

A G E N D A
SEAL BEACH MUTUAL THREE
BOARD OF DIRECTORS REGULAR MONTHLY MEETING
September 8, 2017
9:00 a.m. Open Forum – 9:15 a.m. Meeting begins

1. 9:00 a.m. – OPEN FORUM
2. CALL TO ORDER / PLEDGE OF ALLEGIANCE
3. ROLL CALL
4. INTRODUCTION OF GRF REPRESENTATIVE, GUEST(S), AND STAFF:
Ms. Stone, GRF Representative
Ms. Hopkins, Mutual Administration Director
Mr. Dave Van Horn, Building Inspector
Mrs. Aquino, Recording Secretary
5. APPROVAL OF MINUTES: **Regular Meeting of August 11, 2017**
Special (Agenda) Meeting of August 28, 2017 (page 2)
6. MEETING RULES Ms. Ginthner
7. BUILDING INSPECTOR'S REPORT (pages 3-4) Mr. Van Horn
8. GRF REPRESENTATIVE'S COMMENTS Ms. Stone
9. OLD BUSINESS
 - a. Ratify amended/posted Policy 7510.03 – Eligibility Requirements (pages 5-6) Ms. Ginthner
 - b. Ratify amended/posted Policy 7020.03 – Approval of Escrows (page 7) Ms. Ginthner
 - c. DirecTV Single Dish proposal (pages 8-13) Ms. Ginthner
10. NEW BUSINESS
 - a. Approval of Reserve Study proposal
 - b. Rescind resolution dated August 11, 2017 Ms. Ginthner
 - c. Mutual Contribution – Board Member Memorial Ms. Ginthner
 - d. Proposal from BrightView for removal and replacement of 47 Bottlebrush trees Mr. Campbell
 - e. Proposed Bylaws change to remove Cumulative Voting Mr. Uzan
 - f. Cancel Mutual Participation in the Great Shakeout October 19, 2017 Ms. Blake
 - g. Resolution to maintain Policy 7510 and the Stock Transfer Office (page 14) Ms. Hopkins
Board

(STAFF BREAK (TIME TO BE DETERMINED BY PRESIDENT – 15 MINUTES))

11. CHIEF FINANCIAL OFFICER'S REPORT Mr. Ngo
12. MUTUAL ADMINISTRATION DIRECTOR Ms. Hopkins
13. DIRECTOR(S)' COMMENTS
14. SHAREHOLDER COMMENTS – (agenda items only)
15. ADJOURNMENT
16. EXECUTIVE SESSION (member, contracts, and legal issues)

STAFF WILL LEAVE THE MEETING BY 12:10 P.M.
NEXT MEETING: OCTOBER 6, 2017

**MINUTES OF THE SPECIAL (AGENDA) MEETING OF THE BOARD OF DIRECTORS
SEAL BEACH MUTUAL THREE**

August 28, 2017

A Special Meeting of the Board of Directors of Seal Beach Mutual Three was called to order by President Ginthner at 11:00 a.m. on Tuesday, August 28, 2017, in Building 5, Physical Property Conference Room, 2nd Floor.

Those members present were: President Ginthner, Vice President Campbell, CFO Ngo, and Directors Harris Blake, and Uzan. Also present was Advisory Director Turis. Secretary Hileman was absent.

The purpose of the meeting was to discuss agenda items for the September 8, 2017, Regular Monthly Board Meeting.

President Ginthner adjourned the meeting at 12:05 p.m.

