

OCCUPANCY AGREEMENT

COLONIAL TOWNHOUSES COOPERATIVE, INC.

THIS AGREEMENT, made and entered into this _____ day of _____, _____, by and between **Colonial Townhouses Cooperative, Inc.** (hereinafter referred to as the Cooperative), a corporation having its principal office and place of business in Ingham County, Michigan and _____, (hereinafter referred to as Member);

The Cooperative has been formed for the purpose of operating a cooperative housing corporation located at 3818 Pleasant Grove Road, Lansing, MI 48910, County of Ingham with the intent that its Members shall have the right to occupy the dwelling townhouses, under the terms and conditions, set forth; and

The Member is the owner and holder of a certificate of membership of the Cooperative and has a bona fide intention to reside in the premises;

The Member has certified to the accuracy of the statements made in his/her application and family income survey and agrees and understands that family income, family composition and other eligibility requirements are substantial and material requirements of his/her initial and of his/her continuing occupancy;

Now, in consideration of One Dollar (\$1.00) to each of the parties paid by the other party, the receipt of which is hereby acknowledged, and in further consideration of the mutual promises contained, the Cooperative lets to the Member, and the Member heirs and takes from the Cooperative, dwelling townhouse number _____ located at _____, Lansing, MI 48911.

TO HAVE AND TO HOLD said dwelling townhouse unto the Member, his/her executors, administrators and authorized assigns, on the terms and conditions set forth in this Agreement and in the Corporate Charter and Bylaws of the Cooperative now or hereafter adopted, from the date of this Agreement, for a term, terminated on _____, _____, automatically renewable annually under the conditions provided for in this Agreement.

ARTICLE 1. MONTHLY CARRYING CHARGES AND MEMBERSHIP FEE

On or before the date of execution of this Occupancy Agreement, the Member has paid to the Cooperative; the Membership fee for his/her Membership in the amount of \$ _____.

Commencing at the time indicated in **ARTICLE 2**, the Member agrees to pay the Cooperative a monthly sum referred to as "Carrying Charges", equal to one-twelfth of the Member's proportionate share of the sum required by the Cooperative, as estimated by its Board

of Directors to meet its annual expenses, pertaining to the Cooperative and to the community or other facilities which the Member is entitled to utilize, including, but not limited to the following items:

- (a) The cost of all operating expenses of the premises and services furnished.
- (b) The cost of necessary management and administration.
- (c) The amount of all taxes and assessments levied against the premises of the Cooperative or which it is required to pay, and ground rent, if any.
- (d) The cost of fire and extended coverage insurance of the Cooperative and such other insurance as the Cooperative may effect or as may be required by the Cooperative.
- (e) The cost of furnishing all utilities, if such utilities are furnished by the Cooperative. (See **ARTICLE 10** for a listing of those utilities which are to be furnished by the Cooperative.)
- (f) All reserves set up by the Board of Directors pertaining to the Cooperative.
- (g) The estimated cost of repairs, maintenance and replacements of the Cooperative property to be made by the Cooperative.
- (h) The amount of principal, interest, and other required payments on any existing loans or mortgages.
- (i) Any other expenses of the Cooperative approved by the Board of Directors including operating deficiencies, if any, for prior periods.

The Board of Directors shall determine the amount of the Carrying Charges annually, but may do so at more frequent intervals, should circumstances so require. No Member shall be charged with more than his/her proportionate share as determined by the Board of Directors. That amount of the Carrying Charges required for payment on any other capital expenditures shall be credited upon the books of the Cooperative to the "Paid-In Surplus" account as a capital contribution by the Members.

Until further notice from the Cooperative, the Monthly Carrying Charges for the above-mentioned dwelling townhouse shall be \$_____.

ARTICLE 2. WHEN PAYMENT OF CARRYING CHARGES TO COMMENCE

The Member shall make a payment for Carrying Charges covering the unexpired balance of the month, when the Cooperative deems the townhouse available for occupancy. **Thereinafter, the Member shall pay Carrying Charges in advance on the first day of each month.**

ARTICLE 3. UNLAWFUL ACTIVITIES

The Member agrees not to engage personally in or permit any unlawful activities in the dwelling unit, in the common areas or on the project grounds. Such activities include, but are not limited to those items listed in paragraph 3 below.

