

SEAL BEACH MUTUAL NO. FOURTEEN**Mutual Operations****Procedures for Shareholder Changes When there is No Escrow Involved**

- 1 **1.** BE IT RESOLVED THAT when applying to become a resident shareholder in the
2 Mutual Corporation outside the parameters of the usual escrow closing procedure as
3 established by the Golden Rain Foundation and Mutual Corporation, and/or whenever
4 an additional or another person is added to the stock as a resident shareholder, that
5 person shall be notified by the Stock Transfer Office that the following procedures must
6 be followed before they may become a resident shareholder and occupy the unit.
7
- 8 **2.** A request to waive this fee can be made, at the discretion of the Board of Directors, if
9 the inspection is not more than six months old (Mutual Fourteen only: replace “six
10 months” with “two years”). The inspection must be on file in the Physical Property
11 Department. This does not pertain to fire inspections or any life-safety inspection. The
12 request can be made in the Stock Transfer Office.
13
- 14 **3.** THAT an inspection must be performed by the Physical Property Department at the
15 established fee of \$500 and the cost of any required maintenance or corrective work is
16 to be determined in accordance with Article 11 of the Occupancy Agreement and
17 Mutual regulations. Any needed work that is the responsibility of the Mutual shall be
18 performed by the GRF Service Maintenance Department.
19
- 20 **4.** Non-standard items needing repair are to be accomplished by the prospective resident
21 shareholder. Whenever any corrective work (which would be applicable if there was an
22 escrow involved) is needed to bring a unit into compliance with Mutual regulations, and
23 the corrective work is the responsibility of a resident shareholder, the corrective work
24 shall be completed by the resident shareholder/prospective resident shareholder prior
25 to the prospective resident shareholder being added to the stock.
26
- 27 **5.** THAT prospective resident shareholders will be informed by the Stock Transfer Office
28 of any monies owed on the unit in question (example: arrears in carrying charges,
29 service maintenance work performed, etc.). This information will be supplied by the
30 Accounting Department and the Physical Property Department.
31
- 32 **6.** FURTHER, the Stock Transfer Office will ensure that all standard procedures and
33 documents are completed and verified in accordance with Mutual and Foundation
34 policies. Also, ensure that an interview will be performed by member(s) of the Mutual
35 Board of Directors.
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37

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