. CD - \$1 per disc
  - c. DVD - \$3 per disc
  - d. Labor charge for requests of more than 50 pages - \$15 per hour
  - e. Overhead charge for requests of more than 50 pages - 20% of the labor charge
  - f. Labor and overhead may be charged for requests for fewer than 50 pages if the records are kept in a remote location and must be retrieved from it
7. Private Information Exempted from Production. Per state law, the Association has no obligation

to provide information of the following types:

- a. Owner violation history
  - b. Owner personal financial information
  - c. Owner contact information other than the owner's address
  - d. Information relating to an Association employee, including personnel files
8. Existing Records Only. The duty to provide documents on request applies only to existing books and records. The Association has no obligation to create a new document, prepare a summary of information, or compile and report data.

## **SECTION II. RECORD RETENTION**

1. Effective Date. Notwithstanding any language to the contrary and regardless of the date of adoption of these rules, the effective date of this Section relating to record retention is January 1, 2012.
2. Conflict with Other Provisions. Per state law, this Section relating to record retention controls over any provision in any other Association governing document to the contrary to the extent of any conflict.
3. Record Retention. The Association will keep the following records for at least the following time periods:
  - a. Contracts with terms of at least one year; 4 years after expiration of contract
  - b. Account records of current Owners; 5 years
  - c. Minutes of Owner meetings and Board meetings; 7 years
  - d. Tax returns and audits; 7 years
  - e. Financial books and records (other than account records of current Owners); 7 years
  - f. Governing documents, including Articles of Incorporation/Certificate of Formation, Bylaws, Declaration, Rules, and all amendments; permanently
4. Other Records. Records not listed above may be maintained or discarded in the Association's sole discretion.

## **SECTION III. PAYMENT PLANS**

1. Effective date. Notwithstanding any language to the contrary and regardless of date of adoption of these rules, the effective date of this Section relating to payment plans is January 1, 2012.
2. Eligibility for Payment Plan.

Standard payment plans. An Owner is eligible for a Standard Payment Plan (*see* Rule (3) below) *only* if:

- a. The Owner has not defaulted under a prior payment plan with the Association in the prior 24-month period;
- b. The Owner requests a payment plan no later than 30 days after the Association sends notice to the Owner via certified mail, return receipt requested under Property Code §209.0064 (notifying the owner of the amount due, providing 30 days for payment, and describing the options for curing the delinquency). Owner is responsible for confirming that the Association has received the Owner's request for a payment plan within this 30-day period. It is recommended that requests be in writing; and

- c. The Association receives the executed Standard Payment Plan and the first payment within 15 days of the Standard Payment Plan being sent via email, fax, mail, or hand delivered to the Owner.

Other payment plans. An Owner who is not eligible for a Standard Payment Plan may still request that the Association's Board grant the Owner an alternate payment plan. Any such request must be directed to the person or entity currently handling the collection of the debt (i.e., the property manager or Association's attorney). The decision to grant or deny an alternate payment plan, and the terms and conditions for any such plan, will be at the sole discretion of the Association's Board.

