

SEAL BEACH MUTUAL NO. TWELVE**RESIDENT REGULATIONS****Procedure for Shareholder Changes When There Is No Escrow Involved**

BE IT RESOLVED THAT when applying to become a resident shareholder in the Mutual Corporation outside the parameters of the usual escrow closing procedure as established by the Golden Rain Foundation and Mutual Corporation, and/or whenever an additional or another person is added to the stock as a resident shareholder, that person shall be notified by the Stock Transfer Office that the following procedures must be followed before they may become a resident shareholder and occupy the unit.

A request to waive this fee can be made, at the discretion of the Board of Directors, if the inspection is not more than six months old (Mutual Fourteen only: replace "six months" with "two years"). The inspection must be on file in the Physical Property Department. This does not pertain to fire inspections or any life-safety inspection. The request can be made in the Stock Transfer Office.

THAT an inspection must be performed by the Physical Property Department at the established fee of \$250 and the cost of any required maintenance or corrective work is to be determined in accordance with Article 11 of the Occupancy Agreement and Mutual regulations. Any needed work that is the responsibility of the Mutual shall be performed by the GRF Service Maintenance Department.

Non-standard items needing repair are to be accomplished by the prospective resident shareholder. Whenever any corrective work (which would be applicable if there was an escrow involved) is needed to bring a unit into compliance with Mutual regulations, and the corrective work is the responsibility of a resident shareholder, the corrective work shall be completed by the resident shareholder/prospective resident shareholder prior to the prospective resident shareholder being added to the stock.

THAT prospective resident shareholders will be informed by the Stock Transfer Office of any monies owed on the unit in question (example: arrears in carrying charges, service maintenance work performed, etc.). This information will be supplied by the Accounting Department and the Physical Property Department.

FURTHER, the Stock Transfer Office will ensure that all standard procedures and documents are completed and verified in accordance with Mutual and Foundation policies. Also, ensure that an interview will be performed by member(s) of the Mutual Board of Directors.

Document History

Adopted:	17 Feb 1998	Action
Amended:	12 Apr 2007	

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