



OCCUPANCY AGREEMENT

THIS AGREEMENT made and entered into effective this 1st day of _____, 2018 by and between Michigan Shores Cooperative (the "Corporation"), a nonprofit corporation having its principal office and place of business at 641 Michigan Avenue, Frankfort, Michigan 49635, and _____ ("Member").

WHEREAS, the Corporation is a cooperative housing project whose members have the right to occupy a dwelling unit thereof under the terms and conditions hereinafter set forth; and

WHEREAS, the Member is a member of the Corporation, holds a certificate of membership in the Corporation and has a bona fide intent to reside in the unit described herein; and

NOW, THEREFORE, in consideration of the mutual promises contained herein, the Corporation hereby lets to the Member, and the Member hereby hires and takes from the Corporation, dwelling unit ____ in the Corporation's building in Frankfort, Michigan (the "Unit").

TO HAVE AND TO HOLD, the Unit unto the Member, his/her executors, administrators and authorized assigns, on the terms and conditions set forth herein and in the Corporation's Articles of Incorporation and By-laws, as amended from time to time by the Corporation, and any rules and regulations of the Corporation now or hereafter adopted pursuant thereto, from the date of this Agreement, and for a one (1) year term ending on _____ 1, 201_, (the "Initial Term") and renewable thereafter for successive one (1) year periods (each a "Renewal Term") under the conditions provided for herein.

ARTICLE 1. MONTHLY CARRYING CHARGES

Commencing on the date of this Agreement and on the first day of each month thereafter, the Member agrees to pay to the Corporation, in advance, a sum equal to one-twelfth (1/12th) of the Member's proportionate share of the sum required by the Corporation, as determined by its Board of Directors, to meet the Corporation's annual operating expenses (the "Carrying Charge"), including appropriate reserves, including but not limited to the following items:

- (a) The costs of all operating expenses of the Corporation and services furnished.

- (b) The cost of necessary management and administration.
- (c) The amount of all real and personal property, income, excise, sales, use and any other taxes and assessments levied against the Corporation which it is required to pay. Members who do not declare their unit to be their principal homestead for property tax purposes shall be assessed an additional amount, determined annually, equal to the extra school millage assessed against the Corporation on non-homestead units.
- (d) The cost of fire and extended coverage, public liability, officers and directors errors and omission insurance in respect of the Corporation's assets and officers and directors, and such other insurance as the Board of Directors may determine or as may be required by any mortgagee.
- (e) The cost of furnishing water, sewer, trash removal, gas, heat, common area electricity, common area air conditioning, Cable TV and Internet Services.
- (f) All reserves set up by the Board of Directors pertaining to the Corporation's affairs.
- (g) The estimated cost of repairs, maintenance, upgrades and replacements of the Corporation's real and personal property to be made or contracted by the Corporation for the year.
- (h) The amount of principal, interest, mortgage insurance premiums, if any, and other required payments on any mortgage or other lien on the Corporation's real or personal property.
- (i) Any other expenses of the Corporation approved by the Board of Directors, including elimination in whole or in part of any operating deficiencies accruing in prior years.

The Board of Directors shall determine the amount of the Carrying Charge annually, but may do so at more frequent intervals should circumstances require. No Member shall be charged with more than his/her proportionate share thereof as determined by the Board of Directors.

The Carrying Charges are due and payable no later than the 5th day of the month. If payment is not received by the 10th day of the month, the Member will be in default and the Corporation may issue a seven (7) day notice to quit.

The monthly Carrying Charge in effect at the date of this Agreement for the Unit is \$_____.

ARTICLE 2. CARRYING CHARGE REFUNDS

The Board of Directors may, in its sole discretion, direct that a refund or credit be paid to the Member, within ninety (90) days after the end of each fiscal year, his/her proportionate share of such sums as have been collected from Member as Carrying Charges which are in excess of the amount actually needed for expenses of all kinds, including reserves.

