

MUTUAL OPERATIONS**RESIDENT REGULATIONS****Acceptability of Individual for Stock Ownership – Except Mutual Fourteen**

RESOLUTION:

WHEREAS this Mutual Corporation is called upon from time to time to interview and evaluate the eligibility of individuals for common stock ownership in this Corporation, and

WHEREAS previously no criteria has been established except as to the Section 1, Article III, Eligibility Criteria for Stock Ownership, and

WHEREAS the Mutual Corporation is required to determine suitability pursuant to the regulatory agreement and executed between this Corporation and FHA at the initial and final endorsement of the mortgages upon this project, and

WHEREAS the Occupancy Agreement is to be executed by said member-stock-holder-resident, and

WHEREAS it is the duty of this Corporation to determine that the intention of the person seeking common stock ownership is to provide housing for such member and eligible family.

NOW THEREFORE BE IT RESOLVED that any interviewer for this Corporation, in determining the eligibility and acceptability of an individual for common stock ownership, shall include in the determination by such interviewer, among other factors, as to whether said individual has made multiple moves within the Leisure World Seal Beach complex, for the purpose not of maintaining a residency for said member and family, but rather to create investment properties for the benefit of said proposed owner, the improvement, remodeling, and sale of said units, in which event the interviewer shall report the same to the Mutual Board of Directors, who shall be the final arbiters in making a determination as to the acceptability of said proposed individual for common stock ownership.

Mutual Sixteen Only:

BE IT FURTHER RESOLVED that the interview of prospective new buyer(s) be conducted after a deposit is made and before escrow is opened.

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<u>MUTUAL ADOPTION</u>	<u>AMENDED</u>	<u>RESCINDED</u>
ONE	09-26-91	
TWO	09-19-91	
THREE	09-13-91	
FOUR	10-07-91	
FIVE	11-11-91	
SIX	09-24-91	
SEVEN	09-20-91	
EIGHT	09-23-91	
NINE	10-13-91	
TEN	10-23-91	
ELEVEN	09-19-91	
TWELVE	09-16-91	
FOURTEEN	09-27-91	02-20-18
FIFTEEN	09-16-91	
SIXTEEN	11-18-91	
SEVENTEEN	N/A	

(Feb 18)