

**2615 Park Avenue
Associates Cooperative**

**Commercial Occupancy
Agreement**

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COMMERCIAL OCCUPANCY AGREEMENT

2615 Park Avenue Associates Cooperative

THIS COMMERCIAL OCCUPANCY AGREEMENT ("Agreement"), made and entered into this _____ day of _____, 20____, by and between 2615 Park Avenue Associates Cooperative (the "Cooperative") and _____ ("Shareholder" whether one or more than one).

WHEREAS, the Cooperative has been formed for the purpose of acquiring, owning, and operating a cooperative housing Premises (the "Premises") located in the City of Minneapolis, Minnesota with the intent that its Shareholders will have the right to occupy the Units of the Cooperative and the intent that two of the Units may be operated for commercial purposes under the terms and conditions of a Commercial Occupancy Agreement; and

WHEREAS, the Shareholder is the owner of a Share Certificate of Membership in the Cooperative and has a bona fide intention to occupy a Commercial Unit in the Cooperative; and

WHEREAS, in consideration of the mutual promises contained in this Agreement, the Cooperative lets to the Shareholder, and the Shareholder rents and takes from the Cooperative, Unit No. _____ (the "Unit"); and

WHEREAS, until further notice by the Cooperative, the monthly Assessment, as defined below, for the Unit shall be \$ _____. All capitalized terms which are not defined herein, shall have the meanings ascribed to them in the Cooperative's Amended and Restated Bylaws;

NOW THEREFORE, Cooperative leases the Unit unto the Shareholder, their executors, administrators and authorized assigns or successors, on the terms and conditions in this Agreement, the Articles of Incorporation and Bylaws of the Cooperative and any rules and regulations of the Cooperative now or hereafter adopted pursuant to any of these documents, from the date of this Agreement, for a term terminating on the three year anniversary of the date of this Agreement, automatically renewable thereafter for successive three year periods under the conditions provided in this Agreement. All of the above recitals are adopted as terms and provisions of this Agreement.

ARTICLE 1. MONTHLY ASSESSMENTS

1.0 Commencing at the time indicated in Article 2, the Shareholder will pay to the Cooperative a monthly sum equal to one-twelfth (1/12th) of the Shareholder's proportionate share of the sum the Board of Directors estimates is required to meet the Cooperative's annual expenses pertaining to the Premises and other facilities which the Shareholder is entitled to utilize (collectively "Assessments"), including, but not limited to, the following items:

- (a) All operating expenses of the Premises and furnished services, including but not limited to necessary expenses for all maintenance performed by the Cooperative;

- (b) Management and administration costs;
- (c) All real estate taxes and assessments levied against the Cooperative's Premises or which it is required to pay;
- (d) The cost of fire and extended coverage insurance on the Premises and other insurance carried by the Cooperative;
- (e) All non-separately metered water, sewer, trash removal, heat, common area electricity and common area air conditioning expenses;
- (f) All reserves set up by the Board of Directors pertaining to the Premises, including the general operating reserve and the reserve for replacements;
- (g) The estimated costs of repairs, maintenance and replacements of the Premises property to be made by the Cooperative;
- (h) The amount of principal, interest, mortgage insurance premiums, if any, and other required payments on a current or future mortgage; and
- (i) Any other expenses of the Cooperative approved by the Board of Directors, including special assessments and operating deficiencies, if any, for prior periods.

1.1 The Board of Directors will determine the amount of the Assessments annually but may do so at intervals that are more frequent if advisable due to circumstances. The Board of Directors alone shall have the right to establish the amount and the payment of any annual, additional or special assessments. No Shareholder will be charged more than their proportionate share of regular annual Assessments as determined by the Board of Directors. At any time, the Board of Directors may, by appropriate resolution, declare additional assessment(s). The additional assessments shall be based on an estimate of the designated purposes and costs incidental to such purpose(s). The additional assessment shall be made in the same proportions but shall be payable in full upon being billed or as determined by the Board, who shall give each Shareholder details of the purpose, cost and amount owing by the Shareholder.

1.2 The Board of Directors alone shall have the right to establish the amount and the payment of any annual, additional or special assessment. Such rights shall not pass to any receiver or creditor of the Cooperative except by order of a court of competent jurisdiction.

1.3 The Shareholder shall not set-off any claims which the Shareholder may assert against the Cooperative against the payment of the monthly Assessment or any other sums due by the Shareholder to the Cooperative under this Agreement. All payments which are due to the Cooperative are absolute and Shareholders shall have no right to withhold or set-off payment for any reason.

