

PAYMENT POLICY AND PROCEDURE

Date Issued: March 1, 2023
Number: 2023-02 WSP-002
Community: West-Side Pines Homeowners Cooperative
Subject: Cooperative Payment Policy
Approved By: The Board on December 19, 2022 and again after attorney Brian Dasso's review 1-25-2023 at the Board meeting February 20, 2023.

PURPOSE

To establish a standard procedure on rent payment and late fees. The purpose of the payment policy is for the Cooperative and resident to understand when rent payments are due, late fees are charged, and/or legal process is pursued for an eviction.

Cooperative Payment Date

Premiums for cooperative members are commonly referred to as "**Rent.**" For the purposes of this policy "**Rent**" is defined as all monetary obligations of Resident, to Cooperative, under the terms of the Proprietary Lease Agreement or to the Rental Agreement for Tenants including the Assumed Rental Agreement in Oregon Revised Statute (ORS Chapter 90). Residents agree to pay, without demand, each month, an agreed sum of money to the Property Manager (on the Cooperative's behalf) as "rent" in the amount specified in the lease/rental agreement.

Cooperative Management Inc. ("Property Manager") will accept the following methods to pay:

- Pay Online
 - o ACH (checking or savings account)
 - o Credit or Debit Card (provider charges a fee to be paid by resident)
- Personal Check (unless two checks have been returned in a 24-month period)
- Money Order
- Cashier's Check

Rent payment must be paid in advance and received by the first (1st) of every month. The West-Side Pines payment policy allows for residents to mail payments as late as the seventh (7th) of the month without a penalty fee. This is considered a grace period for payments not delivered on time as a result of postal service delays, holidays, and weekends. Any funds that are postmarked or paid after the seventh (7th) of the month will be assessed a late charge. The amount of the late fee is \$25.00.

Starting March 1, 2023, the Cooperative will begin to enforce the following payment policy for all residents. If rent is not received by the (15th) of the month, then a Pay or Quit Notice will be

mailed or served to the resident, consistent with the Proprietary Lease or ORS 90 whichever applies. If rent is not paid by the thirtieth (30th) or the last day of the month, the property manager may start the eviction process with the Board's authorization. Residents shall incur an additional charge for posting notices, all costs of the eviction process and legal fees.

It is in the resident's best interest and it is their responsibility to ensure rent is paid on time, every month. Property Manager is not required to remind the resident to pay rent or any other past due amounts prior to serving notices or filing for eviction.

Late Fees

Late fees are assessed per the lease agreement. The late fee applies if the payment is not postmarked by the seventh (7th) of the month. If a payment of rent is made by personal check which is later dishonored by the resident's bank, the resident shall be assessed a \$25.00 fee as a result of such dishonored check (separate from the late payment fee), in addition to the rent and late charge due on the payment of rent.

The Board policy handling late fees is that the fee is automatically applied by the Property Manager. The Board policy is to not waive late fees but will allow one waiver per twelve months at the discretion of the Property Manager.

The Cooperative Board authorizes the Property Manager to accept partial payments and approve payment agreements for residents unless that privilege is revoked because the eviction process needs to begin or as instructed by the Board.

Conditional Exceptions

The Property Manager is authorized by the Board to approve exceptions on a case -by- case basis. The Property Manager will evaluate the unfortunate circumstances that caused the late payments. For example, John Doe has an urgent medical problem that caused a financial hardship and John only paid \$250.00 of the \$500.00 rent due in February.

It is the Resident's responsibility to contact the Property Manager and submit a written payment plan to Property Manager, for approval (the "Payment Plan"). Payment Plans must be in writing and approved by the Property Manager. If approved, the Payment Plan will suspend legal notice from being processed, but does not stop the late fee from being charged. If the Resident violates the Payment Plan, legal notice will be submitted and the eviction process will begin. The Board shall have the right to recover attorney fees, management company fees, and collection fees for the delinquent account.

The standard terms for written Payment Plans authorized by Property Manager may allow for no more than **five (5) months** to get caught up with monies owed. For example, John contacted the

Property Manager and after reviewing his budget, determined he could make an extra \$55.00 per month payment in addition to his current rent being paid on time. (Rent = \$500.00 + Late \$25.00 = \$525, John paid \$250.00 making the balance due \$275.00). The \$55.00 per month extra will get John back to current status within four months.

Date	Policy	Action	Resident	Property Manager
1st	Rent Due		Pays Rent	Collects & accounts for rent.
1st-7th	Rent must be postmarked within these dates	Pay rent or reach out to Property Manager	Initiates rent payment -or- if they realize they cannot pay, tenant must contact property manager and make a payment plan	Adds communication to resident notes, communicates with The Board as needed & may write a proposed payment agreement to be signed
7th	Last day for rent to be postmarked without incurring late fee	Rent must be mailed today to be considered on-time	Mails or makes online rent payment -or- if they realize they cannot pay, tenant must contact Property Manager and make a payment plan	Keep envelopes postmarked after the 10th for proof req'd for late fees. Adds any communication to resident notes, communicates with The Board as needed & may write a proposed payment agreement to be signed
8th	Late fee incurred	\$25 late fee added	Resident to include an additional \$25 if mailed after the 7th to cover late fee.	\$25 late fee posted to tenant account.
15th	Pay or Quit Notice if rent remains unpaid	Pay or Quit Notice mailed or served		Mail Pay or Quit Notice
30th	Begin the Eviction Process with the Court	Cooperative Litigation Attorney Contacted.	Attorney fees, eviction fees, management company fees, and collection fees incurred and added to balance due.	Attorney begins eviction process, attorney fees, eviction fees, management company fees, and collection fees added to resident accounts.

This policy was approved and adopted on 02/20/23.

The foregoing is a true and accurate account, attested by, Alicia Deaderick