

OCCUPANCY AGREEMENT

[] COOPERATIVE

THIS AGREEMENT, made and entered into this _____ day of _____, _____, by and between _____ (hereinafter referred to as the Cooperative), an Illinois not-for-profit corporation; and _____ ("Member");

WHEREAS, the Cooperative owns and operates the property located at

_____, Illinois ("Development");

WHEREAS, it is the intent that the members of the Cooperative shall have the right to occupy the dwelling units under the terms and conditions hereinafter set forth; and

WHEREAS, the Member is the owner and holder of a Certificate of Membership ("Membership") of the Cooperative and has a bone-fide intention to reside in the Development; and

WHEREAS, the Member has certified to the accuracy of the statements made in the Member's application and agrees and understands that family income, family composition and other eligibility requirements are substantial and material requirements of the Member's initial occupancy; and

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement, the sufficiency of which is hereby acknowledged by each of the parties hereto, the Cooperative leases to the Member, and the Member takes from the Cooperative the dwelling unit located in the Development and referred to as _____ ("Dwelling Unit").

TO HAVE AND TO HOLD said Dwelling Unit unto the Member, his executors, administrators and authorized assigns, on the terms and conditions set forth herein and in the Cooperative's Articles of Incorporation and bylaws and any rules and regulations of the Cooperative now or hereafter adopted pursuant thereto, from the date of this Agreement until this Agreement shall cease and terminate as hereafter provided.

EFFECTIVE DATE: _____, 20 ____

TERM: From the Effective Date and for a period of one year afterwards, renewable for successive one year periods under the conditions provided for in Article 4.

ARTICLE 1 MONTHLY HOUSING CHARGE

Commencing on _____, _____ the Member agrees to pay to the Cooperative a monthly sum ("Monthly Housing Charge"), which shall initially be \$ _____ per month, without claiming any setoff or deduction and without demand. The Cooperative's acceptance of any partial Monthly Housing Charge payment shall not constitute a satisfaction of the Member's obligation nor a waiver of the Cooperative's right to collect the full amount.

ARTICLE 2
WHEN PAYMENT OF MONTHLY HOUSING CHARGE TO COMMENCE

After thirty (30) days notice by the Cooperative to the effect that the dwelling unit is or will be available for occupancy, or upon acceptance of occupancy, whichever is earlier, the Member shall make a Monthly Housing Charge payment covering the unexpired balance of the month. Thereafter, the Member shall pay the Monthly Housing Charge in advance on the first day of each month.

ARTICLE 3
CALCULATIONS AND CHANGES IN MONTHLY HOUSING CHARGE

The Board of Directors shall determine the amount of the Monthly Housing Charge annually, but may do so more frequently, as necessary. The Monthly Housing Charge must be established at a level high enough to cover all of the Cooperative's operating expenses.

The term operating expenses as used herein shall mean all expenses and costs (but not specific costs which are separately billed to and paid by specific members) of every kind and nature which the cooperative shall pay or become obligated to pay because of or in connection with the operation of the Development and supporting facilities and such additional facilities as may be determined by the Cooperative to be necessary to the Development, including but not limited to, the following items individually or as components of a management fee:

- (1) Wages, salaries and related expenses of all employees engaged in the operation, maintenance and security of the Development.
- (2) All supplies and materials used in the operation and maintenance of the Development.
- (3) Cost of utilities, including water end power, heating, and lighting, except for utilities billed directly to the Cooperative's members.
- (4) Management costs, including all marketing and legal expenses, maintenance and service agreements for the Development and the equipment therein.
- (5) Accounting and legal costs.
- (6) Costs of all insurance, including but not limited to, fire, casualty, liability, and rental abatement insurance applicable to the Development and Cooperative's personal property used in connection therewith.
- (7) Costs of repairs, replacements and general maintenance (excluding repairs and general maintenance paid by proceeds of insurance or other third parties).
- (8) Any and all common area maintenance costs related to public areas of the Development.
- (9) All taxes, service payments in lieu of taxes, excises, levies, fees, or charges, general and special, ordinary and extraordinary, unforeseen as well as foreseen, of any kind which are assessed, levied, charged, confirmed, or imposed by any public authority upon the Development, its operations or the Monthly Housing Charge provided for in this Agreement.
- (10) Amortization of capital improvements made or, to be made to the Development.
- (11) Maintenance of operating reserves and replacement reserves.