ARTICLE 3. RENEWAL

The Initial Term shall automatically renew for additional and consecutive one (1) year Renewal Terms upon the same terms and conditions as herein contained, except for the Carrying Charge, unless: (1) the Member gives written notice of termination to the Corporation at least 60 days prior to the expiration of the current Term (whether Initial or a Renewal Term), (death of Member being equivalent to notice of intent to terminate) and (2) the Member has (a) endorsed his/her membership certificate for transfer in blank and deposited same with the Corporation; (b) met all his/her obligations and paid all amounts due under this Agreement through the end of the then current Term; and (c) vacated the Unit, leaving it in a good state of repair. Notwithstanding anything to the contrary contained in this Agreement, the Member's obligation to pay Carrying Charges continues until all provisions of (1) and (2) above are satisfied.

Nothing in this Article 3 shall affect the Corporation's right to terminate and/or purchase the Member's membership in the Corporation, or terminate this Agreement for cause, as provided in this Agreement or the Corporation's Bylaws.

ARTICLE 4. PREMISES TO BE USED FOR RESIDENTIAL PURPOSES ONLY

The Member shall occupy the Unit for residential purposes only. Member may enjoy, in common with other members of the Corporation, the use of all community property and facilities of the entire cooperative community so long as the Member continues to be a member of the Corporation, occupies a unit in the Cooperative, and abides by the terms of this Agreement.

The Member shall not permit or suffer anything to be done or kept in, on, around or upon the Unit which will increase the rate of insurance on the Corporation's building, or on the contents thereof, or which will obstruct or interfere with the rights of other occupants. Member shall comply with the rules of conduct attached hereto and incorporated herein by reference.

The Member shall comply with all of the requirements of the Benzie County Health Department and of all other governmental authorities with respect to the Unit.

ARTICLE 5. PEACEABLE POSSESSION; TERMS OF USE OF CORPORATION FACILITIES

In return for the Member's continued fulfillment of the terms and conditions of this Agreement, the Corporation covenants that the Member may, at all times while this Agreement remains in effect, peaceably and quietly have, hold and enjoy the Unit for the Member's sole use and benefit.

Member shall be privileged to enjoy in common with all other members of the Corporation the use of all Corporation property and facilities voluntarily provided by the

Corporation at no cost, including but not limited to the exterior grounds, exercise equipment and facilities, shop tools, kitchen facilities and the like. Use of such community property and facilities shall be subject to the rules and regulations from time to time established by the Board of Directors and shall be at the sole risk of the Member and the Member's guests and invitees. Member, on behalf of himself or herself, his or her spouse, family members or invited guests, releases the Corporation, the Board of Directors, and the Corporation's officers and agrees to indemnify, defend and hold harmless the Corporation, the Board of Directors and the Corporation's officers, from and against any and all claims for injuries to persons (including death) or damages to property resulting from the use (or misuse) and enjoyment of the Corporation's community property and facilities, by Member, his or her spouse, family members or invited guests.

ARTICLE 6. SUBLETTING WITHOUT CONSENT OF CORPORATION

The Member shall neither assign nor sublet the Unit without the prior written approval of the Board of Directors.. Any unauthorized assigning or subleasing shall be void and without effect and, at the option of the Corporation, may result in the termination and forfeiture of this Agreement and Member's rights to occupy the Unit under this Agreement. Nonpaying guests and family members of the Member may temporarily occupy the Unit under such conditions as may be prescribed by the Board of Directors in the rules and regulations.

ARTICLE 7. NON-DISCRIMINATION

The Member agrees to sell his/her membership, after the making of a bona fide offer, and to negotiate for the sale of, or otherwise make available Member's membership in the Corporation according to this Agreement, the Corporation's Bylaws and other policies and rules without regard to any person's race, color, religion, gender, marital status, sexual orientation, height, weight, disability, national origin or other prohibited classification.