Attest

Carol Ginthner, President
SEAL BEACH MUTUAL THREE

ka:8/30/17

INSPECTOR MONTHLY MUTUAL REPORT

MUTUAL: **(03) THREE**

INSPECTOR: **Dave Van Horn**

MUTUAL BOARD MEETING DATE: **September 8, 2017**

PERMIT ACTIVITY

UNIT #	DESCRIPTION OF WORK	GRF/CITY PERMIT	PERMIT ISSUE	COMP. DATE	CHANGE ORDER	RECENT INSPECTION	CONTRACTOR / COMMENTS
16 L	KITCHEN/BATH REMODEL	BOTH	06/13/17	12/15/17	NO	R.PLUMB/D.W.	LW DÉCOR 8/31/2017
21 K	ADA CUT DOWN	BOTH	05/01/17	06/01/17	NO	NOT CALLED IN	NU-KOTE
24 L	REMODEL	BOTH	03/22/17	01/15/18	NO	LATH/D.W.	TRI CROWN 8/22/2017
17 H	HARDI BOARD WALL	GRF	06/15/17	8/11/17	YES	SIGNED OFF	BERGKVIST
30 B	ADA CUT DOWN	BOTH	07/26/17	08/26/17	NO	NA	NU-KOTE
34 C	HEAT PUMP	BOTH	07/19/17	10/19/17	NO	NA	GREENWOOD
16 A	HEAT PUMP	BOTH	07/25/17	10/25/17	NO	SIGNED OFF	GREENWOOD 8/18/2017
35 K	WINDOWS	BOTH	07/15/17	08/30/17	NO	SIGNED OFF	HARDY WINDOWS 8/28/2017
25 D	SHOWER	BOTH	06/26/17	08/26/17	NO	RED TAG. RECALL	BATH PLANET, RUN IN COPPER

ESCROW ACTIVITY

UNIT #	NMI	PLI	NBO	FI	FCOEI	ROF	DOCUMENTS/COMMENTS
5 F		8/2/17					
33 B		08/02/17	09/01/17	09/01/17			
6 D		07/28/17	08/16/17	08/16/17	08/30/17		
32 G		07/18/17	08/31/17	09/01/17			
15 B		06/02/17					
36 E		05/23/17					
31 D		06/02/17					
17 K		05/25/17					
23 G		05/25/17	08/11/17	NA	08/25/17		NO FINAL DUE TO FULL REMODEL
2 B		08/30/17					
5 I		08/30/17					
25 C		08/30/17					
28 H		08/30/17					
21 I		08/22/17					

NMI = New Member Inspection PLI = Pre-Listing Inspection NBO = New Buyer Orientation
 FI = Final Inspection FCOEI = Final COE Inspection ROF = Release of Funds

MUTUAL OPERATION**AMEND POLICY****RESIDENT REGULATIONS****Eligibility Requirements – Mutual Three**

All persons seeking approval of the Board of Directors of Seal Beach Mutual No. Three to purchase a share of stock in the Mutual, and to reside in the Mutual, shall meet the following eligibility criteria:

- A. Apply for and be accepted as a member of the Golden Rain Foundation, Seal Beach, California.
- B. Meet the Mutual eligibility criteria as follows:

- 1. Age

Minimum of 55 years, as confirmed by a birth certificate or passport. A driver's license is not acceptable as proof of age.

- 2. Financial Ability

- a. Verified monthly income or sufficient assets that is/are four (4) times or greater than the monthly carrying charge (Regular Assessment plus Property Tax and Fees) at the time of application, and have liquid assets of at least \$25,000.

- 1) Verified monthly income will be in the form of the past two years of:

- a) Tax returns;
- b) 1099s for interest and dividends;
- c) 1099-Rs for retirement income from qualified plans and annuities;
- d) SSA-1099 Social Security Benefit Statement;
- e) Brokerage statements and current interim statement.
- f) Six to 12 months of checking account statements.

- b. Adjusted Gross Income per 1040, 1040A, or 1040EZ minus income and self-employment taxes paid will equal net annual income able to be spent.

- c. Projected assessments will be the previous year's assessment (total of carrying charge less any cable charge, less Orange County Property Taxes and Fees), and the addition of the new property tax at 1.2% of the sales price plus Orange County District fees divided by 12 for the new projected monthly assessment. This new figure (Regular Assessment plus Orange County Property Taxes and District Fees) times four (4) will be the monthly income required. This will be

(Sept 08)

MUTUAL OPERATION**AMEND POLICY****RESIDENT REGULATIONS****Eligibility Requirements – Mutual Three**

verified by the escrow company and the Stock Transfer Office. Stock Transfer shall have the final say in establishing verifiable income.¹

- 1) Verification shall be done by the Escrow Company and the Stock Transfer Office prior to the new buyer interview and prior to the close of escrow (the above verification will not be the responsibility of the individual Mutual Directors; Directors will not be required to study or understand the financial requirements).

d. Only the residential shareholder's income shall be considered for qualifying.

