

**EXHIBIT A-7****VERANDAH HOMEOWNERS' ASSOCIATION, INC.****PAYMENT PLAN AND PAYMENT APPLICATION POLICY**

**WHEREAS**, the Board of Directors for Verandah Homeowners' Association, Inc. (the "*Board*") is empowered to govern the affairs of the Verandah Homeowners' Association, Inc. ("*Association*") pursuant to the Declaration of Covenants, Conditions and Restrictions ("*Declaration*"); and

**WHEREAS**, there is a need to adopt a specific policy on collections, payment of assessments, and other charges and fees; and

**WHEREAS**, it is the intent that this Policy shall be applicable to all Owners, and shall remain in effect until otherwise rescinded, modified, or amended by a majority of the Board;

**NOW THEREFORE, BE IT RESOLVED THAT** the following policy on collections, payment of assessments, and the application of payment of assessments and other charges and fees is hereby adopted by the Board:

**PAYMENT PLAN POLICY**

The Board maintains the sole authority to enter into payment plans with the homeowners in accordance with applicable law, the Payment Plan Policy, and the Governing Documents. The Owner may, upon written request, petition the Board to establish a payment plan for the purpose of resolving a delinquent account.

- 1) The Association will allow payment plans for repayment of delinquent amounts with a minimum of three (3) months' duration and a maximum of eighteen (18) months' duration.
- 2) Assessments that become due and are added to the Owner's account during the term of the payment plan must be paid when due in addition to repayment of delinquent amounts or must be addressed in the payment plan.
- 3) 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.
- 4) The plan must include the total debt owed to the Association, including late fees, interest, fines, attorneys' fees, and other collection costs.
- 5) There shall be no waiver of any charges on the Owner's account unless the Owner submits a request for consideration of a full or partial waiver.
- 6) To be eligible for a payment plan, the Owner must not have defaulted on a prior payment plan within the two (2) year period preceding the request for a payment plan.
- 7) Interest on the unpaid balance on the Owner's account may be charged during the payment plan.
- 8) The payment 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.

- 9) Payment plans approved after the account has been turned over to the Association's attorney for collection must be paid in certified funds.
- 10) Payment plans approved after notice has been given to an Owner 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 will consider offers to settle an account once the Owner 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 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 Owner default on a payment plan:

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

**PAYMENT APPLICATION POLICY**

Any payment received by the Association from the owner shall be applied to the owner's debt in the following order of priority:

- (1) any delinquent assessment;
- (2) any current assessment;
- (3) any attorney's fees or third party collection costs incurred by the Association associated solely with assessments 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 Subdivision (3);
- (5) any fines assessed by the Association; and
- (6) any other amount owed to the Association.

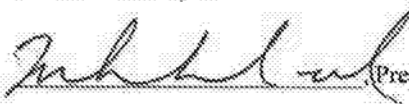
This Policy was duly introduced, seconded and was thereafter adopted at a regular scheduled meeting of the Board of Directors, at which a quorum was present, by a majority vote of the members of the Board of Directors present and eligible to vote on this matter.

Notice and Recording. Upon recording this Policy with the county record's office, the Association's community manager is authorized and directed to prepare correspondence, in appropriate form and substance, to circulate a copy of same to all Owners.

**IT IS FURTHER RESOLVED** that this Policy is effective as of January, 2014, being the date it was approved by the Board of Directors, and shall remain in force and effect until revoked, modified or amended by the Board of Directors. This Policy shall be filed of record in the Official Public Records of Hunt County, Texas.

Date: 1/9/14

VERANDAH HOMEOWNERS'  
ASSOCIATION, INC.

  
\_\_\_\_\_, Secretary