ARTICLE 8. MANAGEMENT, TAXES AND INSURANCE

The Corporation shall provide necessary management, operation and administration of the Corporation; pay or provide for the payment of all taxes or assessments levied against the Corporation and its property; procure and pay or provide for the payment of fire insurance and extended coverage, and other insurance as required by any mortgage on property of the Corporation, and such other insurance as the Corporation may deem advisable. The Corporation will not, however, provide insurance on the Member's furniture, art work, jewelry, appliances, electronics or any other personal property of the Member located in the Unit and the Member is advised to procure on his or her own behalf a policy of renter's insurance, including coverage for temporary living arrangements.

ARTICLE 9. UTILITIES

The Corporation shall provide limited wi-fi, water, sewer, trash removal, gas heat and common area electricity and air conditioning. The Member shall pay for all electrical and telephone services provided to the Unit before the same become delinquent and shall hold the Corporation harmless for any liens or charges arising from non-payment by the Member.

ARTICLE 10. REPAIRS

(a) By Member: The Member agrees to repair and maintain the Unit at his/her own expense as to the following items:

- (1) Any repairs, replacement or maintenance necessitated by the Member's own negligence or misuse;
- (2) Any redecoration of the Member's Unit.
- (3) Any repairs, maintenance or replacements required on any additional appliances, additional window treatment, wall coverings, additional floor coverings, furnishings, household goods and personal property.
- (4) In any requested upgrades to the Unit requested by the Member, the entire cost of the upgrade item(s) shall be paid by the Member.

(b) By Corporation: The Corporation 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 Corporation shall have the right, with prior notice to Member, to enter the Unit in order to effect routine necessary repairs, maintenance and replacements. Entrance by employees of any contractor, utility company, municipal agency or others for purposes of repairs and maintenance that are responsibility of the Corporation shall be at any reasonable hour of the day after reasonable notice to, and approval of the Member, which approval will not be unreasonably withheld, conditioned or delayed.

Notwithstanding anything to the contrary in this Article, in the event of emergency, entrance to the Unit may be made at any time and by any means necessary.

(c) Right of Corporation to Make Repairs at Member's Expense: In case the Member shall fail to affect the repairs, maintenance or replacements specified in clause (a) of this Article in a manner satisfactory to the Corporation and pay for same, the Corporation may do so and add the cost thereof to the Member's next Carrying Charge payment.

(d) Ownership of Repairs and Alterations. All repairs, improvements and alterations to a Unit made by the Corporation or the Member which shall be incorporated into the Unit or become a fixture shall, at the expiration or termination of this Agreement, become the sole property of the Corporation and shall not be removed by the Member in the absence of the prior written approval of the Board of Directors.

ARTICLE 11. ALTERATIONS AND ADDITIONS

The Member shall not, without the written consent of the Corporation, make any structural alterations to or about the Unit or in the water, gas or heat pipes, electrical conduits, communications conduits, plumbing or other fixtures connected therewith, or remove any additions, improvements or fixtures from the Unit.

If the Member for any reason shall cease to be an occupant of the Unit, he/she shall surrender to the Corporation possession thereof, including all alterations, additions, fixtures and improvements.

The Member shall not, without the prior written consent of the Corporation, install or use in the Unit any air conditioning equipment, washing machine, clothes dryer, electric heater or power tools. The Member agrees that the Corporation may require the prompt removal of any such appliances or equipment at any time, and that Member's failure to remove such appliances or equipment upon request shall constitute a default under this Agreement.

ARTICLE 12. DEFAULT

Upon the happening of any of the events specified in clauses (a) to (i) of this Article, the Corporation may at its option give to the Member a notice that this Agreement will terminate on a date that is not less than ten (10) days thereafter. If the Corporation so proceeds, 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 Corporation, it being the intention of the parties hereto to create hereby conditional limitations and it shall thereupon be lawful for the Corporation to reenter the dwelling unit and to remove all persons and personal property therefrom, either by unlawful detainer proceedings or by suitable action or proceeding at law, in equity or by any other proceedings which may apply to the eviction of tenants by force or otherwise, and to repossess the Unit in its former state as if this Agreement had not been made:

- (a) In case of any time during the term of this Agreement the Member shall cease to be the owner and legal holder of a membership of the Corporation.
- (b) In case the Member attempts to transfer or assign this Agreement in a manner inconsistent with the provisions of the By-Laws.