3. Health

Have reasonably good health for a person of his/her age, as evidenced by a letter from his/her physician, so that resident can take care of normal living needs without calling on other members of the cooperative for an undue amount of assistance.

4. Character

Have a reputation for good character in his/her present community.

- C. Assume, in writing, the obligations of the "Occupancy Agreement" in use by the Mutual Corporation.

Officers or Committees of the Board of Directors designated to approve new applicants are responsible that the eligibility criteria of this corporation is equitably applied to all applicants. Approval or disapproval of buyer(s) must be received by the Stock Transfer Office at least ten (10) working days prior to the close of escrow.

MUTUAL ADOPTIONAMENDMENTS

THREE: 04-20-70

09-16-93, 09-12-08

1 If major remodeling, expansion, or addition of a bathroom is being considered, the increase in taxes over the 1.2% of the purchase price must be taken into consideration.

(Sept 08)

MUTUAL OPERATIONS**ADOPTED DRAFT****Approval of Escrows – Mutual Three**

RESOLUTION:

WHEREAS, Article V, Section 2, of the bylaws vests power in the Board of Directors to accept or reject all applications for membership and admission to occupancy of a dwelling unit in the cooperative housing project, and

~~WHEREAS, a system utilizing questionnaires and a medical examination has been instituted to expedite determination that the potential buyer meets all established criteria, with the responsibility for operation of said system resting on paid employees of the Foundation and Health Care Center, and~~

WHEREAS, it is necessary that escrow papers be signed in a timely manner but calling special meetings of the Board to accept or reject each application in escrow would prove cumbersome,

NOW, THEREFORE BE IT RESOLVED, THAT

1. The President of this Corporation is appointed and empowered to act in behalf of the Board in signing various document in escrow that are necessary to accept or reject potential members of the Corporations.
2. Should the President be absent or otherwise unable to perform, then any officer of this Corporation shall be empowered to sign such papers on behalf of the Board.

MUTUAL
THREE

ADOPTIONS

AMENDMENT

Hello Carol,

Here are some points regarding signing up with Directv MDU.

1. Protection Plan is free when your Mutual switches to MDU

(residential customers pay \$8 month)

This means if one of your receiver goes bad, directv will replace it with the same like kind of box. This means your service call is free in all cases unless the customer caused the problem. (Their dog chewed the cable, they disconnected the wires, etc)

2. All your existing DTV customers will not even notice the change. Their billing stays the same. Pricing stays the same. New customers will get same deal as Directv's national offers.

3. MDU customers will not have to wait forever on the phone and go through different operators until they get an answer. With any questions about pricing, ordering, etc. They only have to call our call center.

4. One dish per building (if someone orders International, then 2)

5. Only buildings that have Directv customers will have a dish on the roof.
6. It will be the Mutuals choice if they want the dish on the side of the building (like most of the other mutuals) or on a specially built vent pipe that the mutual has built.
7. Clubhouse #2 will have a free demo DTV receiver that anyone can come in and watch.
8. We will come out and move any existing Dtv dishes on the roof from the vent pipe to the side of the building.
Example: when you have roofers replacing the roof.
9. There is NO cost of the Mutual switching from residential to MDU.
10. Please let me know if you have any other questions or concerns. I will be more than happy to answer.

Respectfully,

George Kozel
Directv
ThorComm LLC

MDU RIGHT OF ENTRY AGREEMENT

THIS MDU RIGHT OF ENTRY AGREEMENT (this "Agreement") is made and entered into as of the LATEST DATE SET FORTH ON THE SIGNATURE PAGE (the "Effective Date"), by and between _____ THORCOMM LLC _____ ("Operator"), and [PRINT OWNER NAME] _____ ("Owner").

Operator is an authorized system operator of DIRECTV and Operator sells DIRECTV video services (the "DIRECTV Service") and other services delivered via broadband or terrestrial signals (together with the DIRECTV Service, the "Services"), to residents residing in multiple dwelling units ("MDU"), and Owner owns, manages (with the power to bind the actual owner to this Agreement), and/or controls (i.e., an HOA or Co-op) certain real property located at [PRINT ADDRESS] _____ (the "Property"), commonly known as [PRINT NAME OF PROPERTY] _____, consisting of [PRINT NO. OF UNITS] _____ residential living units (the "Units"), and Owner wants the required hardware and components be installed and maintained at Property for the Service and for Operator to market and sell the Service to Property residents.