The Member, any member of the Member's household or a guest or other person under the Member's control shall not engage in any act intended to facilitate criminal activities including drug-related criminal activity and acts of violence or threats of violence, including, but not limited to, the unlawful discharge of firearms on or off the cooperative premises.

The Member shall not knowingly permit any member of the Member's household, or a guest or other person under the Member's control to engage in unlawful activity, including drug-related criminal activity, in the unit, in the common areas, or on the project grounds. Unlawful activities include, but are not limited to, acts of violence that damage or destroy the dwelling unit or disturb or injure other Members or anyone else in the unit, common areas or on the project grounds. "Drug-related criminal activity" means the illegal manufacture, sale distribution, use, or possession with intent to manufacture, sell, distribute or use, of a controlled substance (as defined in Section 102 of the Controlled Substances Act (21 U.S.C. 802).

The Member, an individual of Member's household, guest of the Member or person under Member's control shall not smoke or cultivate marijuana, including medical marijuana within the Member's townhouse or on the premises. Smoking or cultivating marijuana, including medical marijuana is strictly prohibited and is grounds for termination of membership.

The purpose of the following is to Prevent Crime in Cooperative Housing - Denying Admission and Terminating Tenancy for Criminal Activity or Alcohol Abuse:

1. Drug-related criminal activity engaged in, on or near the premises by any Member, household member or guest, and any such activity engaged in on the premises by any other person under the Member's control, is grounds for termination of tenancy. Further grounds for termination of tenancy include the Corporation's determination that a household member is illegally using a drug or the Corporation's determination that a pattern of illegal use of a drug interferes with the health, safety, or right to peaceful enjoyment of the premises by other Members.
2. The Corporation may terminate tenancy for any of the following types of criminal activity by a covered person:
 - a. Any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other Members (including Property Management staff residing on the premises); or
 - b. Any criminal activity that threatens the health safety, or right to peaceful enjoyment of their residences by persons residing in the immediate vicinity of the premises.

3. The Corporation may terminate tenancy if a Member is:
 - c. Fleeing to avoid prosecution, or custody, or confinement after conviction, for a crime, or attempt to commit a crime, that is a felony under the laws of the place from which the individual flees; or
 - d. Violating a condition of probation or parole imposed under Federal or State law.
4. The Corporation may terminate tenancy if the Corporation determines that a household Member's abuse or pattern of abuse of alcohol threatens the health, safety, or right to peaceful enjoyment of the premises by other Members.
5. The Corporation may terminate tenancy if the Corporation determines that the Member, any member of the Member's household, a guest, or another person under the Member's control has engaged in criminal activity, regardless of whether the Member, any member of the Member's household, a guest, or another person under the Member's control has been arrested or convicted for such activity.

Violation of the above provisions shall be a Material Violation of this Occupancy Agreement and substantiate good cause for Termination of Membership. It is understood and agreed that a single violation of any of the above provisions shall be deemed a serious violation and a material noncompliance with the Occupancy Agreement and justifiable cause for termination of Membership.

Unless otherwise provided by law, proof of violation shall not require criminal conviction, but shall be by a preponderance of the evidence.

INVESTIGATION IN TO FRAUD/CRIMINAL COMPLAINTS – Management/Agent will cooperate with local, state, or Federal investigations into fraud or criminal activity. With proper identification, the property is permitted to advise the investigating officer whether or not an individual is a Member, how long an individual has been a Member, and any other appropriate answers to questions related to the investigation. The property will not make files, forms, or documents available to the investigating officer unless a court order for such action is provided

ARTICLE 4. MEMBER'S OPTION TO RENEW

It is covenanted and agreed that the term granted in this Agreement, shall be extended and renewed from time to time by and against the parties for further periods of one year each from the expiration of the term granted, upon the same covenants and agreements as contained in the Agreement unless: (1) notice of the Member's election not to renew shall have been given to the Cooperative in writing at least thirty (30) days prior to the expiration of the then current term; and (2) the Member shall have, on or before the expiration of said term, (a) endorsed his/her membership certificate for transfer in blank and deposited same with the Cooperative, and (b) met all his/her obligations and paid all amounts due under this Agreement up to the time of said expirations, and (c) vacated the premises, leaving same in good state of repair. In the event a

Member chooses not to renew his/her membership, Member liability for all carrying charges and additional charges associated with his/her dwelling townhouse shall continue until such time as the outgoing Member sells his/her membership to an approved individual and that individual has taken possession of the dwelling townhouse. If the Member elects to continue occupancy for a successive term, he/she will execute the then current Occupancy Agreement, as revised (if applicable).