ARTICLE 2. WHEN PAYMENT OF ASSESSMENTS COMMENCE

2.0 Upon the earlier of acceptance of occupancy or Membership in the Cooperative, the Shareholder will make a payment for Assessments covering the unexpired balance of the month. Thereafter, the Shareholder will pay the Assessment on the first day of each month. If any monthly installment of the annual Assessment, or any other amounts, due and payable under this Agreement, is not paid by Shareholder within ten (10) days after such payment is due and payable, Shareholder shall be in default hereunder and shall be responsible for a late payment fee in an amount determined by the Board of Directors, from time to time. Such late payment shall not be deemed a penalty but shall be deemed an administrative cost for expenses incurred by the Cooperative necessary to collect such late payment. Charging and collecting a late payment shall be in addition to, not in lieu of, any other rights or remedies provided pursuant to this Agreement. In the event that the Cooperative is required to incur any legal fees to collect sums due or to enforce this Agreement, Shareholder shall be responsible for such legal fees in addition to any other amounts due under this section.

ARTICLE 3. PATRONAGE REFUND

3.0 Within ninety (90) days after the end of the fiscal year the Cooperative will refund or credit to the Shareholder their proportionate share of the sums collected in anticipation of expenses in excess of the amount needed for expenses of all kinds, or place such excess funds in the Cooperative's reserves, in the discretion of the Board of Directors.

ARTICLE 4. SHAREHOLDER'S OPTION FOR AUTOMATIC RENEWAL

4.0 The term granted in this Agreement may be extended and renewed from time to time by and against the parties to this Agreement for additional periods of three years from the expiration of the term granted in this Agreement, upon the same covenants and provisions in this Agreement unless: (1) notice of the Shareholder's election not to renew was given to the Cooperative in writing at least four months prior to the expiration of the then current term; and (2) the Shareholder on or before the expiration of said term (a) endorsed the Membership Certificate for transfer in blank and deposited same with the Cooperative, (b) met all obligations and paid all amounts due under this Agreement up to the time of said expiration, and (c) vacated the Unit, leaving the same in a good state of repair. Upon compliance with the provisions of this Article, the Shareholder will not have any further liability under this Agreement and will not be entitled to any payment from the Cooperative.

This Agreement may also be terminated:

- (a) at any time upon the mutual agreement of the Shareholder and the Cooperative; or
- (b) upon sale of the Shareholder's interest in the Cooperative and the transfer thereof to a new Shareholder who has qualified and been accepted for Membership in the Cooperative; or

- (c) upon termination of the Shareholder's interest in the Cooperative pursuant to the provisions of Article 13 hereof or as otherwise provided for in the Bylaws of the Cooperative; and
- (d) upon breach of this Agreement.

ARTICLE 5. COMMERCIAL UNITS FOR COMMERCIAL USE ONLY

5.0 The Commercial Units shall not be used for any residential purposes but shall be operated for a commercial purpose approved by the Cooperative. The Shareholders using the Commercial Units may enjoy the use of all common areas and facilities of the Premises so long as the Shareholder continues to own a Share in the Cooperative, has possession of their Unit, keeps such Commercial Unit engaged in business and abides by the terms of this Agreement and Bylaws and Rules. Any sub-tenant of the Shareholder, if approved pursuant to Article 7, may enjoy the occupancy rights the Shareholder is entitled to under this Article 5.

5.1 The Shareholder must not permit or suffer anything to be done or kept upon the premises or the Commercial Unit which will:

- (a) increase the rate of insurance on the building or on its contents;
- (b) obstruct or interfere with the rights of other occupants, or annoy them by unreasonable noises or otherwise;
- (c) create a nuisance on the premises;
- (d) constitute an illegal act or threaten the safety of the community; or
- (e) violate the Cooperative's Bylaws, rules or policies.

ARTICLE 6. SHAREHOLDER'S RIGHT TO PEACEABLE POSSESSION

6.0 In return for the Shareholder's continued fulfillment of the terms and conditions of this Agreement, the Bylaws and the Rules and Regulations of the Cooperative, the Cooperative covenants that after the Shareholder obtains occupancy, and for the term of this Agreement, the Shareholder will have and enjoy for the Shareholder's sole use and benefit the Unit described above and may enjoy in common with all other Shareholders of the Cooperative the use of all common area property and facilities of the Premises. Notwithstanding any other term herein to the contrary, the Commercial Units shall not be assigned parking spaces inside the Cooperative's garage and the Customers of the Commercial Units shall not enter the Cooperative through the front door.