ARTICLE 4
AUTOMATIC RENEWAL — MEMBER'S TERMINATION

The term granted by this Agreement shall be extended and renewed for further periods of one year from the expiration of the term, under the same terms and conditions as contained in this Agreement unless Notice of Member's election not to renew shall have been given to the Cooperative in writing at least three (3) months prior to the expiration of the then current term. After notice of Member's election to terminate has been given, the Member shall be entitled to payment from the Cooperative of an amount, if any, equal to the difference between:

- (1) **Sale Price:** the amount received by the Cooperative on its own behalf or on behalf of the Member upon resale of Member's membership and rights under Member's Occupancy Agreement; and
- (2) **Deduction:** the total of the following amounts:
 - (a) any amounts due to the Cooperative from the Member under the Occupancy Agreement; and
 - (b) the cost or estimated costs of all maintenance, decorating, repairs and replacements caused or required by Member's negligence, neglect, or misuse as are deemed necessary for the Cooperative to place the dwelling unit in suitable condition for another occupant; and
 - (c) a processing or resale fee in an amount set by the Cooperative uniformly applicable to resales on the date of expiration under this article.

PROVIDED that the Member shall on or before the expiration of said term:

- (1) endorse member's Membership Certificate and Occupancy Agreement for transfer in blank and deposit the endorsed certificate with the Cooperative, and
- (2) have met all of member's obligations and paid all amounts due under this Agreement up to the time of the expiration of this Occupancy Agreement, and
- (3) have vacated the dwelling unit, leaving the dwelling unit in good state of repair, on or before the expiration of the term.

Upon compliance with the foregoing conditions (1), (2) and (3) and the Notice requirement first mentioned in this Article, the Member shall have no further liability under this Agreement.

ARTICLE 5
PREMISES TO BE USED FOR RESIDENTIAL PURPOSES ONLY

The Member shall occupy the dwelling unit governed by this Agreement as a private dwelling unit for Member and/or Member's immediate household and for no other purpose, and may enjoy in common with other members of the Cooperative the use of all community property and facilities of the Development so long as Member continues to own a Certificate of Membership of the Cooperative or has not defaulted under the obligations of a Purchase Agreement, occupies his or her dwelling unit and abides by the terms of this Agreement.

ARTICLE 6
MEMBER'S ADDITIONAL RESPONSIBILITIES

- (1) The Member shall not permit anything to be done or kept upon the 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, or endanger their health or safety, nor will he or she commit or permit any nuisance on the premises or commit or permit any illegal act to be committed on the premises. The Member shall comply with all of the requirements of governmental authorities with respect to the premises. If by reason of the occupancy or use of 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.
- (2) If contraband or a controlled substance manufactured, distributed, or acquired in violation of Illinois law is seized in the Member's dwelling unit incident to a lawful search or arrest, the Member shall have no further right to possession of his or her dwelling unit and the Cooperative may bring an eviction action against the

Member. Member and Member's household shall not engage in any act intended or reasonably likely to facilitate criminal activity, on or near any property owned by the Cooperative.

- (3) Each Member shall maintain his or her unit in a clean condition at all times to prevent insect and rodent infestations. No Member shall sweep, throw, or in any other manner dispose of any substance or article except in accordance with the rules and regulations of the Cooperative.

Any violation of the prohibitions contained in this Article, inclusive, shall be considered a material breach of the terms of this Occupancy Agreement and the Cooperative shall have the right to terminate the Member's right of occupancy as proved in Article 14.

ARTICLE 7 MEMBER'S RIGHT TO PEACEABLE POSSESSION

In return for the Member's continued fulfillment of the terms and conditions of this Agreement, the Cooperative promises that the Member may at all times while this Agreement remains in effect, enjoy for his or her sole benefit the Dwelling Unit described above, 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 Development.

ARTICLE 8 SUBLETTING AND ADDITIONAL OCCUPANTS

The Member agrees not to assign this Agreement or to sublet his or her Dwelling Unit without the written consent of the Cooperative. All rental income from subleasing shall be paid to the Cooperative. The liability of the Member under this Occupancy Agreement shall continue notwithstanding the fact that he or she may have sublet the Dwelling Unit with the approval of the Cooperative. The Member shall be responsible to the Cooperative for the conduct of Member's sublessee. 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.