ARTICLE 5. PREMISES TO BE USED FOR RESIDENTIAL PURPOSES ONLY

The Member shall occupy the dwelling townhouse covered by this Agreement as a private dwelling townhouse for himself/herself and/or with his/her immediate family and for no other purpose, and may enjoy the use in common with other Members of the Cooperative of all community property and facilities of the entire Cooperative community so long as the Member continues to own a membership certificate of the Cooperative, occupies the dwelling townhouse, and abides by the terms of the Agreement.

THE MEMBER SHALL BE PROHIBITED FROM USING THE DWELLING TOWNHOUSE FOR THE PURPOSES OF RUNNING A BUSINESS OR CONDUCTING ANY ACTIVITIES THEREIN FOR PROFIT, INCLUDING, BUT NOT LIMITED TO THE FOLLOWING: CHILD CARE, DAY CARE, AUTO MAINTENANCE OR REPAIR, PROFESSIONAL SERVICES, OR THE LIKE.

The Member shall not permit or suffer anything to be done or kept upon said premises which will increase the rate of insurance on the building, or on the contents, or which will obstruct or interfere with the rights of other occupants, or annoy them by unreasonable noises or otherwise, nor will the Member commit or permit any nuisance on the premises or commit or suffer any immoral or illegal act to be committed on the premises. The Member shall comply with all of the requirements of the Board of Health and of all other governmental authorities with respect to the said premises. **If by reason of occupancy or use of said premises by the Member the rate of insurance on the building shall be increased, the Member shall become personally liable for the additional insurance premiums.**

ANY VIOLATION OF ARTICLE 5 SHALL BE DEEMED A MATERIAL NONCOMPLIANCE WITH THIS AGREEMENT. THE COOPERATIVE, AT ITS OPTION, MAY EXERCISE ANY AND ALL RIGHTS AS SET FORTH IN ARTICLE 25 OF THIS AGREEMENT.

ARTICLE 6. MEMBER'S RIGHT TO PEACEABLE POSSESSION

In return for the Member's continued fulfillment of the terms and conditions of this Agreement, the Cooperative covenants that the Member may at all times while this Agreement remains in effect, have and enjoy for his/her sole use and benefit the dwelling townhouse described, after obtaining occupancy, and may enjoy in common with all other Members of the Cooperative, the use of all community property and facilities of the entire Cooperative community.

ARTICLE 7. NO SUBLETTING

The Member hereby agrees not to assign this Agreement nor to sublet his//her dwelling townhouse, under any circumstances, at any time. The Member must notify the Cooperative of any and all persons residing in the premises for thirty (30) days or more in any twelve (12) month period. The only individuals permitted to reside and occupy the dwelling townhouse are:

Any unauthorized subleasing shall, at the option of the Cooperative, result in the termination and forfeiture of the Member's rights under this Occupancy Agreement.

ARTICLE 8. NOTICE OF INTENT TO TRANSFER, RESALE FEE & TRANSFER FEE

The Member agrees that he/she shall provide thirty (30) days written notice of his/her intention to terminate his/her occupancy of the townhouse heretofore described to the Cooperative and it shall be given to the then Management Agent.

The Member understands and agrees that any attempt by the Cooperative to compel the Member to fulfill his/her obligation to pay his/her Carrying Charges or perform his/her covenants shall not alter his/her obligation to give thirty (30) days' written notice of his/her intention to terminate his/her occupancy of the townhouse. The Member further agrees if he/she vacates the townhouse after the Cooperative causes a Notice to Quit to be issued as a result of the Member's default of his/her obligations under the Cooperative's Bylaws, Rules and Regulations, and the Occupancy Agreement, and/or files an action for eviction and/or cause a writ of eviction to issue, his/her liability for the Carrying Charges will continue for sixty (60) days after the Board of Directors and/or Management Agent has actual knowledge that the Member has vacated the townhouse unless he/she has complied with the written notice provision.