ARTICLE 7. NO SUBLEASING WITHOUT THE COOPERATIVE'S CONSENT

7.0 The Shareholder cannot assign this Agreement nor sublet the Unit to any person without the prior written consent of the Cooperative. The Shareholder's liability under this

Agreement will continue notwithstanding the fact that the Shareholder may have sublet the Unit with the approval of the Cooperative, and the Shareholder will be responsible to the Cooperative for the conduct of the sub-tenant. The Cooperative at its option may terminate the Shareholder's rights under this Agreement because of any unauthorized leasing.

ARTICLE 8. TRANSFERS

8.0 Neither this Agreement nor the Shareholder's rights of occupancy are transferable or assignable, except in the manner provided for the transfer of Memberships in the Cooperative's Bylaws.

8.1 The Shareholder hereby certifies that neither the Shareholder nor anyone the Shareholder authorizes to act will refuse to sell the Shareholder's Membership, or refuse to negotiate the sale of, or otherwise make unavailable for sale, the Shareholder's Membership because of sex, sexual orientation, age, race, color, creed, religion, national origin, disability, marital status, or familial status.

8.2 The Cooperative hereby certifies that neither the Cooperative nor anyone authorized to act on its behalf will refuse to sell the Shareholder's Membership, or refuse to negotiate the sale of, or otherwise make unavailable or deny the Membership to any person because of sex, age, race, color, creed, religion, national origin, disability, or familial status. Any restrictive covenant on the Cooperative's property relating to sex, sexual orientation, age, race, color, creed, religion, national origin, disability, marital status, or familial status is recognized as being illegal and void and is hereby specifically disclaimed.

ARTICLE 9. MANAGEMENT, TAXES AND INSURANCE

9.0 The Cooperative will:

- (a) manage, operate and administer the Premises, as required in the Bylaws;
- (b) pay or provide for payment of all taxes or assessments, allocated by the square footage of each Unit, levied against the Premises, to the extent not billed by the taxing authority directly to the Shareholder; and
- (c) to the extent reasonably available, maintain property insurance on the common areas and property that becomes common areas, for loss or damage by all hazards normally covered by "broad form coverage" in a total amount of not less than full insurable replacement cost of the insured property, less deductibles, and exclusive of items normally excluded from such coverage. The insurance maintained by the Cooperative shall include the Units and the common areas. However, such insurance will not cover the following items within the Units: (i) decorations and improvements and betterments installed by the Shareholder; and (ii) personal property of the Shareholder; fixtures and equipment. If any improvements and betterments installed by

the Shareholder are covered, any increased premium cost may be assessed by the Cooperative against the Unit affected.

- (d) The Cooperative may, in the case of a claim for damage to a Unit(s): (i) pay the deductible amount as a common expense; (ii) assess the deductible amount against the Unit(s) affected in any reasonable manner; or (iii) require the Shareholder owning the possessory rights to such Unit(s) affected to pay the deductible amount directly.
- (e) The Cooperative shall also maintain general public liability insurance on all common area and public ways within the Cooperative community in an amount deemed sufficient in the judgment of the Cooperative's Board of Directors. Shareholders shall be included as additional insureds but only for claims and liabilities arising in connection with the Shareholders' use or management of the common elements.

9.1 Commercial Units' Insurance. Each Shareholder shall obtain additional commercial insurance coverage at their own expense, covering the building deductible under property insurance maintained by the Cooperative, and the interior of the Unit, such as decorations, improvements and betterments installed by the Shareholder, to the Shareholder's personal property therein, including the replacement cost of Approved Upgrades in excess of the replacement cost of the Cooperative's standards for such property items. Shareholders shall also carry liability insurance on the interior of the Unit in an amount not less than Three Hundred Thousand Dollars (\$300,000). The Shareholder may also insure itself for business interruptions but shall not seek business interruption damages from the Cooperative for any reason.

9.2 Notwithstanding any other provision herein to the contrary, all insurance purchased by the Shareholders occupying the Commercial Units shall include fire, casualty, injury and commercial insurance which shall name the Cooperative and its Shareholders, Directors, Officers and Agents as additional insureds. All insurance purchased shall be in amounts and with companies acceptable to the Cooperative.