3. Standard Payment Plans. The terms and conditions for a Standard Payment Plan are:
  - a. Term. Standard Payment Plans are for a term of 6 months. (See also Paragraph 6 for Board discretion involving term lengths.)
  - b. Payments. Payments will be made at least monthly and will be roughly equal in amount or have a larger initial payment (small initial payments with a large balloon payment at the end of the term are not allowed). Payments must be received by the Association at the designated address by the required dates and may not be rejected, returned or denied by the Owner's bank for any reason (i.e., check returned NSF). The association may require ACH (automated/auto debit) payments under any plan.
  - c. Assessments and other amounts coming due during plan. The Owner will keep current on all additional assessments and other charges posted to the Owner's account during the term of the payment plan, which amounts may but need not be included in calculating the payments due under the plan.
  - d. Additional charges. The Owner is responsible for reasonable charges related to negotiating, preparing and administering the payment plan, and for interest at the highest rate allowed by applicable usury laws then in effect, all of which shall be included in calculating the total amount due under the plan and the amount of the related payments. The Owner will not be charged late fees or other charges related to the delinquency during the time the owner is complying with all terms of a payment plan.
  - e. Contact information. The Owner will provide relevant contact information and keep same updated.
  - f. Additional conditions. The Owner will comply with such additional conditions as stated in the plan document.
  - g. Default. The Owner will be in default under the plan if the Owner fails to comply with any requirements of these rules or the payment plan agreement.
4. Account Sent to an Attorney/Agent for Formal Collections. An Owner does not have the right to a Standard Payment Plan after the 30-day timeframe referenced in Paragraph 2(b). Once an account is sent to an attorney or agent for collection, the delinquent Owner must communicate with that attorney or agent to arrange for payment of the debt. The decision to grant or deny the Owner an alternate payment plan, and the terms and conditions of any such plan, is solely at the discretion of the Board.
5. Default. If the Owner defaults under any payment plan, the Association may proceed with any collection activity authorized under the governing documents or state law without further notice. If the Association elects to provide notice of default, the Owner will be responsible for all fees and costs associated with the drafting and sending of such notice. All late fees and other charges that

otherwise would have been posted to the Owner's account may also be assessed to the Owner's account in the event of a default.

Any payments received during a time an Owner is in default under any payment plan may be applied to out-of-pocket costs (including attorneys fees for administering the plan), administrative and late fees, assessments, and fines (if any), in any order determined by the Association, except that fines will not be given priority over any other amount owed but may be satisfied proportionately (e.g. a \$100 payment may be applied proportionately to all amounts owed, in proportion to the amount owed relative to other amounts owed).

6. Board Discretion. The Association's Board may vary the obligations imposed on Owners under these rules on a case-by-case basis, including curtailing or lengthening the payment plan terms (so long as the plan is between 3 and 18 months), as it may deem appropriate and reasonable. The term length set forth in Paragraph 3 shall be the default term length absent Board action setting a different term length. No such action shall be construed as a general abandonment or waiver of these rules, nor vest rights in any other Owner to receive a payment plan at variance with the requirements set forth in these rules.
7. Legal Compliance. These payment plan rules are intended to comply with the relevant requirements established under Texas Property Code §209. In case of ambiguity, uncertainty, or conflict, these rules shall be interpreted in a manner consistent with all such legal requirements.

#### **SECTION IV. COLLECTION AND ENFORCEMENT POLICY**

##### **Summary of Collection Process**

1. Assessments due within 30 days of due date (or invoice date if no due date stated)
2. Interest at 18% charged as of date of delinquency
3. Late fee assessed in an amount determined by the board
4. Courtesy notice may be sent via email or mail, giving 30 days to pay
5. Certified mail notice sent providing final warning/notice as required by statute
6. Account turned over to attorney for formal collection action

*The Board may vary from this policy on a case by case basis, including shortening or lengthening time periods for payment or eliminating or providing additional courtesy notices, provided that all statutory notice requirements are met.*

##### **Summary of (Non-Monetary Violation) Enforcement Process**

1. Courtesy letter
2. Certified mail notice letter (statutory notice letter)
3. Damage assessments as appropriate; fines levied as appropriate per fining schedule

*The Board may vary from this policy on a case by case basis, including increasing or decreasing fines, sending additional, or omitting, courtesy notices, and other such variations, provided that all statutory notice requirements are met.*

1. Purpose. The Board desires to adopt a standardized Assessment Collection and Enforcement Policy to set forth its determinations on such issues.

2. Scope. This policy applies to all "Members" of the Association, said Members having a contractual obligation to pay assessments and other charges to the Association under the governing documents of the Association.

3. The Policy.

a. Introduction. The Association's primary source of income is Member-paid Assessments, and without such income the Association cannot provide and maintain the facilities and services that are critical to the quality of life of Association residents and the protection of property values. The Association has experienced, and expects to continue to experience, situations in which Members are delinquent in their obligation to pay Assessments or Members are otherwise in violation of the governing documents. Therefore the Board has adopted, and by these presents does hereby adopt, the Assessment Collection and Enforcement Policy set forth below.