The Member understands that the Cooperative has the option for a period of thirty (30) days but not the obligation to purchase his/her membership as described in the Bylaws of the Cooperative under the Article defining Membership.

The Board of Directors shall determine the amount of the Resale & Transfer Fee with written thirty (30) days' notice to Member. **The Member is responsible for the Resale Fee and, until further notice, the Resale Fee is \$100.00.**

If the Member should transfer within the Cooperative there will be a **Transfer Fee**, as set by the Board of Directors, and until further notice, in the amount of \$_____, _____(initials), payable to Colonial Townhouses Cooperative, Inc.

Neither this Agreement nor the Member's right of occupancy shall be transferable or assignable except in the same manner as may now or hereafter be provided for the transfer of memberships in the Bylaws of the Cooperative.

ARTICLE 9. MANAGEMENT, TAXES, INSURANCE, AND BASEMENTS

- A. The Cooperative shall provide necessary management, operation and administration of the Cooperative;
- B. Pay or provide for the payment of all taxes or assessments levied against the Cooperative;
- C. Procure and pay or provide for the payment of fire insurance and extended coverage, and other insurance as required by any mortgage on property in the Cooperative, and such other insurance as the Cooperative may deem advisable on the property in the Cooperative.

If there is structural damage to your townhouse because of fire, etc. and the Cooperative's Insurance Company proves neglect on the part of the Member, said Member will be responsible for the deductible on the Cooperative's Insurance. Failure to pay the deductible, is a material violation/default by the Member that, by itself, entitles the Cooperative to evict the Member and all other persons residing in the townhouse.

The Cooperative will not, however, provide insurance on the Member's interest in the dwelling townhouse or on his/her personal property.

- D. The basements are not considered living space. The Cooperative will not be responsible to damage done to furniture and any item stored in the basement because of flooding or sewer back-up.

ARTICLE 10. UTILITIES

The Cooperative shall provide gas, water, and trash removal in amounts which it deems reasonable. The Member shall pay directly to the supplier for all other utilities, telephone and electricity. The Member shall be responsible for any utilities incurred on his/her townhouse by the Cooperative during the time he/she is responsible for the Carrying Charges on the townhouse even though he/she may not be residing in the townhouse.

ARTICLE 11. REPAIRS

(a) **BY MEMBER:** The Member agrees to repair and maintain his/her dwelling townhouse at his/her own expense as follows:

- (1) If the townhouse was accepted under the conditions "as-is", it shall be the Member's responsibility to paint so as to place the townhouse in a similar condition as when originally built.
- (2) Any replacement, repairs or maintenance, including cleaning and floor refinishing necessitated by his/her own negligence, the negligence of his/her household members and/or guests and visitors, and misuse and discovery of damaged or missing fixtures by the Cooperative, as well as the need for rehabilitation, shall be presumed to be as a result of the Member's abuse and misuse of the premises unless the Cooperative has knowledge to the contrary.
- (3) Removal of any materials on the walls of the townhouse including but not limited to wallpaper, contact paper, burlap, cork board and paneling as well as the cost to restore plaster and repaint, if deemed necessary upon inspection due to the color being other than white or light pastels, **repaint when needed**, and/or to correct any unsightly appearance.
- (4) Any decoration or redecoration of his/her own dwelling townhouse; and
- (5) Any repairs, maintenance or replacement required on items not furnished by the Cooperative.
- (6) Employees of the Cooperative will repair or replace windows and screens. Cost of the materials will be charged to the Member.

(b) **BY COOPERATIVE:** The Cooperative shall provide and pay for all necessary repairs, maintenance and replacements, except as specified in clause (a) of this Article. The officers and employees of the Cooperative shall have the right to enter the dwelling townhouse of the Member in order to effect necessary repairs, maintenance, inspection and replacements and to authorize entrance for such purposes by employees of any contractor, utility company, municipal agency, or others, at any reasonable hour of the day and in the event of emergency at any time, without the Member being present.