NOW THEREFORE, in consideration of the mutual promises and covenants expressed herein, the Parties agree as follows:

1. **GRANT OF RIGHTS FOR SERVICE AND ACCESS RIGHTS.** Owner grants to Operator a right and irrevocable license, coupled with an interest to: (a) offer, sell and distribute the Services to residents of the Property ("Residents"), (b) access the Property (including the right of ingress and egress to and from the Property), for the purposes of installing, operating, maintaining, removing and/or upgrading all or any portion of the Distribution System (as defined in Section 2.1) and (c) use the Distribution System and Inside Wiring in, on and throughout the Property. "Inside Wiring" refers to the coaxial cable wiring within each building located on the Property, owned or controlled by the Owner, extending from the wall plate(s) within each Unit to the lockboxes, communications closets or similar central distribution facilities where the Distribution System interconnects with such coaxial cable wiring.
2. **THE SYSTEM REQUIREMENTS.**
 - 2.1 **Distribution System.** Operator will install and maintain a signal delivery system required to distribute the Services throughout the Property, as reasonably determined by Operator (the "Distribution System"). Owner agrees that it has had the opportunity to review technical specifications describing the Distribution System and has approved or decided not to review such specifications prior to execution of this Agreement. The Distribution System is and will remain the personal property of Operator, and no person or entity other than Operator shall have any ownership interest in the Distribution System, and, notwithstanding any method of affixation or any applicable law relating to fixtures, no portion of the Distribution System will be deemed a fixture of Property. Operator will, in its reasonable discretion, maintain the Distribution System.
 - 2.2 **Property Assistance: Inside Wiring; Non-Interference; Electricity.** The Inside Wiring is owned or controlled by the Owner, and Owner grants to Operator the non-exclusive right to interconnect with and use the Inside Wiring as needed for the delivery of the Services to any Resident who subscribes to such Services. Owner shall use reasonable efforts to keep the Distribution System and any other components required for distribution of the Services secure and prevent any unauthorized access to or tampering with such equipment. Owner further agrees that it will take commercially reasonable efforts to ensure that any equipment used or installed by Owner or any third party at the Property shall not interfere with the Distribution System or any of the Services. Owner shall promptly notify Operator of any damage to or unauthorized tampering with the Distribution System, Inside Wiring, or any other equipment of Operator. Owner will cooperate with Operator to obtain all government permits, licenses and approvals required for the design, installation, modification, maintenance, removal and other work contemplated hereunder in connection with or related to the Distribution System and the Services, including to help Operator enforce its rights hereunder. Owner shall periodically, in its reasonable discretion, maintain the Property components installed by or under Owner's control at the Property, including the Inside Wiring, which are used by Operator in connection with the Distribution System. If Operator performs any of the foregoing on Owner's behalf, Owner shall promptly reimburse Operator. Owner will pay for the electrical service required to power the Distribution System.
 - 2.3 **Existing Infrastructure.** FCC regulations published at 47 C.F.R. §§ 76.800, *et seq.* (the "Inside Wiring Rules") provide a legal procedure by which an MDU owner may gain ownership or control over cable Home Run Wiring and Cable Home Wiring owned by an incumbent multi-channel video programming distributor ("MVPD") in order to make that wiring available for use by a competitor. In order to facilitate Operator's use of existing infrastructure for the provision of DIRECTV Services as set forth in this Agreement, Owner agrees to take commercially reasonable steps, including when appropriate use of the Inside Wiring Rules, to gain control over existing Home Run Wiring at the Property and to make that existing wiring available for Operator's use in distributing DIRECTV Services to Residents.
3. **DIRECTV SERVICE.** The DIRECTV Service, including the content, features and prices may be changed by DIRECTV from time to time. Owner understands that Operator is an independent contractor authorized to sell DIRECTV Service. Operator is not entering into this Agreement on behalf of or as an agent for DIRECTV. DIRECTV is not responsible for any act or omission of Operator. Notwithstanding the foregoing, in consideration for good and valuable consideration and in consideration for the benefits conferred upon Owner and the Property herein:

3.1 General Rights. Owner and Operator agree that: (i) Operator may solicit and take orders for the DIRECTV Service from the Property residents, (ii) subject to any bulk agreement with DIRECTV, DIRECTV maintains the right to change programming and pricing at any time, (iii) this Agreement may not be assigned by Operator without the prior written approval of DIRECTV, (iv) each party will copy DIRECTV via email on all notices provided under the Agreement (email: MDUBusiness@directv.com), and (v) DIRECTV may, upon reasonable advance notice and in compliance with the Property's security requirements, inspect the Distribution System used to deliver DIRECTV Service, and Owner hereby grants to DIRECTV an ongoing right to access the Property for this purpose. Property Owner understands that even though Property Owner is granting DIRECTV the rights herein, all Residents must meet the requirements established by DIRECTV to be a DIRECTV subscriber, including the credit and term requirements. DIRECTV is an intended third party beneficiary of Operator's rights and of Owner's obligations under this Agreement and shall be entitled, but is not obligated, to enforce such rights and obligations directly against Owner. The rights and obligations set forth in the "DIRECTV Service" sections survive termination of the Agreement.

3.2 Contingent Rights. Owner and Operator agree that, in the event Operator fails to perform any material obligation of this Agreement (as evidenced by a notice of default from Owner to Operator or DIRECTV) or the agreement between DIRECTV and Operator (as evidenced by a notice of default from DIRECTV to Operator and Operator failing to cure within the required cure period), then DIRECTV may access the Property as necessary to provide the DIRECTV Service through the Distribution System and any in-building cable wiring (including home run wiring and cable home wiring as defined by the FCC) then being used by Operator. In addition, upon any termination or expiration of this Agreement, DIRECTV may access the Property on a non-exclusive basis in order to provide the DIRECTV Service to Residents, and Owner will cooperate with DIRECTV to ensure that DIRECTV and any Residents who subscribe to DIRECTV Services may fulfill their respective service and subscription commitments without interruption.

4. TERM; TERMINATION.

4.1 Term. This Agreement shall commence upon the Effective Date and, unless terminated earlier in accordance with this Agreement, continue for the initial period of time of five (5) years. The Initial Term shall automatically renew for the successive periods of five (5) years each (each, a "Renewal Term" and together with the Initial Term, the "Term"), unless either Party provides written notice of termination at least ninety (90) days prior to the expiration of the Initial Term or applicable Renewal Term.

4.2 Default and Termination. Either Party may terminate this Agreement, effective immediately (i) upon thirty (30) days certified letter written to the other Party describing in reasonable detail a material breach of this Agreement by such other Party and the breaching Party has failed to cure such breach within the said thirty (30) day time period; or (ii) in the event the Property is totally or substantially destroyed by fire or other casualty rendering the Property unusable as a multi-dwelling unit property.

4.3 Termination or Expiration; Distribution System. Operator may, until ninety (90) days after the termination or expiration of this Agreement, remove all or certain components of the Distribution System. If Operator does not remove all or any portion of the Distribution System within such 90-day period, any components not removed from the Property shall be deemed abandoned by Operator.

5. MISCELLANEOUS.

5.1 REPRESENTATIONS/WARRANTIES. Owner represents and warrants that: (i) it has taken all requisite action to approve the execution, delivery and performance of this Agreement (Owner will provide Operator with reasonable evidence upon request), (ii) the execution, delivery and performance of this Agreement shall not result in the breach of any agreements it has with third parties, (iii) it has the legal right and authority to grant Operator the right to interconnect with and use any Inside Wiring needed for Operator to deliver DIRECTV Service, and (iv) it is not and will not become a party to any agreement for the bulk or exclusive provision of video programming.

5.2 INDEMNIFICATION. Each Party (each, an "Indemnifying Party") agrees to indemnify, defend and hold harmless the other Party and their affiliates and their respective directors, officers, and employees (each an "Indemnified Party") from and against any and all claims, demands, suits, actions, proceedings, investigations, losses, damages, liabilities, judgments, costs and expenses (including reasonable attorneys' fees and other expenses of litigation), suffered, incurred, or asserted by or against any Indemnified Party resulting from or arising out of any: (a) breach or alleged breach by the Indemnifying Party of any representation, warranty or covenant contained in this Agreement; (b) damages to the Property or any personal property or personal injury caused by the Indemnifying Party; or (c) gross negligence or willful misconduct of the Indemnifying Party.

5.3 Disclaimer; Limitation of Liability. EXCEPT AS EXPRESSLY STATED IN THIS AGREEMENT, OPERATOR MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, CONCERNING THE SYSTEMS OR THE PROVISION OF SERVICE, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR PARTICULAR USE. IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES OF ANY NATURE WHATSOEVER, REGARDLESS OF THE FORESEEABILITY THEREOF, ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT.

5.4 Notices. All notices and other communications from either Party to the other hereunder shall be in writing and shall be deemed received: (a) upon actual receipt when personally delivered; (b) 3 business days after deposit in the U.S. Mail, certified mail, return receipt requested; (c) 1 business day after delivery to any nationally-recognized overnight delivery service on a business day for prepaid delivery on the next business day; or (d) on the business day sent, if sent by facsimile prior to 5:00 p.m. in the Time Zone in which the receiving Party is located, and such generates a written confirmation of sending, addressed to the address on this R.O.E.

5.5 Applicable Law; Entire Agreement; Modification. The validity, interpretation and legal effect of this Agreement shall be governed by and construed in accordance with the laws of the State in which the Property is located (without regard to law of conflicts or choice of law). This Agreement, including all Schedules attached hereto, constitutes the entire agreement, whether written or oral, between the Parties, and supersedes all previous agreements, understandings, commitments or representations concerning the subject matter. This Agreement may not be amended or modified in any way, and none of its provisions may be waived, except by a writing signed by the Party against whom the amendment, modification or waiver is sought to be enforced.

5.6 Arbitration. Any dispute or claim arising out of the interpretation, performance, or breach of this Agreement, including without limitation claims alleging fraud in the inducement, shall be resolved only by binding arbitration, at the request of either Party, in accordance with the rules of the American Arbitration Association, modified as herein provided. The arbitration shall be decided by one arbitrator and the arbitrator shall be, to the fullest extent available, either a retired judge or selected from a panel of persons trained and expert in the subject area of the asserted claims in accordance with the rules of the American Arbitration Association. The arbitrator shall apply the substantive law of the State in which the Property is located to the proceeding, except to the extent Federal substantive law would apply to any claim. The arbitration shall be conducted in the largest metropolitan area in the locale of the Property. An award may be entered against a Party who fails to appear at a duly noticed hearing. The arbitrator shall prepare in writing and provide to the Parties an award including factual findings and the reasons on which their decision is based. The arbitrator shall not have the power to commit errors of law or legal reasoning, and the award may be vacated or corrected on appeal to a court of competent jurisdiction for any such error. The Parties acknowledge and agree that no class arbitration shall be permissible hereunder. The decision of the arbitrator may be entered and enforced as a final judgment in any court of competent jurisdiction. The Parties shall share equally the arbitrator's fees and other costs of the arbitration but in any action brought by either Party to enforce a term or condition of this Agreement against the other Party, the prevailing Party shall be entitled to recover from the other Party its costs and reasonable attorneys' fees. This Section and any arbitration conducted shall be governed by the U.S. Arbitration Act (9 U.S.C. Sec. 1, et seq). The transactions contemplated here involve commerce, as defined in said Act.

5.7 Severability. Nothing contained in this Agreement shall be construed so as to require the commission of any act contrary to law, and wherever there is any conflict between any provision of this Agreement and any law, such law shall prevail; provided, however, in the event of any such conflict, the provisions of this Agreement so affected shall be curtailed and limited only to the extent necessary to permit compliance with the minimum legal requirement, and no other provision of this Agreement shall be affected and all such other provisions continue in full force and effect.

5.8 Force Majeure. Neither Party shall be liable to the other Party or others for any failure to perform its obligations under this Agreement where such failure was caused by an act of God, accident, fire, lockout, strike or other labor dispute, riot or civil commotion, act of government or other cause of similar or different nature beyond the affected Party's reasonable control.

5.9 Successors and Assigns. This Agreement is binding upon and inures to the benefit of Owner and Operator and their respective successors and assigns. Operator may assign its interest in this Agreement and its rights and obligations hereunder. If the Owner sells, conveys, or transfers the Property, the sale, conveyance or transfer will be made subject to this Agreement, and Owner will have no liability for any obligations arising under this Agreement after any sale, conveyance or transfer if (a) proper notice is delivered to all parties involved in the transfer or assignment as set forth in this Section 5.10, and (b) the transferee assumes this Agreement in writing. Owner will notify Operator of any assignment within 30 days after the assignment. The rights and interests that Owner has granted to Operator in this Agreement are obligations not only of the Owner, but also of all subsequent owners and any others who may claim any right, title, or interest in the Property, including but not limited to any transferee that acquires the Property or any interest therein by way of foreclosure or similar proceeding. Therefore, the rights and obligations granted to Operator in this Agreement run with title to the Property and bind each subsequent owner of all or any portion of the Property.

5.10 Public Notices. Owner agrees that Operator may cause this Agreement or instrument related to this Agreement to be filed or recorded among the public records in all necessary places in order that third parties shall be on notice that Operator owns the Distribution System, and that Owner has granted Operator the rights in this Agreement. Each Party hereto agrees to execute such documents, and take such further action, as the other Party hereto shall reasonably request in order to carry out this Agreement.

5.11 Interpretation; Further Actions; Survival; No Agents or Joint Venture; Counterparts. This Agreement has been fully reviewed and negotiated by the Parties hereto and their respective counsel. In interpreting this Agreement, the judicial doctrine according to which documents are to be construed against the drafter or provider of such document does not apply to this Agreement. All covenants and conditions herein which, by their terms or nature, extend beyond the termination or expiration of this Agreement, shall survive such termination or expiration until fully performed including, but not limited to, indemnification and confidentiality obligations. The relationship of Owner and Operator is that of independent contractor, and accordingly, no Party hereto shall act as or be deemed an agent of the other Party hereto, or take any action or do anything that would create an obligation or liability of the other Party hereto or cause any third party to believe that such Party is an agent of the other Party hereto or that such Party is authorized to act on behalf of the other Party hereto. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all such counterparts together shall constitute one and the same instrument. 5.13 DTH Satellite Provider. Subject to applicable laws requiring access to MDUs by other providers of multi-channel video programming services, DIRECTV shall have the exclusive right to (a) access the Property for the purpose of providing direct-to-home satellite delivered video programming services at the Property through a centralized distribution system; (b) provide direct-to-home satellite delivered video programming services to Residents of the Property through a centralized distribution system; (c) market, offer, sell and distribution direct-to-home satellite delivered video programming services at the Property and (d) access and use the Signal Distribution System. In furtherance of the foregoing, Owner shall not directly or indirectly offer, sell or solicit sales of, take orders for, or provide or install equipment for, any direct-to-home satellite delivered video programming services other than DIRECTV Service for delivery and receipt at the Property. Owner may not enter into any contract with or grant any rights to the extent such rights are inconsistent with the rights granted to DIRECTV under this Agreement or applicable law, and Owner may not operate its own private or public system for cable access television or with functionality the same or similar to that of the Signal Distribution System or the DIRECTV Services. Owner understands that even though Owner is granting DIRECTV the rights set forth above, all Residents must meet the requirements established by DIRECTV to become a Subscriber, including by meeting the credit and programming term requirements, and therefore, some Residents may not be able to subscribe to the DIRECTV Service.

IN WITNESS WHEREOF, the parties have executed the Memorandum of Agreement as of the day and year first above written.

TC:

OWNER/MANAGING PARTY:

THORCOMM LLC

X _____

Name: George Kozei

Print Name: _____

Title: Owner

Leisure World... Mutual # 3
Mailing Address:

Date: _____

Date: _____

Tel. Number: _____

MOTION:

RESOLVED, That according to Policy 7510.____, if there is a question of financial eligibility, Mutual _____ is **NOT** to be contacted by the Stock Transfer Office in the event of a non-qualifying financial issue.