ARTICLE 10. UTILITIES

10.0 The Cooperative will pay the monthly cost for Wi-Fi (basic plan) but shall assess this cost back to the Shareholders. The Cooperative will pay for heat, water, sewer, and snow removal, lawn and trash/recycling. Accordingly, these represent operating costs for the Cooperative which are covered by the monthly Assessments paid by the Shareholders. The Cooperative does not pay for Cable or Direct T.V. Each Shareholder, however, will be obligated to pay the cost for the Unit's electricity, additional Wi-Fi services, cable or satellite programming, personal contents insurance, and certain amounts periodically to maintain their own Unit in proper state of repair; these payments will be made by the Shareholder directly or paid by the Cooperative and reimbursed by the Shareholder. With respect to television service, the Shareholder hereby acknowledges and agrees that the installation of individual satellite television dishes will not be permitted on the building exterior, deck areas or roof. No Shareholder or Occupant shall use a Wi-Fi signal that is not in their own name or supplied by the Cooperative for their use.

ARTICLE 11. REPAIR, MAINTENANCE AND REPLACEMENT OBLIGATIONS

11.0 By the Cooperative: The Cooperative, at its expense, will repair, maintain and replace any property owned by the Cooperative, as detailed in the handbook, to the standards it has set for such property, as follows:

- (a) any repair, maintenance or replacement the Board of Directors determines is necessary due to normal wear and tear, except as to replacement of property constituting an “Approved Upgrade” (as defined in the Bylaws), the Shareholder shall be obligated to bear that portion of the cost of any replacement item selected by the Shareholder that is in excess of the replacement cost of the standard for such items; and
- (b) any property covered by the reserve for replacements maintained by the Cooperative at the replacement interval for such property established by the Board of Directors;
- (c) maintain, repair and replace plumbing, electrical, heating as may be required; provided, however, that Shareholder shall be responsible for the maintenance, repair and replacement of such items required as a result of Shareholder’s, its agents’ or its invitees’ negligence to the extent not covered by the insurance required herein.
- (d) clean and remove snow and ice from parking areas, driveways, garages, walkways and care for lawns and landscaping. The Cooperative shall maintain, repair or replace all walls, footings, roofs, floors and walkways, driveways, garages and other parts of the Premises caused by normal wear and tear and not the negligence of others, and except as otherwise provided in herein.
- (e) provide and maintain exterior improvements for the Premises as the Board of Directors may determine necessary for the reasonable comfort of the Shareholders.

11.1 The Cooperative, however, shall not be responsible for repairing, maintaining or replacing combination screens, storms or the equivalent as presently in place or as previously replaced by the Cooperative. All such costs shall be at Shareholder’s expense. Furthermore, Shareholders shall replace any such windows if the Board of Directors deems such replacement necessary. The Cooperative deems itself to be an historic building. All original fixtures which are removed from a Unit shall remain the property of the Cooperative for future use. Beginning May 1, 2022, no window air conditioning units shall be allowed or used by any Occupants of the Cooperative. Upon ten days written notice, a Shareholder must have any window air conditioning unit removed from their windows or the Cooperative shall remove them and assess all costs, expenses and fees to the Shareholder.

11.2 Shareholder shall give the Cooperative prompt notice of any necessary repairs,

which the Cooperative has the obligation to perform. Whether or not such repairs are made after notice by Shareholder, Shareholder shall permit the Cooperative or its representatives to enter and inspect their Unit in order to determine the necessity and character of the repairs. Subject to Section 11.3 below, where such repairs require removing all or part of a wall, floor or ceiling, all such removed portions shall be replaced as soon as possible in as good a condition as before at the Cooperative's expense.

11.3 If any damage is caused to a Unit due to repair work on the structure by the Cooperative, the Cooperative shall be responsible to repair the damage in the Unit.

11.4 All determinations made under Section 11.3 above, shall be decided by the Board in its discretion. The remaining costs of such repairs shall be Shareholder's responsibility. For purposes of this Agreement, the cost of redecorating shall include only the cost and replacement of items of a like kind and quality. Shareholder shall be responsible for the cost of any other redecorating, e.g. changing a door, or wall or increasing the quality of an item. Shareholder also shall be responsible for any repairs, which are required as a result of Shareholders', its agents', or invitees' negligence to the extent not covered by the insurance required herein or in an amount less than the deductible.