Per the Declaration the Association may collect, and has a lien for all amounts due, including assessments, fees, interests, costs, and attorney's fees. The Association further has a lien for all costs of self-help remedies (Declaration §5.04(E)).

b. Due Dates. All Assessments and other amounts due are due within 30 days of the due date, or if none given, within 30 days of the date the related invoice, ledger, or other notice is sent to the Member.

c. NSF Fees. Checks, ACH payments, or other type of payment returned for insufficient funds, dishonored automatic bank drafts, or other similar item will result in the assessment of a fee determined by the Board from time to time, in the minimum amount of \$30. Late fees shall also be assessed as appropriate.

4. Delinquency/Collection. Any Assessment or other amount due not paid within 30 days of its due date (or if none given, within 30 days of the date the related invoice, ledger, or other notice is sent to the Member) shall be deemed Delinquent. Delinquencies shall be handled as follows:

a. Interest, Late Fees, Collection Costs. Delinquencies may be charged interest on the sum owing at 18% until paid in full. In addition to interest a late fee in an amount as determined from time to time by the Board may be assessed for each month an account remains Delinquent. The owner is responsible for all costs of collection including attorneys fees.

b. Courtesy Notice of Delinquency. Once an Assessment or other amount due becomes Delinquent, the Association, acting through its Board, managing agent, or some other Board designee, may email or mail a written notice to the related Member reminding him or her of the amount owed and requiring that it be paid immediately – no later than 30 days after the date of the letter.

c. Final Letter After Courtesy Notice. If payment in full or other mutually-satisfactory payment arrangements are not made promptly in response to the courtesy notice, the Association, acting through its managing agent, shall send notice via certified mail, return receipt requested and otherwise complying with the requirements of Texas Property Code §209.0064 (including giving the owner a final 30 days to cure the delinquency prior to the account being turned over to an attorney.)

d. Formal Collection Action. After the expiration of the 30-day cure period provided by law (§209.0064, Texas Property Code), the account shall be turned over to the Association's attorney to initiate formal collection action. Unless otherwise determined by the Board, all attorney collection action is pre-authorized, including but not limited to sending a 30-day demand letter, filing of a Notice of Lien or similar instrument in the Official Public Records, and initiating and carrying out a foreclosure of the Association's lien against the Lot, all in accordance with state-law notice and procedural requirements.

The Board of Directors of the Association is charged with the duty of overseeing the administration of the Association, including but not limited to the collection of assessments and other charges from the members. The timely collection of assessments is critical to ensuring that the Association can remain fully-funded and capable of fulfilling its duties to the members, and as such the Board desires that delinquent assessments be collected with a minimum of delay. This standardized collection policy is in the best interest of ensuring that collection procedures are applied consistently.

- e. Authority to Vary from Policy. In handling Delinquent amounts due, the Board of Directors retains the authority to vary from this Assessment Collection Policy as may be appropriate given the particular facts and circumstance involved, so long as the related action is in compliance with the Declaration and State law. Variances from policy may include adding additional courtesy letters, or omitting a courtesy letter, provided that at minimum all notice requirements of state law are met.
- f. Payment plans. Payment plans shall be offered as described in the Association's payment plan rule.
- g. Managing agent authorization. If Association has engaged the services of a management company for the Association, to perform day-to-day administrative tasks on behalf of the Association, the management company is granted authority to carry out this policy including to communicate with legal counsel retained by the Association and to authorize collection work by such legal counsel on behalf of the Association, without further vote or action of the Board. This authority notwithstanding, the management company representative shall communicate with the Board and/or certain designated officers on a routine basis with regard to collection actions, and the Board reserves the right to establish further policies with regard to collection efforts generally and to make decisions about particular collection actions on a case-by-case basis if and when it deems appropriate.

5. Violations (non-collection-related).

- a. Notices of Violation: Prior to levying a property damage assessment against an owner, fining an owner, or suspending the owner's usage rights to the common area due to a violation, the Association shall comply with the notice requirements of Ch. 209, Texas Property Code.

