

Dos Pinos Housing Cooperative, Inc.

OCCUPANCY AGREEMENT

(adopted 9/6/2016)

Dos Pinos Housing Cooperative, Inc. ("Corporation"), a corporation having its principal office and place of business at 2550 Sycamore Lane, Davis, California 95616-5901 and

_____ ("Member" or "Shareholder") agree as follows:

ARTICLE 1. RECITALS

This Agreement is made with reference to the following facts:

1.1. The Corporation has been formed for the purpose of acquiring, owning and operating a limited equity housing cooperative (the "Cooperative") located in Davis, California, with the intent that its members ("shareholders") shall have the right to occupy the dwelling units thereof under the terms and conditions hereinafter set forth.

1.2. The Member has paid \$ _____, which is the balance of his/her total Membership Fee of \$ _____, and has a bona fide intention to reside in the Cooperative.

1.3. The Member has agreed to be bound by the provisions contained in the Articles of Incorporation ("Articles"), Bylaws, Community Rules and Community Policies.

1.4. The Member has certified to the accuracy of the statements made in his/her application and shareholder income survey and agrees and understands that shareholder income, household composition, and other eligibility requirements are substantial and material requirements of his/her share ownership and occupancy.

1.5. The Corporation shall issue a Share Certificate upon the signing of this document.

ARTICLE 2. LEASING OF UNIT

2.1. The Corporation hereby lets to the Member, and the Member hereby leases from the Corporation, dwelling unit number _____, located at 2550 Sycamore Lane, Davis, California 95616. As long as the lease under this Occupancy Agreement is valid and the Member is otherwise in good standing, he/she/they may allow others, including, but not limited to, members of the household, renters, and guests to share the use of the premises.

2.2 The Member shall have and hold said dwelling unit on the terms and conditions set forth herein and in the Articles of Incorporation, Bylaws, Membership Agreement, Community Rules, and any rules and regulations developed pursuant thereto, from the date of this Agreement in perpetuity, if he/she has paid all assessments owed and performed all other obligations on his/her part to be performed.

ARTICLE 3. MONTHLY ASSESSMENTS

3.1. Description. Commencing at the time indicated below, the Member agrees to pay to the Corporation a monthly sum referred to herein as "Monthly Assessment," equal to one-twelfth of the Member's annual proportionate share of the sum required by the Corporation, as estimated by the Board of Directors ("Board"), to meet annual expenses, including, but not limited to, the following items:

- a. The cost of all operating expenses of the Cooperative and services furnished.
- b. The cost of necessary management and administration.
- c. The amount of all taxes and assessments the Corporation is required to pay.
- d. The cost of fire and extended coverage insurance on the Cooperative and such other insurance as may be required by any mortgage on the Cooperative.
- e. The cost of furnishing water, electricity, heat, gas, garbage and trash collection and other utilities furnished by the Corporation.
- f. All reserves set up by the Board, including the general operating reserve and the reserve for replacements.
- g. The assessed cost of repairs, maintenance, and replacements of the Cooperative property as determined by the Corporation.
- h. The amount of principal, interest, mortgage insurance premiums, and other required payments on the mortgage.
- i. Any other approved expenses of the Corporation, including payment of operating deficiencies for prior periods.

As provided for in the Bylaws, the Board shall determine the amount of the Monthly Assessment annually or more frequently if necessary. No Member shall be charged with more than his/her proportionate share thereof as determined by the Board.

Until further notice from the Corporation, the Monthly Assessment shall be \$ _____, and the Member shall be provided at least 30 days written notice of any change in the Monthly Assessment.

3.2. Due and Payable. After 30 days notice by the Corporation to the effect that the dwelling unit is available for occupancy, or upon acceptance of occupancy, whichever is earlier, the Member shall make a payment for Monthly Assessments covering the unexpired balance of the month. Thereafter, the Member shall pay Monthly Assessments in advance, on the first day of each month. Assessments become delinquent after the fifteenth day of each month.

3.3. Refund or Credit. The Corporation agrees that, at the discretion of the Board of Directors, it will either refund or credit to the Member within 30 days after the end of each fiscal year, the proportionate share of all sums that have been collected in excess of the amount needed for expenses of all kinds including reserves.

3.4. Late Charges and Other Costs in Case of Default. 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 for each payment of Monthly Assessments, or part thereof, received after the fifteenth day of the month.

If a Member defaults in making payment of a Monthly Assessment or in the performance or observance of any provision of this Agreement, and the Corporation has obtained the services of any attorney with respect to the default involved, the Member shall pay the Corporation any costs or fees involved, including reasonable attorney's fees, notwithstanding the fact that a suit has not been instituted. If a suit is instituted, the Member shall also pay the costs of the suit, in addition to other aforesaid costs and fees.

ARTICLE 4. USE OF PREMISES

4.1. Used for Residential Purposes Only. The Member as well as any others the Member allows pursuant to Article 2.1 shall occupy the unit covered by this Agreement as a private dwelling unit and for no other purpose, except as may be permitted by the Board of Directors, and may enjoy the use in common with other Members of the Corporation of all shared property and facilities of the Cooperative so long as he/she continues to own a Share of the Corporation, occupies his/her dwelling unit, and abides by the terms of this Agreement. The member acknowledges and agrees that he/she may not operate a business in the unit that includes clients entering and exiting the property.

The Member shall not permit or cause anything to be done or kept upon said premises which will increase the rate of insurance on the building, or on the contents thereof, or which will obstruct or interfere with the rights of other occupants, or annoy them by unreasonable noises or otherwise, nor will he/she commit or permit any nuisance on the premises or any illegal act to be committed thereon. The Member shall comply with all of the requirements of the Board of Health and of any other governmental authorities with respect to the premises. If by reason of the 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 premium.

4.2. Inspection of Dwelling Unit. The representative 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, or municipal agency, shall have the right to enter the dwelling unit of the Member and make inspections therein at any reasonable hour of the day, with 24 hours prior notice to the Member, and in the

event of an emergency at any time. The purpose of the inspection must be stated and entry must be used only for the stated purpose.

4.3. Subleasing. The Member shall not assign this Agreement nor sublease his/her dwelling unit without the prior written consent of the Corporation. Refer to Board approved policies for the proper procedure. The liability of the Member under this Occupancy Agreement shall continue notwithstanding the fact that he/she may have subleased the dwelling unit with the approval of the Corporation and the Member shall be responsible to the Corporation for the conduct of the sublessee. Any unauthorized subleasing shall, at the option of the Corporation, result in the termination and forfeiture of the Member's rights under the Occupancy Agreement and Member Certificate Agreement.

4.4. Agreement to Follow Rules. The Member hereby agrees to abide by all sections of the Articles of Incorporation, Bylaws, Membership Agreement, Occupancy Agreement, Community Rules, Community Policies, any new governing documents and all future amendments to said documents.

4.5. Household Composition. This household of the Member(s) is composed of the following people:

The Member must notify the Board of Directors, in writing, of any change in household composition.

ARTICLE 5. MEMBERSHIP

5.1. Selling or Termination of the Share Certificate/Membership and Limited Equity. The transfer of membership: (1) upon the death of a member, (2) by sale/transfer of the Share Certificate, or (3) by termination for cause, shall be accomplished in accordance with the Bylaws. The transfer value will be in accordance with the Bylaws. If the Corporation does not exercise its option to buy the Share of a member who voluntarily withdraws, it shall be under no obligation to pay the transfer value. If a transfer value is otherwise payable, it shall be in accordance with the Bylaws. The unit must be left in the condition found, approved permanent improvements and reasonable wear and tear excepted. Neither this Agreement nor the Member's right of occupancy shall be transferable or assignable except as may now or hereinafter be provided for in the transfer of shares in the Bylaws of the Corporation.

The Occupancy Agreement may be terminated for cause on any of the following grounds:

- a. If at any time during the term of this Agreement the Member shall cease to be the occupant and legal holder of the Share Certificate in the Corporation;
- b. If the Member attempts to transfer or assign this Agreement in a manner inconsistent with the provisions of the Bylaws;
- c. If at any time during the term of this Agreement, the Member shall be declared as bankrupt under the laws of the United States or make a general assignment for the benefit of creditors;
- d. If at anytime during the continuance of this Agreement, any Share of the Corporation owned by the Member shall be duly levied upon and sold under the process of any court;
- e. If the Member fails to make and/or pay for repairs and maintenance as provided for in Article 6, Section 6.3 hereof;
- f. If the Member shall fail to pay any sum due pursuant to the provisions of Article 3, or Article 6, Section 6.3 hereof;
- g. If the Member shall default in the performance of any of his/her obligations under this Agreement;
- h. If the Member shall fail to pay any monthly assessments or special assessments as required by the Bylaws or by other agreements binding Members.

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, all recourse allowed under the law shall be available to the Corporation for the breach or threatened breach under the law by a tenant of any provision of a lease 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 the Member.

5.2. Notices. Notices shall be given as provided in this Section.

- a. Any notices pertaining to unlawful detainer proceedings must be given in compliance with applicable provisions of California law.
- b. Notices other than those pertaining to unlawful detainer proceedings shall be given in accordance with the provisions of this subsection b. Whenever the provisions of law or this Agreement require notice to be given to either party hereto, notice shall be delivered to the Member at his/her unit provided the Member shall sign a receipt, 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 an officer of the Corporation. Such notice may also be given by depositing the 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 time of postmark shall be deemed to be the time of giving of such notice.

5.3. Subordination Clause. The cooperative housing project of which the above-mentioned dwelling unit is a part, was constructed by the Corporation with the assistance of a mortgage loan advanced to the Corporation by a lending institution with the understanding between the Corporation and the lender that the lender would apply for mortgage insurance. Therefore it is specifically understood and agreed by the parties hereto that 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 held by TRI Corporation and to any and all modifications, extensions, and renewals 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 hereby 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 trust, and the Member hereby appoints the Corporation 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.

ARTICLE 6. ADMINISTRATION

6.1. Management, Taxes and Insurance. The Corporation shall provide necessary management, operation and administration of the Cooperative, pay or provide for the payment of all taxes or assessments levied against the Cooperative; 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 Corporation may deem advisable on the property in the Cooperative.

6.2. Unit Utilities. The Corporation shall provide water and refuse removal. The Member shall pay all unit costs directly to the supplier for all other utilities.

6.3. Unit Maintenance.

a. Member Responsibility.

- 1.** The member is responsible for maintaining their exclusive use living spaces (interior and exterior) in a safe and sanitary condition. If the member fails to perform such maintenance, in a manner satisfactory to the Corporation, the Corporation will complete the tasks required to bring about compliance and charge any costs incurred to the member. The Officers and property management contractors of the Corporation have the authority to enter the unit, upon proper notice, to complete the required tasks and/or authorize entrance for such purposes by employees of any contractor, utility company or municipal agency, at any reasonable hour of the day, with proper notice, and at anytime in the event of an emergency.
- 2.** The member is financially responsible for all repairs and replacements to Cooperative property required due to member negligence. The repairs and replacements will be made by the Cooperative. Costs for these repairs and replacements will be recharged to the member.

b. Corporate responsibility. The Corporation shall be responsible for all Cooperative property, exterior or interior, which requires maintenance, repair or replacement due to unavoidable occurrences or normal wear and tear, and not due to member negligence.

6.4 Right of Corporation to Make Repairs at Member's Expense. In case the Member fails to effect the repairs, maintenance, or replacements specified in clause a. of this Section 6.3 in a manner satisfactory to the Corporation and pay for same, the latter may do so and add the cost thereof to the Member's next month's assessment payment allowing extended payments, if requested, with prior Board approval.

6.5 Alterations and Additions. The Member shall not, without the written consent of the Corporation, make any structural alterations in either the common areas or exclusive use areas of his/her unit or in the water, gas, electrical conduits, plumbing, or other fixtures connected therewith, or remove any Dos Pinos-provided additions, improvements or fixtures from the premises.

If the Member for any reason shall cease to be an occupant of the premises, without written consent of the Board, he/she shall surrender to the Corporation possession thereof, including any alterations, additions, fixtures, and improvements.

The Member shall not, without the prior written consent of the Corporation, install or use in his/her dwelling unit any air conditioning equipment, electric heater, large power tools or any other electrical equipment which draws amounts of electricity in excess of the circuits' electrical capacity. The Corporation may require the prompt removal of any such equipment at any time, and the Member's failure to remove such equipment upon request shall constitute a default within the meaning of Article 5, Section 5.1 of this Agreement.

6.6 Effect of Loss of the Unit on Interests of Member. In the event of loss or damage by fire or other casualty to the above-mentioned dwelling unit, the Corporation shall determine whether it would be financially feasible to restore the damaged unit.

If the unit is not inhabitable and the Corporation determines to restore the unit, Monthly Assessments shall abate wholly or partially as determined by the Corporation until the unit has been restored. If, on the other hand, the Corporation determines not to restore the unit, the Monthly Assessment shall cease from the date of such loss or casualty, and the Corporation shall purchase the share for the maximum transfer value applicable at the date of such loss or casualty.

ARTICLE 7. MEMBER TO COMPLY WITH ALL CORPORATE REGULATIONS

7.1. 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, Bylaws, Community Rules, Community Policies, Membership Agreement; this Occupancy Agreement, and any future rules and regulations of the Corporation, and any amendments thereto, and by

his/her acts of cooperation with its other Members, bring about for himself/herself and his/her co-Members and co-residents, 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.

No representations other than those contained in this Agreement and the above-mentioned documents shall be binding upon the Corporation.

7.2. In the event of suit or arbitration to enforce the terms of this agreement, the prevailing party shall be entitled to their reasonable attorney's fees.

7.3. This is the final agreement of the parties. Any previous written or verbal agreements are deemed merged into this agreement. Any modification of this agreement must be in writing and signed by both the Corporation and the Member.

ARTICLE 8. CONDEMNATION

8.1. In the event of condemnation of the premises, the Corporation will be dissolved, Members will be paid the transfer value of their shares, and the corporate equity will be distributed in accordance with the Bylaws and California law.

Signed for
Dos Pinos Housing Cooperative, Inc.

Member

Member

Date

Date

EXHIBIT A
Smoke Detector & Carbon Monoxide Detector Agreement
(attachment to Occupancy Agreement)

This agreement is entered into this _____ day of _____ 20____, by and between

Dos Pinos Housing Cooperative, Inc. and _____

_____ [Member(s)].

In consideration of their mutual promises, Dos Pinos and Member agree as follows:

1. Member is occupying Unit #____, at 2550 Sycamore Lane, Davis, CA.
2. This agreement is an addendum and is part of the Occupancy Agreement between Dos Pinos and Member.
3. This unit is equipped with one hall smoke detector and a smoke detector in each bedroom, plus one carbon monoxide detector on each floor. One smoke detector is 120V hard-wired and the remaining detectors are battery-operated units. By initialing below, each Member understands that said smoke/carbon monoxide detectors are battery-operated units and it shall be each Member's responsibility to:
 - a) Ensure that the battery is in place and the detector has not been tampered with;
 - b) Request that Management Company replace the battery or detector, as needed.

Initial for battery-operated detectors: _____

4. The Member acknowledges the smoke detectors/carbon monoxide detectors were tested and their operation demonstrated by Management in the presence of the member at the time of initial occupancy and the detectors in the unit were operating properly at that time.
5. Management will inspect and test all detectors once a year and replace batteries, as required.
6. Member must inform Management Company immediately of any defect, malfunction or failure of any detectors.

Member

Management

Member

Date