Non-paying guests of any Member, i.e. those not subletting the Dwelling Unit, may occupy the Member's unit under such conditions as may be prescribed by the Board of Directors in the rules and regulations. Any adult and any child who is not a dependant of the Member and who moves into the Member's dwelling unit for an indefinite period of time must be screened by the Cooperative and meet the Cooperative's membership criteria, and each such adult must become a party to this Agreement.

ARTICLE 9 TRANSFERS

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

ARTICLE 10 MANAGEMENT, TAXES AND INSURANCE

The Cooperative shall provide necessary management, operation and administrations of the Development; pay or provide for the payment of all taxes or assessments levied against the Development, procure and pay or provide for the payment of fire insurance and extended coverage, and other insurance as required on property in the Development, and such other insurance as the Cooperative may deem advisable on the property in the Development.

THE COOPERATIVE WILL NOT, HOWEVER, PROVIDE INSURANCE ON THE MEMBER'S INTEREST IN THE DWELLING UNIT OR ON MEMBER'S PERSONAL PROPERTY; AND THE MEMBER AGREES TO HOLD THE COOPERATIVE HARMLESS FOR ANY LOSS OR DAMAGE TO THE MEMBER'S PERSONAL PROPERTY.

ARTICLES 11 UTILITIES

The Member shall pay directly to the supplier all amounts owed for utilities not supplied by the Cooperative.

ARTICLE 12
REPAIRS

12.1 By Member. The Member agrees to repair and maintain dwelling unit at his or her own expense as follows:

- (1) Any repairs or maintenance necessitated by Member's own negligence or misuse, whether intentional or unintentional;
- (2) Any redecoration of Member's own dwelling unit except as may be provided by the Cooperative; and
- (3) Any repairs, maintenance or replacements required on the personal property not furnished by the Cooperative,

12.2 By Cooperative. The Cooperative shall provide all necessary repairs, maintenance and replacements, except as specified in clause 12.1 of this. The officers and employees of the Cooperative shall have the right to enter the dwelling unit of the Member in order to effect 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 after giving appropriate notice, and in the event of an emergency, at any time without notice.

12.3 Right of Cooperative to Make Repairs at Member's Expense. In case the Member shall fail to effect the repairs, maintenance or replacements specified in clause 12.1 of this Article 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 Monthly Housing Charge payment.

ARTICLE 13
ALTERATIONS AND ADDITIONS

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

If the Member for any reason ceases to be an occupant of the premises without having sublet the premises with the Cooperative's written consent as required by Article 8 of this Agreement, he or she shall surrender possession of the premises to the Cooperative, including any alterations, additions, fixtures and improvements.

The Member shall not without the prior written consent of the Cooperative, install or use in his or her dwelling unit any air conditioning equipment, water bed or power tools. 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 14 of this Agreement.

ARTICLE 14
DEFINITION OF DEFAULT BY MEMBER AND EFFECT OF DEFAULT

It is mutually agreed as follows: At any time after the happening of any of the events specified in clauses (a) to (i) of this Article, the Cooperative may, at its option, give to the Member a notice that this Agreement will expire at a date not less than thirty (30) days later. If the Cooperative gives such notice, all of the Member's rights under this Agreement will expire on the date fixed in such notice, unless in the meantime the default has been cured in a manner satisfactory to the Cooperative.

Upon expiration of the 30 day notice, it shall be lawful for the Cooperative to re-enter the dwelling unit and to remove all persons and personal property from the unit, by summary dispossession proceedings, or by a suitable action or proceeding, at law or in equity or by any other proceedings which may apply to the eviction of tenants and to repossess the dwelling unit 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; or, in the event Member at the time of this Agreement had not completed all obligations under a Purchase Agreement for membership in the Cooperative, Member fails to timely fulfill any obligation under the Purchase Agreement, including but not limited to payment of the purchase fee.

- (b) In case the Member attempts to transfer or assign this Agreement in a manner inconsistent with the provisions of the By-Laws of the Cooperative.
- (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 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 any of the membership of the Cooperative 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 Article 12.
- (h) In case the Member shall fail to pay any sum due pursuant to the provisions of Article 1, or Article 18.
- (I) In case the Member shall default in the performance of any of his or her other obligations under this Agreement including the requirements of Article 15.

The Member expressly waives any and all right of redemption in case he or she shall be dispossessed by judgment or warrant of any court or judge.

