

STOCK TRANSFER CHECKLIST

- Verify current stock ownership of transferring party
 - Stock certificate number
 - Property address or description
 - Number of shares
- Verify current account balance owed, if any
 - Determine whether Company lien currently exists on subject property
- If money owed to Company, obtain payoff of all amounts owed
 - If Company lien exists on property, release lien upon receipt of monies owed
- Verify property ownership of transferee by review of copy of transfer deed, or other acceptable evidence of the transferred ownership
- Obtain existing stock certificate and cancel it in conjunction with issuance of new stock certificate (see below; preferably, you can obtain the transferring party's consent to cancel the certificate as part of the property transfer)
- Transferee completes and submits Company application for water service, including contact information (name, address, e-mail address, phone number), name(s) and titles, if applicable, in which new stock certificate is to be issued, and consent to conduct credit check
 - Credit check of transferee to determine if deposit necessary (California law only allows for deposit to be required if customer lacks creditworthiness)
- Customer submits any required deposit
- Company issues new stock certificate

In connection with the transfer process, we also suggest that the water company work with local escrow companies to instruct the escrow companies to contact the water company whenever a property that may be in the water company's service area is put in escrow. The water company could provide the below form (or something similar) to be used to provide the water company with information concerning on the seller and buyer. It is important in this process to ensure the stock certificate is issued with the proper vesting. Also, by ensuring the water company is involved in the escrow process, it increases the likelihood that any amounts owing to the water company are paid through the sale proceeds at closing of the transfer of the property.

_____ WATER COMPANY

REAL PROPERTY - STOCK TRANSFER INFORMATION FORM

Property Address: _____

Escrow Number: _____

Estimated Closing Date: _____

Name of Seller: _____

Seller Address: _____

Seller Phone Number(s): _____

Seller E-mail Address: _____

Name of Buyer: _____

Buyer Address: _____

Buyer Phone Number(s): _____

Buyer E-mail Address: _____

Proposed Vesting: _____