11.5 By the Shareholder: The Shareholder, at the Shareholder's expense, will pay the cost of:

- (a) repairing, maintaining or replacing any property owned by the Cooperative that is necessitated by the negligence or misuse of the Shareholder or a guest of the Shareholder;
- (b) replacing "Approved Upgrades", as detailed in the handbook. The Shareholders will be obligated to pay that part of the replacement cost of Approved Upgrades that exceeds the replacement cost allowances for the standards of such property items set forth in the Cooperative's Approved Upgrades Schedule.
- (c) installing, repairing, maintaining and/or replacing any upgrades to the property standards set forth by the Board. Any property upgrades that do not constitute Approved Upgrades must equal or exceed the standard for such item specified in the plans and specifications for the Premises;
- (d) any structural alterations to the Unit including woodwork and plaster; provided, however, that no structural alterations, including woodwork and plaster may be made without the prior written consent of the Cooperative;
- (e) repairing, maintaining or replacing equipment, fixtures, improvements and personal property within the Unit or owned by the Shareholder; and

- (f) any additions to the improvements in the Unit which were not previously in use or installed in the Unit. For example, additional electrical outlets, additional trim or handholds, additional cable outlets, etc.

11.6 Right of Cooperative to Make Repairs at Shareholder's Expense: If the Shareholder fails to affect the repairs, maintenance or replacements specified in Section 11.5 of this Article in a manner satisfactory to the Cooperative and pay for same, the Cooperative may do so and add the cost to the Shareholder's Assessment account with the Cooperative. All such reimbursements shall be due within thirty (30) days of billing.

11.7 Keys/Fobs. The Cooperative shall maintain a set of keys/fobs for each Unit in the Cooperative. At the discretion of the Board, a new key or fob system may be installed. Should a new key or fob system be initiated, each Shareholder shall cooperate with the process put in place by the Board to accomplish this task. In addition, in the event that a director, officer or staff person is requested by a Shareholder or Occupant to open a locked door, the Cooperative may assess such Shareholder or Shareholder's account with the Cooperative, a convenience charge in the amount deemed appropriate by the Board, from time to time.

11.8 Right of Cooperative to enter Unit to Complete Repairs: The officers, agents, managers, accompanied vendors and employees of the Cooperative have the right to enter the Shareholder's Unit to complete necessary repairs, maintenance 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 with reasonable notice and, in the event of emergency, at any time. In addition, staff, agents and managers may enter a Unit for inspection prior to a sale of such Shareholder's interests in the Cooperative.

ARTICLE 12. ALTERATIONS AND ADDITIONS

12.0 The Shareholder must not, without the Cooperative's prior written consent, make any structural alterations, including woodwork and plaster, in 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 of fixtures from the premises.

12.1 If for any reason the Shareholder terminates occupancy of the Unit, the Shareholder must, upon demand, surrender possession of the Unit to the Cooperative, including any alterations, additions, fixtures and improvements.

12.2 The Shareholder must not, without the prior written consent of the Cooperative, install or use in the Unit any additional air conditioning equipment, commercial equipment, equipment requiring higher voltage than currently installed, electric heater, or large power tools. The Cooperative may require the Shareholder to promptly remove any such equipment at any time, and the Shareholder's failure to remove such equipment upon request will be a default within the meaning of Article 13 of this Agreement.

12.3 All contractors, sub-contractors, repair providers used by Shareholders for work in a Unit must be preapproved by the Board or listed as approved vendors.

ARTICLE 13. DEFINITION AND EFFECT OF SHAREHOLDER'S DEFAULT

13.0 Events of Default. The occurrence of any one of the following events will be an Event of Default under this Agreement:

- (a) The Shareholder shall default in the payment of any assessment or other amount due to the Cooperative under the terms hereof;
- (b) The Shareholder attempts to transfer, lease or assign their Membership in the Cooperative and this Agreement in a manner inconsistent with the provisions of the Bylaws;
- (c) The Shareholder is declared bankrupt under the laws of the United States during the term of this Agreement, including any extensions or renewals;
- (d) A receiver is appointed of the Shareholder's property under any of the laws of the United States or any state any time during the continuance of this Agreement;
- (e) The Shareholder makes a general assignment for the benefit of creditors any time during the continuance of this Agreement;
- (f) The Shareholder's Membership in the Cooperative is levied upon under the process of any court any time during the continuance of this Agreement;
- (g) The Shareholder fails to effect and/or pay for repairs and maintenance as required in Article 11;
- (h) The Shareholder fails to pay any sum when due pursuant to the provisions of this Agreement and the Cooperative's Bylaws;
- (i) The Shareholder defaults in the performance of any of their obligations under this Agreement or the Bylaws;
- (j) The Shareholder allows a person to reside in a Commercial Unit or to use it as a temporary residence.
- (k) The Shareholder shall cease to be the Shareholder and legal holder of a Membership in the Cooperative, other than pursuant to a transfer of their Membership in accordance with the provisions of Section 3.10 of the Cooperative's Bylaws;
- (l) The Shareholder shall fail to pay any charge which if not paid, could become a lien against the Cooperative's property;

- (m) The Shareholder or a Shareholder' Occupant fails to comply with a rule, policy, program or resolution of the Board; and
- (n) Termination by the Cooperative of the Shareholder's Share and Membership for "cause" as such term is defined in the Cooperative's Bylaws.