The management company shall, upon becoming aware of a violation(s) of the deed restrictions, send first a courtesy warning letter requesting compliance. If compliance is not achieved in response to a courtesy letter, the management company shall send a letter certified mail, return receipt requested giving notice of the violation(s) in accordance with Ch. 209, Texas Property Code.<sup>1</sup>

The Board may deviate from this standard procedure, including instructing the managing agent to omit or add courtesy warning(s), in its sole discretion.

- b. Damage assessment; enforcement costs. The Association may assess the Owner's account for any damages caused by the Owner, or the Owner's residents, tenants, guests or invitees. The owner may be held responsible for all enforcement costs, including attorney's fees.

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<sup>1</sup> If such a notice has been given in past for a violation, and a similar violation occurs in the six month period since the notice, per state law the notice sent need not include an opportunity to cure.



- c. Damage assessment; enforcement costs. The Association may assess the Owner's account for any damages caused by the Owner, or the Owner's residents, tenants, guests or invitees. The owner may be held responsible for all enforcement costs, including attorney's fees.
- d. Fines. Fines may be levied for any violation of any governing document of the Association. If the violation is not cured by the deadline given in the certified mail notice described in subsection (a), or if a notice and opportunity to cure have been given for a similar violation within the last six months (so that there is no additional right to cure) a fine shall automatically levy in the amount of \$25 unless otherwise determined by the Board (for example, the Board may vary from this fine schedule case by case, or the Board may adopt an alternate fine schedule by resolution). Fines may be issued on a one-time basis or in the event of an ongoing violation, may be issued daily for each day of the violation. Subsequent fines shall issue in increasing increments listed below for each additional violation notice given when the violation remains. The current fining schedule is, absent Board approval otherwise:
  - i. First notice: courtesy warning
  - ii. Second notice: certified mail letter (per Property Code Ch. 209) warning of fine
  - iii. Third notice: \$25 fine (daily or one-time)
  - iv. Fourth notice: \$50 fine (daily or one-time)
  - v. Fifth notice: \$100 fine (daily or one-time)
  - vi. Subsequent notices: \$100 fine (daily or one-time)

Each day of the violation may be considered a separate violation. The Board may deviate from this standard fining procedure, including electing to levy a lesser or greater fine at any time, or omitting or adding one or more courtesy notices, in its sole discretion, provided that at minimum all state law requirements are met.

- e. Hearings. If a Member requests a hearing by the deadline outlined in the certified mail (Chapter "209") violation letter, the hearing shall be held in accordance with state law. The Board shall inform the owner of the time, date, and place of the hearing at least 10 days prior to the scheduled hearing date. The Board may impose rules of conduct and limit the amount of time allotted to a Member to present his or her information to the Board at any such hearing. The Board may either make its decision at the hearing, or take any matter discussed at the hearing under advisement and communicate its decision at a later date.
- f. Force mows and other self-help enforcement action. Notwithstanding other language herein, the management company, Association attorney, or other authorized agent of the Association is granted authority to carry out force mow or self-help remedies on behalf of the Association, in accordance with any procedure described in the Declaration or other governing documents. (Declaration §5.04(E)).
- g. Authority of agents. The management company, Association attorney, or other authorized agent of the Association is granted authority to carry out this standard enforcement and fining procedure absent express direction otherwise from the Board, without further vote or action of the Board. This authority notwithstanding, the management company or Association attorney shall communicate with the Board and/or certain designated officers or agents on a routine basis with regard to enforcement actions, and the Board reserves the right to establish further policies with regard to enforcement efforts generally and to make decisions about particular enforcement actions on a case-by-case basis if and when it deems appropriate.

**After recording, please return to:**  
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Austin, Texas 78701

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**FILED AND RECORDED  
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*Dana Debeauvoir*

DANA DEBEAUVOIR, COUNTY CLERK  
TRAVIS COUNTY, TEXAS

April 10 2013 02:52 PM

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