

COMMUNITY APT. & STOCK CO-OP CONVERSION GUIDELINES

RE 627A (Rev. 6/99)

SUBDIVISIONS

GENERAL INFORMATION

- These guidelines are for the use of current individual owners of community apartments or stock cooperatives who intend to convert their projects to condominiums through the filing of a Notice of Intention (RE 627) with the Department of Real Estate (DRE).
- This form is not:
 - ❖ Applicable to limited equity housing cooperatives;
 - ❖ To be used by any person who owns five or more units in a project; and,
 - ❖ Applicable if additional units are created by the conversion.

Required Documents — Community Apartment ...

In addition to the documents usually required to be submitted with an RE 627, the following must also be submitted:

- Copy of the final, tentative, or parcel map or waiver of a new map by the appropriate local government.
- Copy of subdivision public report (original report and, if applicable, latest amended public report) for community apartment or stock cooperative project to be converted. (If not available, please explain.)
- Articles of incorporation for condominium owners association.
- Set of proposed covenants, conditions and restrictions as required by Section 1355 of the California Civil Code and bylaws.
- Recorded condominium plan (required by Civil Code Section 1351).
- Sample deed to be used.
- Modification of existing notes and trust deeds affecting title and subordination to CCRs.
- Resolution executed by governing board authorizing the conversion and declaring the required approval of owners for the conversion has been obtained.
- Final preliminary report reflecting recordation of CCRs and condominium plan.

An addendum should be prepared and attached to the RE 627 and directed to the Real Estate Commissioner, Department of Real Estate, State of California with a list of names and addresses of all current owners in the project who are making an application to convert this project to a condominium project.

If a subdivision final public report was issued by the Department of Real Estate for the stock cooperative or community apartment, please list the file number shown in the upper right hand corner of the public report.

DEFINITION OF GOVERNMENT CODE (LAWS) AS THEY PERTAIN TO THIS DOCUMENT.

As defined by Business and Professions Code Section 11013, a blanket encumbrance is considered to mean a trust deed or mortgage or any other encumbrance, mechanic's lien or otherwise, securing or evidencing the payment of money and affecting land to be subdivided or affecting more than one lot or parcel of subdivided land, or an agreement affecting more than one such lot or parcel by which the owner or subdivider holds said subdivision under an option, contract to sell, or trust agreement.

This procedure will not be approved if there is or will be a blanket encumbrance on the project after the conversion.

Government Code Excerpt

§66452.10 Stock cooperative or community apartment project; conversion to condominium; required number of favorable votes of owners

A stock cooperative, as defined in Section 11003.2 of the Business and Professions Code, or a community apartment project, as defined in Section 11004 of the Business and Professions Code, shall not be converted to a condominium, as defined in Section 783 of the Civil Code, unless the required number of owners in the cooperative or project, as specified in the bylaws, or other organizational documents, have voted in favor of such conversion. If the bylaws or other organizational documents do not expressly specify the number of votes required to approve such a conversion, a majority vote of the owners in the cooperative or project shall be required. The provisions of Section 66499.31 shall not apply to a violation of this section.