

DELINQUENCY COLLECTION POLICY

Cypress Village Property Owners Association, Inc. ("Association") has adopted this Delinquency Collection Policy ("Policy") to provide guidelines for issues surrounding the collection of delinquent amounts owing to the Association. This Policy supersedes that certain Delinquency Collection Policy dated effective November 24, 2009, but all charges of any character imposed thereunder shall remain in effect and not be voided hereby.

Late Fees

Annual maintenance charges are billed and payable semi-annually and are due on January 1 and July 1. Such billings shall become delinquent on February 1 and August 1, respectively. An owner who does not pay the entirety of the annual maintenance charge shall be assessed late fees at the rate of \$10.00 per month per lot beginning on the date a maintenance charge becomes delinquent and continuing until all amounts owing are paid or as otherwise provided by Association documents.

Any maintenance charge not paid within ten (10) days after the due date shall also bear interest from the due date at the highest legal rate in the State of Texas.

Returned Check Fee (Bank Returned Payment Devices)

The penalty for a returned check submitted as payment to the Association is a \$30.00 fee, plus any applicable bank charges and other costs incurred in collecting the amounts to have been paid by such check.

Application of Payments

All payments received prior to January 1, 2012 and any payment received by an owner who is in default under an alternative payment schedule are to be applied against amounts owing to the Association in the following order: (1) any collection costs incurred (including but not limited to attorney's fees, court costs, other collection costs and returned check fees); (2) any accrued interest; (3) any late fees; (4) any other charge that does not constitute an assessment or fine imposed by the Association; (5) any unpaid assessments; and (6) any fines levied against the owner by the Association. Payments received by an owner not in default under an alternative payment schedule are to be applied in accordance with applicable policy adopted by the Association.

Transfer Fee

On each transfer of title to a lot, the purchaser shall pay the Association a transfer fee in the amount of \$100.00. Such fee is due at the time of transfer of title; no transfer of title will be accepted without receipt of payment in full.

Re-sale Certificates

The charge for re-sale certificates and updates to re-sale certificates as provided for under ch. 207, Texas Property Code, is \$250.00. Payment in full must be received at the time of the request for such certificate or update; no request for a re-sale certificate or update will be accepted without receipt of payment in full.

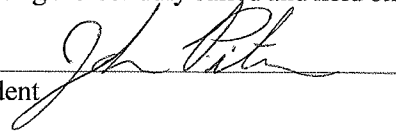
No policy can apply to every circumstance, and no policy can anticipate every circumstance. Accordingly, to the extent allowed by law, the foregoing Policy is subject to change, and may be changed, set aside, contradicted or not followed, in appropriate circumstances as the Board of Directors deems reasonable 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 Delinquency Collection 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

A handwritten signature in dark ink, appearing to read 'John P. [unclear]', is written over a horizontal line.