

Grayhawk Association of Homeowners, 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 eighteen (18) 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.
- 7) Interest on the unpaid balance on the homeowner's account will be suspended during the payment plan, as long as the homeowner remains current on the plan. If the homeowner defaults, late interest charges will again be charged.
- 8) 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.
- 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 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. Settlements must include all "hard charges" that the Association is required to pay in its collection efforts for the delinquent account.



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, unless they are included in the plan schedule.

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:

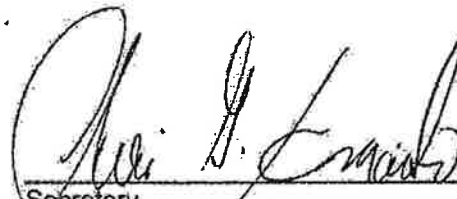
- 1) Delinquent assessments
- 2) Current assessments
- 3) Attorney fees and collection costs associated solely with delinquent assessments, and any other charge that could provide the basis for foreclosure
- 4) Other attorney fees not associated with the collection of assessments
- 5) Fines
- 6) Other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

Approved at Board Meeting on November 2, 2011.



President



Secretary