The Member 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 provision of this Agreement, there shall be available to the Cooperative all legal remedies available to a landlord for the breach or threatened breach by a tenant of any provision of a lease or rental agreement.

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

ARTICLE 15 MEMBER TO COMPLY WITH ALL COOPERATIVE REGULATIONS

The Member promises that he or she will preserve and promote the cooperative ownership principles on which the Cooperative has been founded, abide by the articles, bylaws, rules and regulations of the Cooperative and any amendments to them. The Member's must maintain a high standard in home and community conditions. The Cooperative agrees to make its rules and regulations known to the Member by delivery of them to. The Member hereby ratifies all agreements executed by the Cooperative on or before the date of this Agreement.

ARTICLE 16 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 unit 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 the Member.

If, under such circumstances, the Cooperative determines to restore the premises, Monthly Housing 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 Monthly Housing Charges shall cease from the date of such loss or damage.

ARTICLE 17
INSPECTION OF DWELLING UNIT

The Member agrees that the representatives of any mortgagee holding a mortgage on the property of the Development, 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 unit of the Member after giving notice, except in case of an emergency, at least 24 hours in advance and, make inspections thereof at any reasonable hour of the day and at any time in the event of emergency.

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 Cooperative a late charge in an amount to be determined from time to time by its Board of Directors for each payment of any part of any Monthly Housing Charge more than five (5) days late or otherwise in violation of the Cooperative's Late Payment Policy, if any.

If a Member defaults in making a payment of Monthly Housing Charges or in the performance or observation of any provisions of this Agreement and the Cooperative has hired any attorney with respect to the defaults involved, the Member promises to pay to the Cooperative any costs or fees involved. Including reasonable attorneys' fees, notwithstanding the fact that a suit has not yet been instituted. In case a suit is instituted, the Member shall pay the costs of the suit in addition to all other costs and fees.

ARTICLE 19
NOTICES

Whenever the provisions of law or the by-laws of the Cooperative or this Agreement require notice to be given to either party to this Agreement, any notice by the Cooperative shall be deemed to have been given, and any demands by the Cooperative upon the Member shall be deemed to have been made if the same is delivered to the Member at the Member's unit 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 given if delivered to an officer of the Cooperative. Such notice may also be given by depositing same in the United States mails 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 20
ORAL REPRESENTATIONS NOT BINDING

No representations other than those contained in this Agreement, the articles and the By-Laws of the Cooperative shall be binding upon the Cooperative.

ARTICLE 21
SUBORDINATION MORTGAGES

It is specifically understood and agreed by the parties hereto that this Agreement and all rights, privilege and benefits hereunder are and shall be at all times subject to and subordinate to the liens of such mortgages applicable to the building in which the Dwelling Unit is located by the Cooperative with the

_____ And to any and all modifications, extensions and renewals thereof and to any mortgage or trust deed which may at any time hereafter be placed on the development or part thereof. The member hereby agrees to execute at the Cooperative's request

and expense, any instrument which the Cooperative or any lender may deem necessary or desirable to effect the subordination of this Agreement to any such mortgage, or trust deed and the Member hereby appoints the Cooperative and each of its officers, and any future officer, Member's irrevocable attorney-in-fact during the term hereof to execute any such instrument on behalf of the Member.

The Member does hereby expressly waive any and all notices of default and notices of foreclosure of any such applicable mortgage which may be required by law. In the event a waiver of such notice is not legally valid, the Member does hereby constitute the Cooperative as member's agent to receive and accept such notice on the Member's behalf.

ARTICLE 22
PATRONAGE REFUNDS

The Cooperative shall have the right in its sole discretion acting through its Board of Directors, but not the obligation, to refund or credit the Member within ninety (90) days after the end of each fiscal year member's proportionate share of sums that have been collected in anticipation of expenses which are in excess of the amount needed for expenses of all kinds, including reserves.

ARTICLE 23
SAVINGS CLAUSE

If any clause, provision or portion of this Agreement or its application to any person or circumstance shall be invalid or unenforceable under applicable law, such event shall not affect, impair or render invalid or unenforceable the remainder of this lease nor any other clause, phrase, provision or portion of this Agreement as it applies to other persons or circumstances.

ARTICLE 24
OCCUPANTS

The only occupants to be permitted to reside and occupy the dwelling unit in addition to the Member shall be:

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

_____ THE COOPERATIVE

By _____

Its _____

(Member)

(Member)