- (c) In case at any time during the continuance of this Agreement the Member shall be declared a 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 or of any state.
- (e) In case of any time during the continuance of this Agreement the Member shall make a general assignment for the benefit of creditors.
- (f) In case of any time during the continuance of this Agreement the Membership interest in the Corporation owned by the Member shall be duly levied upon and sold under the process of any court.
- (g) In case the Member fails to effect and/or pay for repairs and maintenance as provided for in Article 10 hereof.
- (h) In case the Member shall fail to pay any sum due pursuant to the provisions of Article 1 or Article 9 hereof.
- (i) In case the Member shall default in the performance of any of his/her obligations under this Agreement.

The Member expressly agrees that there exists under this 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 Corporation 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.

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

ARTICLE 13. CORPORATION'S RIGHT TO TERMINATE AGREEMENT.

The Corporation shall have the right to terminate this Agreement in the following circumstances as reasonably determined by the Board of Directors, notwithstanding that Member is not in default under Article 12:

- (a) Member for any reason becomes impaired by reason of mental illness, mental deficiency, physical illness or disability, chronic use of drugs or alcohol, chronic intoxication, or other cause to the extent that the Member lacks sufficient understanding or capacity to make or communicate informed decisions or becomes unable to manage the Member's property and business affairs effectively such that the Member cannot fulfill Member's duties of membership in the Corporation.

(b) Member repeatedly fails to abide by the rules and regulations of the Corporation, the Bylaws or Articles of Incorporation.

In the event the Board of Directors proceeds under this Article 13, it shall provide notice to the Member and Member's attorney(s) in fact who are known to the Corporation in the manner set forth in Article 12 or as otherwise required by law, and shall have all rights and remedies of a landlord with a holdover tenant.

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 Corporation has been founded, abide by the Articles of Incorporation, By-Laws, rules and regulations of the Corporation and any amendments thereto and, by his acts of cooperation with its other members, bring about for himself and his co-members a high standard in home and community conditions. The Corporation 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.

ARTICLE 15. EFFECT OF FIRE LOSS ON INTERESTS OF MEMBER

In the event of loss or damage by fire or other casualty to the Unit without the fault or negligence of the Member, the Board of Directors shall determine whether to restore the Unit and shall further determine, in the event the Unit is not to be restored, the amount which shall be paid to the Member to redeem the membership of the Member and to reimburse him/her for such uninsured loss as he/she may have sustained.

If, under such circumstances, the Corporation determines to restore the Unit, Carrying Charges shall abate wholly or partially as determined by the Board of Directors until the Unit has been restored. If the Corporation determines not to restore the Unit, the Carrying Charges shall cease from the date the date the Unit becomes uninhabitable.

Member acknowledges and agrees that the decision to restore the Unit after a casualty loss shall be at the sole discretion of the Board of Directors and may depend, in whole or in part, on the loss of other units in the Corporation's property.

ARTICLE 16. INSPECTION OF DWELLING UNIT

The Member agrees that the representatives of any mortgagee holding a mortgage on the property of the Corporation, the officers and employees of the Corporation and, with the approval of the Corporation, the employees of any contractor, utility company, municipal agency or others, shall have the right to enter the Unit and make inspections thereof at any reasonable hour of the day with reasonable notification to the Member, and at any time in the event of emergency.

ARTICLE 17. SUBORDINATION CLAUSE

This Agreement and all rights, privileges and benefits hereunder are and shall be at all times subject to and subordinate to the lien of a first mortgage and the accompanying documents executed or to be executed by the Corporation on the property on which the Unit is located, and any and all modifications, extensions, and renewals thereof and to any mortgage or deed of trust made in replacement thereof and to any mortgage or deed of trust which may at any time hereafter be placed on the property of the Corporation or any part thereof. The Member agrees to execute, at the Corporation's request and expense, any instrument which the Corporation or any lender may deem necessary or desirable to effect the subordination of this Agreement to any such mortgage or deed of trust, and the Member hereby appoints the Board of Directors and each and every officer thereof, and any future officer, his/her irrevocable attorney-in-fact during the term hereof to execute any such instrument on behalf of the Member. The Member waives any and all notices of default and notices of foreclosure of the Corporation's mortgage, which may be required by law.

In the event a waiver of such notices is not legally valid, the Member hereby appoints and constitutes the Board of Directors as his/her agent to receive and accept such notices on the Member's behalf.

ARTICLE 18. LATE CHARGES AND OTHER COSTS IN CASE OF DEFAULT

The Member agrees that, in addition to the other sums that have become or will become due, pursuant to the terms of this Agreement, the Member shall pay to the Corporation a late charge in an amount to be determined from time to time by the Board of Directors for each payment of Carrying Charge, or part thereof, more than ten (10) 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 Corporation has obtained the services of an attorney with respect to the defaults involved, the Member agrees to pay the Corporation all attorneys fees and costs incurred by Corporation, notwithstanding that a lawsuit is not instituted. In addition, the Corporation shall have a right of set-off against the Member's Transfer Value for the Unit as established by the Corporation's bylaws for all amounts the Member may owe to the Corporation at the expiration or termination of this Occupancy Agreement.

ARTICLE 19. NOTICES

Whenever the provisions of law or the By-Laws of the Corporation or this Agreement require notice to be given to a party hereto, any notice by the Corporation to the Member shall be deemed to have been duly given, and any demand by the Corporation upon the Member shall be deemed to have been duly made, if the same is delivered to the Member at the Unit or to the Member's last known address; and any notice or demand by the Member to the Corporation shall be deemed to have been duly

given if delivered to the office of the Corporation. 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 Corporation, or to the President of the Corporation, as the case may be, and the postmark on the mailing shall be the time of giving of such notice.

ARTICLE 20. INTEGRATION.

This Agreement constitutes the sole agreement between the parties as to its subject matter and there are no oral or written promises or representations other than those contained in this Agreement. This Agreement is subject to the Articles of Incorporation and the By-Laws of the Corporation and in the event of a conflict between this Agreement and the Articles of Incorporation or Bylaws, the later shall control to the extent of the conflict.

ARTICLE 21. REMEDIES

The respective rights or remedies of the parties, 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. GENDER REFERENCE

Any reference to the word “his” herein shall be interpreted to read and mean the word “her” in the event the Member is female and the word “their” in the event the Member is a couple.

ARTICLE 23. NOTICE CONCERNING MEDICAL & EMERGENCY SERVICES; GOOD SAMARITAN RULE TO APPLY

The Member acknowledges that the Corporation does not provide medical services or emergency assistance of any kind. The Member also acknowledges that the Corporation does not employ medical personnel and there is no medical staff on site. The Member agrees to arrange for any necessary skilled or unskilled medical care at the Member’s expense. Any assistance offered by the Corporation or any of its agents, directors, officers and employees in the way of aid to the Member in a medical or other emergency at the request of Member is provided as a Good Samaritan and Member hereby waives and releases the Corporation, its agents, directors, officers and employees for any claims for damages for personal injury (including death) or property damage that may arise from negligent acts of the Corporation, its agents, directors, officers and employees in assisting the Member who requests emergency assistance or any type of medical assistance.

NOTICE: MICHIGAN LAW ESTABLISHES RIGHTS AND OBLIGATIONS FOR PARTIES TO RENTAL AGREEMENTS. THIS AGREEMENT IS REQUIRED TO COMPLY WITH THE TRUTH IN RENTING ACT. IF YOU HAVE A QUESTION ABOUT THE INTERPRETATION OR LEGALITY OF A PROVISION OF THIS AGREEMENT, YOU MAY WANT TO SEEK ASSISTANCE FROM A LAWYER OR OTHER QUALIFIED PERSON.

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

MICHIGAN SHORES COOPERATIVE

BY: _____
Its Corporate Manager

Member: _____

Member: _____

Date: _____