

STATE OF TEXAS §

COUNTY OF TRAVIS §

**AMENDMENT TO RULES
OF
SCOFIELD PHASE VIII RESIDENTIAL OWNERS ASSOCIATION, INC.**

(Transfer fee; repeal and replacement of collection rules and payment plan rules)

Document reference. Reference is hereby made to the Scotfield Phase VIII Residential Area Declaration of Covenants, Conditions and Restrictions, filed of record at Vol. 12255, Pg. 1 in the Real Property Records of Travis County, Texas, (together with all amendments thereto, the “**Declaration**”).

Reference is further made to the Scotfield Phase VIII Residential Owners Association, Inc. Rules and Regulations, regarding the Architectural Control Committee and attached as Exhibit “A” to the Recordation of Bylaws and Rules and Regulations: Scotfield Phase VIII Residential Owners Association, Inc., filed of record as Document No. 2009189014; and to the Rules and Regulations: Scotfield Phase VIII Residential Owners Association, Inc., filed of record as Document No. 2011056641 and re-recorded as Document No. 2011056658; and to the Resolutions filed as Document No. 2011121280; and to the Rules attached to the Resolution to File Dedicatory Instruments for Scotfield Phase VIII ROA, Inc., filed as Document No. 2012045191, all in the Official Public Records of Travis County, Texas (cumulatively and together with all amendments thereto, the “**Rules**”).

The following portions of the Rules are **REPEALED** by this filing. This filing supersedes any other collection rule adopted to date:

From the Resolutions filed as Document No. 2011121280: the Resolution adopting a Collections Policy and the Resolution adopting a Payment Plan Policy

From the Resolution to File Dedicatory Instruments for Scotfield Phase VIII ROA, Inc., filed as Document No. 2012045191: the Monthly Assessment Collection Procedures filed at the last two pages of this filing.

The owners of lots subject to the Declaration are automatically made members of the Scotfield Phase VIII Residential Owners Association, Inc. (the “**Association**”);

The board of directors (the “**Board**”) of the Association is authorized to adopt and amend the Rules pursuant to Section 5.4(e) of the Declaration, and has previously adopted the Rules;

The Board has voted to repeal the above-mentioned policies/resolutions (see box) and to adopt the amendments to the Rules as set forth below;

The Rules are amended as follows:

1. **By ADDING to the Rules and Regulations filed as Document No. 2011056641 (and re-filed as Document No. 2011056658) a new Section 5 (“Transfer Fees”), to read in its entirety as follows:**

“Section 5. **Transfer Fees.** In addition to fees for issuance of a resale certificate and any updates or re-issuance of the resale certificate, transfer fees in the amount of \$150 are due upon the sale of any property. Transfer fees may be increased or decreased by the Board of Directors from time to time in its sole discretion. 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 be 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.

If a resale certificate is not requested and a transfer occurs, all fees associated with association record updates related to the transfer 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 fee schedule of the association or its managing agent, and may be equivalent to the resale certificate fee or in any other amount.

All transfer fees shall be collectible in the same manner as assessments, including lien and other assessment collection rights, to the maximum extent allowed by law. Fees may include working capital or reserve funding fees, resale certificate fees, resale certificate update fees, rush fees, and other such fees.”

2. **By ADDING to the Rules and Regulations filed as Document No. 2011056641 (and re-filed as Document No. 2011056658) a new Section 6 (“Collection Policy”), to read in its entirety as follows:**

“Section 6. **Collection Policy.**”

Summary of Collection Process

1. *Amounts are due within 30 days of due date (or invoice date if no due date stated), with the exception that monthly assessments are due on the 5th of each month.*
2. *Interest at 18% per annum charged as of date of delinquency*
3. *Late fee in an amount determined by the board may be assessed; monthly collection fee also may be incurred*
4. *Friendly reminder / courtesy notice sent via email or mail*
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.

1. **Purpose.** The Board desires to adopt a standardized Assessment Collection 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 Policy set forth below.

Per Declaration §7.8 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 §5.5(b)).
 - b. **Due Dates.** All monthly Assessments are due by the fifth day of each month. If monthly assessments are not received by the 15th of each month, a late charge of \$15.00 may in the Board’s discretion apply, and in addition to or in lieu of a late fee (in the Board’s discretion), collections processing costs may be charged. Any other amounts due are due the association 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.

Please Note: *Balance statements are mailed each month to all residents of record who have an outstanding balance and are not setup for auto-draft. Residents who do not receive their statements are responsible for contacting the management company prior to the first month’s due date to request a replacement invoice.*

- 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 \$25. Late fees may also be assessed as appropriate.

4. Delinquency/Collection. The following will be considered delinquencies:__

- for regular assessments paid monthly, a monthly assessment not paid by not paid by the 15th of each month

- for regular assessments paid annually, assessments not paid by the 15th day of the January (if payment in full is not received by January 15th, owners will be deemed to elect to pay monthly)

- for other amounts due, if payment is received later than the stated due date on the invoice, or if none is stated, if payment is not received by 30 days from the date of notice or invoice.

- a. Interest, Late Fees, Collection Costs. Delinquencies may be charged interest on the sum owing at the rate of 18% per annum, 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 in the Board's discretion. The owner is responsible for all costs of collection including attorneys fees. Collection fees may be also be assessed for administrative costs for collection action (at the time of filing of this instrument, any account that has an outstanding balance of \$15.00 or higher may receive a \$15.00 collections/handling fee on a monthly basis.)

- b. Friendly reminder (at approximately 30 days delinquent). Once an Assessment or other amount due becomes Delinquent, the Association, acting through its Board, managing agent, or some other Board designee, will 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.

- c. Final Letter After Courtesy Notice (at approximately 90 days delinquent). If payment in full or other mutually-satisfactory payment arrangements are not made promptly in response to the friendly reminder, 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 (at approximately 120 days delinquent). 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 directed by the Board. 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 policy.
- 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."

3. By ADDING to the Rules and Regulations filed as Document No. 2011056641 (and re-filed as Document No. 2011056658) a new Section 7 (“Payment Plan Policy”), to read in its entirety as follows:

Summary of payment plan policy: Owners have 30 days from the date of the certified mail, return receipt request notice (see ¶2(b) below) to request and be eligible for a standard 6-month payment plan. 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.

1. Payment Plans. The following rule is filed in compliance with Texas Property Code 209.0062 by allowing owners to request an alternative payment schedule in accordance with these rules.

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 delinquency¹). 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.

¹ See Collection Policy, Section 6, ¶4(c)

- d. Additional charges. The Owner is responsible for reasonable charges related to negotiating, preparing and administering the payment plan, and for interest in the amount of 18% 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 under the plan as the Board may establish.
 - 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 reference 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.”

Subject solely to the amendments contained herein, the Rules remain in full force and effect.

SCOFIELD PHASE VIII RESIDENTIAL OWNERS ASSOCIATION INC.
Acting by and through its Board of Directors

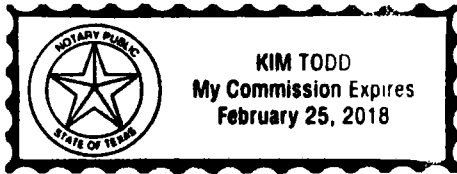
Amanda Young
NAME: Amanda Young
TITLE: President

Acknowledgement

STATE OF TEXAS §
COUNTY OF Travis §

This instrument was acknowledged before me on the 27 day of March, 2014,
by Amanda Young in the capacity stated above.

[Signature]
Notary Public, State of Texas



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DANA DEBEAUVOIR, COUNTY CLERK
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