

SEAL BEACH MUTUAL NO. TWELVE

Resident Regulations

Collection Policy

The effective and prompt collection of assessments (sometimes referred to as carrying charges) is critical to the running of our Cooperative. Only through the collection of these assessments can we maintain and, hopefully, increase the value of our property. The policies and practices of Seal Beach Mutual No. Twelve (the "Cooperative") with regard to the collection of delinquent assessments are as follows:

1. Assessments are due on the first day of each month and are delinquent if not received by the 15th day of each month. If a special assessment is necessary, you will be notified of the due date therefor.
2. In the event an assessment is not received within fifteen (15) days after it is due, the owner will be required to pay to the Cooperative a late charge in the amount of ten percent (10%) of the delinquent assessment or ten dollars (\$10.00), whichever is greater. Also, if an assessment is not paid within thirty (30) days from the day that it was originally due, interest at the rate of twelve percent (12%) per annum will be added to the owner's account each month.
3. If payment is not received within forty-five (45) days after the original due date of the assessment, the matter will be turned over to the Cooperative's attorneys for further handling. Upon receipt from the Cooperative of such a matter, the Cooperative's attorneys will send a letter notice by certified mail demanding payment for the outstanding assessments and related charges within ten (10) days of the date of the letter (the "10-Day Letter"). Alternatively, the Cooperative or Cooperative's management company may send the 10-Day Letter in lieu of the Cooperative's attorneys.
4. If the payment is not received as set forth in the above-described letter, the Cooperative may serve on the Member a thirty-day notice to pay or quit (the "Notice"), informing the Member that the Member's right to occupy the premises subject to the Occupancy Agreement may terminate at the expiration of the time stated in the Notice, unless the delinquent assessments have been paid.
5. In the event the payment is not received within time frame stated in the Notice, Member's Occupancy Agreement shall terminate and the Cooperative shall have the right to file an action in the Superior Court, for all appropriate causes of action (including an unlawful detainer to evict), to remove the Member from the premises and obtain lawful possession of the premises. Thereafter, the Cooperative may sell the Member's Stock Certificate. Once the matter is filed in the Superior Court, the case is handled as any other lawsuit.
6. There exists a landlord-tenant relationship between the Association and Members and in the event of a breach of the Occupancy Agreement for failure to pay assessments, the Association shall have such legal remedies as are available to a landlord for the breach under the laws of the State of California by a tenant of a lease or rental agreement in addition to all other remedies at law.
7. The case will be dismissed, or the legal action will be terminated, and the lien released (if any), only upon payment of all delinquent maintenance assessments, special assessments, late charges, lien fees, any and all collection costs incurred by the

(NOV 22)

SEAL BEACH MUTUAL NO. TWELVE

Resident Regulations

Cooperative, attorney's fees, attorney's costs, and any other charges against the member and the premises.

Document History

Adopted: 29 NOV 22 Amended:

Keywords: Mutual Twelve