

**Policy Resolution of the Board of Directors of the
Cypresswood Community Association**

(excerpted)

Whereas the Board desires to reaffirm and to communicate to its membership the Association's policy directing the method by which payments are to be posted to assessment accounts of individual owners;

Resolved That, any payment which is made in an amount which does not exactly match the total amount due on an individual account shall be applied according to the following procedures:

We Direct That any payment which is made in an amount less than the total amount due on an individual account shall be applied to the account in the following sequence:

- (a) first, to attorney fees, judgments, return check fees, or miscellaneous fees, if any;
- (b) then, to earliest outstanding record year interest charges if any;
- (c) then, to earliest outstanding record year principal if any;
- (d) steps (b) and (c) repeated as necessary;
- (e) then, to current year interest; and
- (f) last, to current year principal.

We Further Direct That overpayments shall be applied to the proper account as a credit, which credit shall not bear interest, but shall be refunded to the owner of the account only upon that owner's written request;

We Further Direct That if any payment bears a restrictive endorsement written on a check or by letter presented with the payment, which restriction specifies that the payment be applied in a manner other than specified herein, then said payment shall be deposited and applied as a partial payment as specified in this Resolution, and the paying party will be notified that the Association has rejected the owner's restriction;

We Further Direct That this consent be filed with the Minutes of the June 28, 2010 Official meeting of the Board of Directors of the Cypresswood Community Association, Inc.