

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE ASSOCIATION OF UNIT OWNERS OF
SYLVAN HEIGHTS CONDOMINIUMS
REGARDING ASSESSMENT PAYMENT PROCESS
(How Payments Are Applied)**

WHEREAS, "assessments," as used in this Resolution, includes all amounts validly assessed against a Unit Owner ("Owner"), including, but not limited to common expenses, interest, fees, fines, other charges, attorney fees and all collection costs;

WHEREAS, from time to time Owners become delinquent in the payments of their assessments and a procedure needs to be established on how payments are applied;

WHEREAS, the Board in its reasonable discretion may from time to time adopt resolutions to set the rate of interest, and to impose late fees, fines and penalties on delinquent assessments or for violations of the provisions of the Declaration, the Bylaws, any Rules and Regulations, and the Oregon Condominium Act. The adoption of such impositions shall be communicated to all Owners in writing not less than thirty (30) days before the effective date by a notice mailed to the assessment billing addresses of such Owners. Such impositions shall be considered assessments, which are lienable and collectible in the same manner as any other assessments.

NOW, THEREFORE, IT IS RESOLVED, that the following steps be adopted to provide for the uniform and systematic procedure for applying collected assessment payments:

1. If there is no payment plan agreement in place, assessment payments will be applied in this order: legal fees, court costs, lien fees, association costs (postage, administrative costs, certified mailings, etc.), interest, late fees, fines and penalties and then to assessments starting with the oldest assessment and proceeding to current assessments. Interest, late fees, fines and penalties will continue to accrue as long as there continues to be an outstanding balance due and/or a violation has not been corrected.
2. If there is a payment plan agreement in place, and all violations have been corrected, assessment payments will be first applied to the current assessment due and any amount over the current assessment due will be applied in this order: legal fees, court costs, lien fees, association costs (postage, administrative costs, certified mailings, etc.), interest, late fees, fines and penalties and then to assessments starting with the oldest assessment. Interest, late fees, and fines will NOT continue to accrue as long as the payment plan agreement is in place and it is being adhered to.
3. If a homeowner defaults on the payment plan agreement, payments will be applied according to paragraph 1 herein.

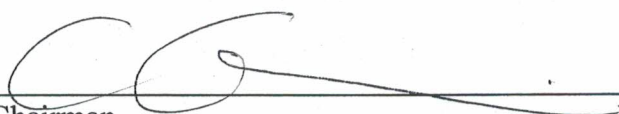
BE IT FURTHER RESOLVED, that this Resolution supersedes all previous resolutions in relationship to the assessment payment process.

BE IT FURTHER RESOLVED, that this Resolution is adopted and made a part of the minutes of the meeting of 20 September, 2005

BE IT FURTHER RESOLVED that a copy of this Resolution shall be sent to all Owners at their last known address.

ASSOCIATION OF UNIT OWNERS OF SYLVAN HEIGHTS CONDOMINIUMS

DATED: 20 SEP 2005

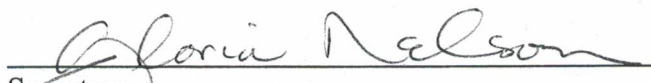


Chairman

Gabriel G. Bredvig

Print Name

DATED: 9/20-05



Secretary

Gloria Nelson

Print Name