13.1 Remedies. Upon the happening of an Event of Default, the Cooperative may: (i) terminate this Agreement upon not less than ten (10) days prior written notice to the Shareholder, upon which event the Cooperative may (unless the default is cured within such ten (10) day period in a manner deemed satisfactory by the Cooperative) reenter the Unit and remove all persons and personal property therefrom, either by unlawful detainer proceeding or by other suitable action or proceeding at law, in equity or by other proceedings which may apply to the eviction of tenants, and to repossess the Unit in its former state as if this Agreement had not been made; or (ii) proceed to protect and enforce its rights by an unlawful detainer, suit or suits in equity or at law, either for specific performance of any covenant or agreement contained in this Agreement, or for the enforcement of any other appropriate remedy, including, but not limited to, the foreclosure of the Cooperative's statutory lien rights under and pursuant to Minnesota Statutes, Section 515B.3-116, and termination of the Shareholder's Membership as provided in the Cooperative's Bylaws.

- (a) The Shareholder expressly waives all right of redemption if judgment or warrant of any court of competent jurisdiction dispossesses the Shareholder. The words "enter," "reenter" and "reentry," as used in this Agreement, are not restricted to their technical legal meaning and, in the event of breach or threatened breach by the Shareholder of any of the covenants or provisions of this Agreement, the Cooperative will have the right of injunction and the right to invoke any remedy allowed at law or in equity, as if reentry, summary proceedings or other remedies were not provided for in this Agreement.
- (b) The Shareholder expressly agrees that a landlord-tenant relationship exists under this Agreement and that in the event of a breach or threatened breach by the Shareholder of any covenant or provision of this Agreement, the Cooperative will have the legal remedy or remedies 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 and in addition, the Cooperative shall have the right to terminate this Agreement upon ten days' written notice of default.
- (c) The failure on the part of the Cooperative to avail itself of any of the remedies given under this Agreement will not waive or destroy the right of the Cooperative to avail itself of such remedies for similar or other Events of Default on the part of the Shareholder.

ARTICLE 14. SURRENDER OF MEMBERSHIP

14.0 A termination of this Agreement pursuant to Article 13 shall also cause a termination of the Shareholder's Membership in the Cooperative. The Shareholder shall thereupon immediately surrender to the Cooperative their Membership Certificate, duly endorsed in blank. Whether or not the Membership Certificate is surrendered, the Cooperative may, at any time after Membership termination, execute and deliver a new Agreement for the Unit and issue a new Membership Certificate in the Cooperative. Upon the issuance of a new Membership Certificate, the Membership Certification and Share owned by the terminated Shareholder will be automatically canceled and rendered null and void.

ARTICLE 15. SHAREHOLDER TO COMPLY WITH ALL COOPERATIVE REGULATIONS

15.0 The Shareholder covenants that the Shareholder and their customers, guests and subtenants, if any, will preserve and promote the Cooperative Principles, abide by the Articles of Incorporation, Bylaws, rules, policies and regulations of the Cooperative and any amendments thereto and, by their acts of cooperation and collaboration with its other Shareholders, bring about a high standard in our community. The Cooperative will make its rules, policies and regulations known to the Shareholder by delivery of same or by Posting them in such other manner as constitutes adequate notice. Any Safety and Well Being Policy enacted by the Cooperative shall be incorporated herein as if fully set forth. Breach of any of the foregoing by the Shareholder, their guests, or subtenants, if any, shall constitute a default hereunder.

