

ALTERNATIVE PAYMENT SCHEDULE POLICY

Cypress Village Property Owners Association, Inc. ("Association") has adopted this Alternative Payment Schedule Policy ("Policy") to provide guidance regarding homeowner requests for payment plans of amounts owing to the Association. The Policy also serves to comply with legislative requirements.

The Association will consider homeowner requests for an alternative payment schedule for any delinquent regular or special assessments. The homeowner may propose a reasonable plan of partial payments that must be no less than three (3) months and no more than eighteen (18) months in length. In accordance with legislative requirements, the Association will not approve alternative payment schedules that are beyond the bounds of these time constraints. The Association shall review all proposals equitably and, in consideration of all surrounding circumstances, may or may not accept the request.

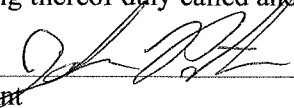
The homeowner will not incur penalties associated with delinquent assessments during the term of one satisfied alternative payment schedule. For the purposes of this Policy, penalties will include initial and monthly late fees but will not include interest or reasonable costs associated with implementing an alternative payment schedule. The Association is not required to enter into an alternative payment schedule with a homeowner who has failed to honor the terms of a previous plan within the two (2) years prior to the most recent request.

Except as provided below, all payments, whether or not made under an alternative payment schedule, received after January 1, 2012 shall be applied to amounts owing in the following order: (1) any delinquent assessment(s); (2) any current assessment(s); (3) any attorney's fees or third party collection costs associated solely with assessments or any other charge incurred by the Association that could provide the basis for foreclosure; (4) any other attorney's fees incurred by the Association; (5) any fines assessed by the Association; and (6) any other amount owed to the Association, including late fees and/or interest. If a payment is received from an owner who is in default under an alternative payment schedule, the payment shall be applied to amounts owing to the Association in accordance with applicable policy adopted by the Association, or as hereafter otherwise determined by the Association, so long as fines assessed by the Association are not given priority over any other amount. For the purposes of this paragraph, fines do not include late fees or interest assessed by the Association. Payments received prior to January 1, 2012, shall be applied to amounts owing as dictated by the governing documents, policies and general practices of the Association in effect as of that date.

No policy can apply to every circumstance, and no policy can anticipate every circumstance. Accordingly, to the extent allowed by law, the foregoing Policy is subject to change, and may be changed, set aside, contradicted or not followed, in appropriate circumstances as the Board of Directors deems reasonable and appropriate after due consideration. The Policy does not create any rights in or to any person, and does not create any obligations of any person. This Policy is intended to be for purposes of guidance and to create a general operating procedure for the Board of Directors, management company and Association attorney to follow. A failure to follow this policy shall not create a right in or to any person nor is any deviation or failure to follow actionable in any way or create a defense to any obligation of a homeowner to satisfy his/her financial obligations to the Association. Any failure or decision not to enforce any of the foregoing on any given matter or in any given situation shall not constitute a waiver of any right to enforce the foregoing in any other matter or in any other situation, whether against the same owner or any other owner. The Board of Directors shall have the right to waive compliance with this policy as it deems appropriate.

President Certificate

I hereby certify that the foregoing Alternative Payment Schedule Policy was adopted by the Board of Directors of Cypress Village Property Owners Association, Inc. at a meeting thereof duly called and held on Dec 1, 2011.



President