(c) **RIGHT OF COOPERATIVE TO MAKE REPAIRS AT MEMBER'S EXPENSE:** In case the Member shall fail to effect the repairs, maintenance or replacement specified in Clause (a) of this Article within sixty (60) days after request for same in a manner satisfactory to the Cooperative and pay for same, the latter may do so and add the cost thereof to the Member's next month's Carrying Charge payment.

(d) The Cooperative shall provide a dwelling inspection report to new occupants so that the occupant may inspect and make note on same dwelling inspection report, as to general condition of assigned townhouse. Said dwelling report must be returned to the Cooperative within seven (7) days from date townhouse was released to new Member occupant and failure to do so will conclusively presume that the assigned townhouse was in excellent condition free of any defect or damage.

(e) The LIFO (last in and first out) method of accounting may be used to pay the maintenance charges first before applying funds received to any arrearage.

ARTICLE 12. ALTERATIONS AND ADDITIONS

The Member shall not, without the written consent of the Cooperative, make any structural alterations in the premises or in the water, gas, electrical conduits, plumbing or other fixtures connected therewith, or remove any additions, improvements, or fixtures from the premises.

If the Member for any reason shall cease to be an occupant of the premises, that Member shall surrender to the Cooperative possession thereof, including any alterations, additions, fixtures and improvements.

The Member shall not, without the prior written consent of the Cooperative, install or use in his/her dwelling townhouse any air conditioning equipment, clothes dryer hookup (gas or electric), electric heater, window fans, antennas, or power tools requiring special power hookup or usage. The Member agrees that the Cooperative may require the prompt removal of any such equipment at any time, and that Member's failure to remove such equipment upon request shall constitute a default within the meaning of Article 13 of this Agreement.

ARTICLE 13. DEFINITION OF DEFAULT BY MEMBER AND EFFECT THEREOF

It is mutually agreed as follow: The below events specified in clauses (a) through (z) of this Article are material conditions of membership and occupancy and the default of any of these events constitutes material noncompliance for which membership and occupancy may be terminated by the Cooperative. If at any time after the happening of any of the events specified in clauses (a) through (z) of this Article, the Cooperative shall give to the Member a notice that this Agreement will expire at a date not less than thirty (30) days after, or lesser notice for a default which a lesser time of notice is permitted by law, this Agreement and all of the Member's rights under this Agreement will expire on the date so fixed in such notice, unless in the meantime the default has been cured in a manner deemed satisfactory by the Cooperative. It shall be lawful for the Cooperative to re-enter the dwelling townhouse and to remove all persons and personal property from, either by summary proceedings which may apply to the eviction of Members or by force or otherwise, and to repossess the dwelling townhouse in its former state as if this Agreement had not been made:

- (a) In case at any time during the term of this Agreement the Member shall cease to be the owner and legal holder of a membership of the Cooperative.
- (b) In case the Member attempts to transfer or assign this Agreement in a manner inconsistent with the provisions of the Bylaws and/or policies of the Cooperative.
- (c) In case at any time during the continuance of this Agreement the Member shall be declared bankrupt under the laws of the United States.
- (d) In case at any time during the continuance of this Agreement a receiver of the Member's property shall be appointed under any of the laws of the United States of any State.

- (e) In case at any time during the continuance of this Agreement the Member shall make a general assignment for the benefit of creditors.
- (f) In case at any time during the continuance of this Agreement the membership rights of a Member in the Cooperative shall be duly levied upon and sold under the process of any Court.
- (g) In case the Member fails to make and/or pay for repairs and maintenance as provided for in ARTICLE 11 of this Agreement.
- (h) In case the Member shall fail to pay any sum due according to the provisions of ARTICLE 1 or ARTICLE 10 of this Agreement.
- (i) In case the Member shall default in the performance of any of his/her obligations under this Agreement.
- (j) In case the Member shall fail to pay any charge which, if not paid, could become a lien against the Premises.
- (k) In case at any time during the term of this Agreement the limitations for occupancy are exceeded, and the Cooperative has elected to terminate this Agreement.
- (l) In case at any time during the term of this Agreement, the Member fails to comply promptly with all requests by the Cooperative for information concerning the total current composition of the Member's family and other eligibility requirements for occupancy in the Premises.
- (m) In case the Member permits unauthorized persons to live in the townhouse.
- (n) In the event the Member causes a notice to quit for nonpayment to be issued two (2) or more times within a twelve (12) month period for any payment of any sum due under this Agreement and same results in a judgment, whether by consent or default.
- (o) In case of serious or repeated damage to the townhouse or common areas by the Member, his/her household members, guests and/or invitees, or the creation of physical hazards by the Member, his/her household members, guests and/or invitees, or in the event the Member, his/her household members, guests and/or invitees, causes a notice to quit for health and hazard to be issued three (3) or more times in a twelve (12) month period.
- (p) In case of serious or repeated interference by the Member with the rights of quiet enjoyment of other Members of the Cooperative.
- (q) In case of the Member giving the Cooperative false information regarding income or other factors considered in the initial application or any subsequent reporting.

- (r) **In case of the Member's continuous violation of Rules and Regulations of the Cooperative.**
- (s) If a Member, an occupant of Member's household, a guest, or other person under the Member's control, is in violation of ARTICLE 3 of this Agreement.
- (t) If a Member, an occupant of Member's household, a guest, or other person under the Member's control, is required to register with a designated registering agency pursuant to the Michigan Sex Offenders Registration Act, M.C.L. 28.721, et seq.
- (u) In the event a Member shall do any act or create any condition which would cause the Cooperative to be in violation of any law or ordinance of the City of Lansing, Ingham County, State of Michigan, or the United States.
- (v) In the event the Member refused to allow an emergency or annual inspection of the townhouse either explicitly or by failure to provide additional keys or pass codes to alarms, if applicable.
- (w) In the event a Member, an occupant of Member's household, a guest, or other person under the Member's control, threatens physical violence/physically threatens another Member, staff, agents and/or employees of the Cooperative.
- (x) In the event a Member fails to pay a fine levied by the Cooperative due to a violation of any provision of this Agreement or any rule, regulation, or policy as may be established by the Board of Directors from time to time.
- (y) In the event a Member fails/refuses to sign an Occupancy Agreement amended as set forth under Article 26 of this Agreement.
- (z) In the event a Member shuts off utilities to his/her townhouse as defined in ARTICLE 10 of this Agreement.
- (aa) In the event a Member, an individual of Member's household, guest of the Member or person under Member's control smokes or cultivates marijuana in Member's townhouse or on the premises, including medical marijuana, which is a violation of SECTION 3 of this Agreement.

The Member expressly waives any and all right of redemption in case he/she shall be dispossessed by judgment or warrant of any court or judge; the words "enter", or "re-enter", as used in this Agreement are not restricted to their technical legal meaning, and in the event of a breach or threatened breach by the Member of any of the covenants or provisions in this Agreement, the Cooperative shall have the right of injunction and the right to invoke any remedy allowed at law or in equity, as if re-entry, summary proceedings, and other remedies were not provided for.

The Member expressly agrees that there exists under this Occupancy Agreement, a landlord-tenant relationship and, that in the event of a breach or threatened breach by the Member of any covenant or provision of this Agreement, there shall be available to the Cooperative such legal remedy or remedies as are available to a landlord for the breach or threatened breach under the law by a tenant of any provision of a lease or rental agreement.

For failure on the part of the Cooperative to avail itself of any of the remedies given under this agreement shall not waive nor destroy the right of the Cooperative to avail itself of such remedies for similar or other breaches on the part of the Member.

ARTICLE 14. MEMBER TO COMPLY WITH ALL CORPORATE REGULATIONS

The Member covenants that he/she will preserve and promote the Cooperative ownership principles on which the Cooperative has been founded, abide by the Charter, Bylaws, Rules and Regulations of the Cooperative and any amendments thereto, and by Members' acts of cooperation with its other Members bring about for the Member and Member's co-members, a high standard in home and community conditions. The Cooperative agrees to make its Rules and Regulations known to the Member by delivery of same to him/her or by promulgating them in such other manner as to constitute adequate notice. The Member hereby ratifies all agreements executed by the Cooperative on or before the date hereof.

ARTICLE 15. EFFECT OF FIRE LOSS ON INTERESTS OF MEMBER

In the event of loss or damage by fire or other casualty to the above-mentioned dwelling townhouse without the fault or negligence of the Member, the Cooperative shall determine whether to restore the damaged premises and shall further determine, in the event such premises shall not be restored, the amount which shall be paid to the Member to redeem the membership of said Member and to reimburse them for such loss as Member may have sustained.

If, under such circumstances, the Cooperative determines to restore the premises, Carrying Charges shall abate wholly or partially as determined by the Cooperative until the premises have been restored. If, on the other hand, the Cooperative determines not to restore the premises, the Carrying Charges shall cease from the date of such loss or damage.

ARTICLE 16. INSPECTION OF DWELLING TOWNHOUSE

(a) The Member agrees that the officers and employees of the Cooperative, and with the approval of the Cooperative, the employees of any contractor, utility company, municipal agency or others, shall have the right to enter the dwelling townhouse of the Member and make inspections thereof at any reasonable hour of the day and at any time in the event of an emergency.

(b) **Annual Inspections.** Employees of the Managing Agent or Cooperative have the right to enter the dwelling townhouse to do an annual inspection of the Member's dwelling townhouse at any reasonable hour of the day and/or at any time in the event of an actual emergency.

ARTICLE 17. LATE CHARGES AND OTHER COSTS IN CASE OF DEFAULT

The Member covenants and agrees that, in addition to the other sums that have become or will become due, according to the terms of this Agreement, the Member shall pay to the Cooperative a late charge in an amount to be determined from time to time by the Board of Directors for each payment of Carrying Charges in arrears. Until further notice from the Cooperative, the late charge is \$_____,_____ (initials) for each payment of Carrying Charges more than five (5) days in arrears.

If a Member defaults in making a payment of Carrying Charges or in the performance or observance of any provision of this Agreement, and the Cooperative has obtained the services of any attorney with respect to the defaults or fees involved, Member agrees to pay to the Cooperative, any such costs or fees, including actual attorney's fees, even though a suit has not yet been started. In case a suit is started, the Member shall also pay the costs of the suit, in addition to other costs and fees as permitted by law.

The LIFO (last in first out) method of accounting may be used to pay any fee or other charge first before applying funds received to any arrearage.

ARTICLE 18. NOTICES

Whenever the provisions of law or the Bylaws of the Cooperative or this Agreement require notice to be given to either party, any notice by the Cooperative to the Member shall be deemed to have been duly given and any demand by the Cooperative upon the Member shall be deemed to have been duly made, if the same is delivered to the Member at his/her townhouse or to the Member's last known address; and any notice or demand by the Member to the Cooperative shall be deemed to have been duly given if delivered to any officer of the Cooperative. Such notice may also be given by depositing same in the United States mail, addressed to the Member as shown in the books of the Cooperative, or to the President of the Cooperative, as the case may be, and the time of mailing shall be deemed to be the time of giving of such notice.

ARTICLE 19. ORAL REPRESENTATION NOT BINDING

No representations, other than those contained in this Agreement and the Bylaws of the Cooperative, shall be binding upon the Cooperative.

ARTICLE 20. SUBSCRIPTION AND MEMBERSHIP REFUND

The Cooperative will refund Subscription and Membership equities; less resale fee (as set by the Board of Directors from time to time), townhouse rehabilitation, Carrying Charges due, unpaid electrical bills and any other monies due the Cooperative within forty-five (45) to sixty (60) days of Member's departure from the Cooperative, providing Member has complied with Article 8 of this Agreement "Notice of Intent to Transfer, Resale Fee and Transfer Fee."

ARTICLE 21. REMEDIES

The exercise of any of the rights or remedies as provided in this Agreement, with respect to any default shall not preclude or affect the subsequent exercise of such rights or remedies at different times for different defaults.

The respective rights or remedies, whether provided by this Agreement or by law, or available in equity, shall be cumulative and the exercise of any one or more of such rights or remedies shall not preclude or affect the exercise, at the same or at different times, of any other such rights or remedies for the same or different defaults, or for the same or different failures of the Member to perform or observe any provision of this Agreement.

ARTICLE 22. SEVERABILITY CLAUSE

If any provision of this Agreement shall be invalid under Federal laws or under State laws where the Cooperative is located, such invalidity shall not invalidate the whole agreement but the Agreement shall be construed as if not containing the particular provision or provisions held to be invalid and rights and obligations of the parties shall be construed and enforced accordingly.

ARTICLE 23. HOUSEHOLD COMPOSITION CERTIFICATIONS

Every year, the Cooperative will request the Member to report the composition of the Member's household and to provide accurate statements of this information and to do so by the date specified in the Cooperative's request.

- (a) **REPORTING CHANGES BETWEEN REGULARLY SCHEDULED REPORTING.** If any of the following changes occur, the Member agrees to advise the Cooperative immediately:
- (1) Any adult person (18 years of age or older) who intends to move in or reside in the townhouse must be **pre-approved** before moving in. The pre-approval process includes credit and criminal history checks.
 - (2) Any household Member moves in or out of the townhouse.

ARTICLE 24. TERMINATION OF MEMBERSHIP

To terminate this Agreement, the Member must give the Cooperative thirty (30) days' written notice before moving from the townhouse. The Member shall be liable for the Carrying Charges and electrical bills until the townhouse is sold and a qualified purchaser acceptable to the Cooperative signs a new Agreement.

If the Cooperative proposes to terminate this Agreement, the Cooperative agrees to give the Member written notice of the proposed termination in accordance with Article 13 of this Occupancy Agreement, the Bylaws, Rules and Regulations and governing documents of the

Cooperative. If the Cooperative is terminating this Agreement for "other good cause", the Termination notice must be received by the Member at least thirty (30) days before the date the Member will be required to move from the townhouse. Notices of proposed termination for other reasons will be given in accordance with any time frames and statutory requirements set forth in State and local law. All termination notices must:

- (a) Specify the date this Agreement will be terminated;
- (b) State the grounds for termination with enough detail for the Member to prepare a defense;
- (c) Advise the Member of his/her right to defend the action in court.

If an eviction is initiated, the Corporation agrees to rely only upon those grounds cited in the termination notice required by above paragraph, unless, after the corporation gives notice, further violations of this Agreement or the Corporate regulations occur, at which time the eviction cause may be amended to reflect such additional grounds.

ARTICLE 25. TERMINATION OF OCCUPANCY AGREEMENT "24 HOUR NOTICE"

The Cooperative will file and/or procure a police report, alleging that the Member(s), a member of the Member's household, or other person(s) under the Member's control has unlawfully manufactured, delivered, possessed with intent to deliver, or possessed a controlled substance on the premises. A written Demand for Possession for Termination of the Occupancy Agreement will be issued informing Member(s) of their 24 hour notice to vacate the premises because a Member, a member of the Member's household, or other person(s) under the Member's control has unlawfully manufactured, delivered, possessed with intent to deliver, or possessed a controlled substance on the premises, pursuant to Public Act 105, 2004. Member and all occupants agree to vacate the premises within said twenty-four (24) hours' notice to vacate being served upon Member.

ARTICLE 26. COOPERATIVE'S RESERVATION OF RIGHTS TO AMEND OCCUPANCY AGREEMENT

The Cooperative reserves the right to amend this Occupancy Agreement upon thirty (30) days' written notice, when such change is (1) required by Federal, State, or local law, rule or regulation; and (2) changes in rules and policies relating to the property and meant to protect the health, safety, and peaceful enjoyment of Members, their household occupants and guests. Upon expiration of the thirty (30) day notice period, the Member shall execute the then amended Occupancy Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed and sealed the day and year first above written.

Member acknowledges receipt of:

Copy of Occupancy Agreement, fully executed_____

Copy of Commencement Inventory Checklist_____

Two (2) Keys_____

By: COLONIAL TOWNHOUSES COOPERATIVE, INC.

Managing Agent

Dated: _____

Member

Dated: _____

Member

Dated: _____