15.1 Additional Covenants of Shareholder:

- (a) Shareholder covenants to pay the annual assessments in timely monthly installments and any special assessments as rental for the Premises as provided in Article 1 of this Lease.
- (b) Shareholder shall not make any structural alterations or additions or changes (including woodwork and plaster) to the interior or exterior of the Unit or the Premises without the prior written consent of the Board of Directors.
- (c) Shareholder shall, at its own expense, keep the interior of the Unit in good condition, repair, and cleanliness in keeping with the standards of the rest of the Premises. Shareholder shall be solely responsible for maintaining and repairing the interior of the Unit, including, without limitation, all interior partitions, doors and windows (including the repair, maintenance and replacement of all screens and combination windows).
- (d) Shareholder shall allow the Cooperative or its agents to enter the Unit at any reasonable time after reasonable notice where the Cooperative, in its sole discretion, determines an inspection is necessary for safety, health or maintenance, sanitation purposes or any other similar reason. Where such entrance is necessary and the Shareholder is not present, the Cooperative

shall enter only after providing reasonable notice and if accompanied by at least two (2) persons authorized by the Board of Directors; provided, however, that in the event of an emergency, the Cooperative or its agents shall have the right to enter the Unit without notice and without accompaniment. Shareholder agrees to hold the Cooperative and its agents harmless from any claims, demands, losses, causes of action or damages arising out of Shareholder's refusal to permit the Cooperative to enter the Unit.

- (e) Shareholder shall be liable for any damage done to or committed upon the Premises, including the Common Areas, or any other property of the Cooperative, where such damage has been done wrongfully or negligently by Shareholder, Shareholder's agent, occupant, customer or invitee. Should Shareholder at any time refuse or neglect, after ten (10) days' written notice, to make or in good faith pursue the process of making the necessary repairs, the Cooperative shall have the right to make such repairs at Shareholder's expense. Such costs shall be treated as a special assessment and shall be due and payable on the next monthly installment due date.
- (f) Where any damage is caused by an act under the control of Shareholder (as distinguished from an obligation of the Cooperative), whether caused by the negligence of Shareholder, Shareholder's agents, customers or invitees, and such act causes damage to adjacent apartments, whether above, below or on either side, the Shareholder shall be liable for all damage done to the Unit and all other Units and Common Areas of the Premises, to the extent not covered by the insurance required herein. If any decorating is damaged, the damage shall be apportioned between Shareholder and by the adjoining Shareholder as determined by the Board. An example of such damage would be Shareholder allowing water to run causing damage to the Unit below. Shareholder's personal insurance policy shall cover such damage and name the Cooperative as an additional insured for the benefit of all other Shareholders. The Shareholder shall pay for all such insurance premiums. Shareholder shall indemnify and hold the Cooperative harmless from any damage, cost, expense, injury or other action which results or arises from Shareholders', its agents' or invitees' negligence in or about the Premises to the extent not covered by the insurance required herein.
- (g) All stoves, refrigerators, equipment or appliances in the Unit shall be maintained in good operating condition and repair (and replacement, as necessary) at Shareholder's sole cost and expense. Upon termination of this Lease, such items (except for business equipment) shall remain in the Premises and be surrendered to the Cooperative in good operating condition and repair, subject only to normal wear and tear.

- (h) Subject to fair housing laws, Shareholder shall not keep or permit to be kept in or about their Unit any dog, bird, cat or other animal(s), fish or reptile pet, whether domesticated or not.
- (i) Shareholder shall be liable for replacing all broken glass in the Unit, unless covered by the Cooperative's insurance.
- (j) Any Shareholder or Occupant who provides the Cooperative with an email address shall be deemed to agree with the Cooperative that such Shareholder accepts and authorizes notices and communication by email.

ARTICLE 16. EFFECT OF FIRE LOSS ON INTEREST OF SHAREHOLDER

16.0 In the event of loss or damage by fire or other casualty to the Unit, the Cooperative shall proceed in accordance with the Minnesota Common Interest Ownership Act to determine whether to restore the damaged premises. If a determination is made not to restore the premises, the Cooperative shall determine the amount which will be paid to the Shareholder to redeem the Shareholder's Membership interest and to reimburse the Shareholder for such loss as may have sustained.

16.1 If, under such circumstances, the Cooperative determines to restore the Premises or any portion thereof, Assessments will abate wholly or partially as determined by the Cooperative until the damaged areas have been restored. If, on the other hand, the Cooperative determines not to restore the Premises, the Assessments may cease from the date of such loss or damage, as determined by the Board.

ARTICLE 17. INSPECTION OF UNIT

17.0 The Shareholder agrees that the representatives of any mortgagee holding a mortgage on the property of the Cooperative, 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, will have the right to enter the Unit of the Shareholder and make inspections at any reasonable hour of the day with reasonable notification and at any time in the event of emergency.

17.1 In addition to the foregoing inspection rights, the Shareholder hereby agrees that the Cooperative's managing agent (herein "managing agent"), shall have the right to enter the common elements and Units at reasonable hours and upon reasonable prior notice, for the purpose of conducting a "walk through" of the common elements and Units with one or more prospective purchasers. As used herein, "walk through" means a brief viewing of the premises.

ARTICLE 18. SUBORDINATION CLAUSE

18.0 All rights, privileges and benefits under this Agreement are and will 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 Cooperative to any first mortgage executed against the Premises.

The Shareholder will execute, at the Cooperative's request and expense, any instrument which the Cooperative or any lender deems necessary or desirable to effect the subordination of this Agreement and to any such mortgage and the Shareholder hereby appoints the Cooperative and each of its officers, and any future officer, an irrevocable attorney-in-fact during the term hereof to execute any such instrument on behalf of the Shareholder. The Shareholder expressly waives all notices of default and notices of foreclosure of said mortgage, which may be required by law. In the event a waiver of such notices is not legally valid, the Shareholder appoints the Cooperative as agent to receive and accept such notices on the Shareholder's behalf.

ARTICLE 19. LATE CHARGES AND OTHER COSTS IN CASE OF DEFAULT

19.0 The Shareholder covenants that, in addition to the other sums that have become or will become due pursuant to this Agreement, the Shareholder will pay to the Cooperative a late charge or interest in an amount to be determined from time to time by the Board of Directors for each payment of Assessment, or part thereof, more than ten (10) days in arrears.

19.1 If a Shareholder defaults in making a payment of Assessments 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 involved, the Shareholder must pay to the Cooperative any costs or fees involved, including reasonable attorneys' fees, even if a suit has not been instituted.

19.2 Should the Cooperative terminate this Agreement as provided above, the provisions of the Bylaws shall determine the rights of the parties to sell the Shareholder's Share and interests under this Agreement.

ARTICLE 20. NOTICES

20.0 Whenever the provisions of the law or the Bylaws of the Cooperative or this Agreement require notice to be given to the other party, any notice by the Cooperative to the Shareholder will be duly given, and any demand by the Cooperative upon the Shareholder will be duly made, if hand delivered to the Shareholder, delivered to anyone at the Shareholder's Unit or to the Shareholder's last known address. Email delivery shall also be proper delivery provided the email address used was previously provided by such Shareholder to the Cooperative. Any notice or demand by the Shareholder to the Cooperative will be duly given if delivered to an officer of the Cooperative. Such notice may also be given by depositing the same in the United States Mail addressed to the Shareholder as shown in the books of the Cooperative, or to the President of the Cooperative, as the case may be, and the date of mailing will be the date of such notice.

ARTICLE 21. ORAL REPRESENTATION NOT BINDING

21.0 No representations other than those contained in this Agreement, the Articles of Incorporation and the Bylaws of the Cooperative will be binding upon the Cooperative.

ARTICLE 22. STOVES AND DISPOSALS

22.0 From the date of this Agreement, no Shareholder or Occupant may install any stove, oven or other equipment which uses natural gas, or a garbage disposal. Units which currently use garbage disposals may continue to use such appliances until the appliance needs replacement.

ARTICLE 23. NONSMOKING POLICY.

23.0 The Cooperative will become a nonsmoking facility, effective May 1, 2022. Accordingly, after that date smoking or vaping will not be permitted in the Units, deck/patios, or in or upon the building or common areas and grounds of the Cooperative. The Board shall have the authority and discretion to determine what constitutes smoking or vaping.

ARTICLE 24. RECREATION VEHICLE AND WATERCRAFT RESTRICTION

24.0 The Shareholder understands and agrees that no Shareholder will be allowed to park or otherwise store either recreation vehicles, watercraft or other personal property on the Cooperative’s common areas, without prior written approval of the Board. The Board shall have the discretion to pass rules restricting the number of bicycles per person or per Unit in the Cooperative’s rules.

ARTICLE 25. EQUAL HOUSING STATEMENT

25.0 This statement shall control over any conflicting or inconsistent provision or clause in this document. The Cooperative will not discriminate against any person because of age, race, color, religion, sex, disability, familial status, national origin or actual or perceived sexual orientation, gender identity or marital status, or any other basis prohibited by applicable law. Further, the Cooperative will not inquire about the sexual orientation or gender identity of a Shareholder or occupant.

IN WITNESS THEREOF, the parties to this Agreement have signed this Agreement the day and year first written above.

2615 PARK AVENUE ASSOCIATES COOPERATIVE

By: _____

Its: _____

SHAREHOLDER:

