

Echo Ridge Cooperative Corporation No. 2

OCCUPANCY AGREEMENT

Amended July 13th, 2019

THIS AGREEMENT is entered into this _____ day of _____, _____, between Echo Ridge Cooperative Corporation No. 2 ("Corporation"), a corporation having its principal office and place of business at the current Property Management Office located in Tucson, Arizona and _____, ("Member"):

WHEREAS, the Corporation was formed for the purpose of acquiring, owning and operating a cooperative housing community located at 8130-8170 E. Broadway Blvd., Tucson, Arizona 85710, with the intent that its members will have the right to occupy the dwelling units thereof under the terms and conditions hereinafter set forth; and

WHEREAS, the Member is the owner and holder of a certificate of membership, fully paid and unencumbered, for one membership share in the Corporation, and has the bona fide intention to reside in the dwelling unit:

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement, the Corporation gives the Member the exclusive right of occupancy and adjunct interest in Dwelling Unit Number _____, ("unit") located at _____, subject to the Member's compliance with the provisions of this Occupancy Agreement and Articles of Incorporation, By-Laws and any rules and regulations of the Corporation, as amended from time to time.

Term: This Agreement is for a period of three years and may be renewed for successive three-year periods, unless terminated by the Corporation or upon the sale by the Member of his/her Membership Share in the Corporation.

ARTICLE I. MONTHLY CARRYING CHARGE

Commencing at the time indicated in Article II, the Member agrees to pay to the Corporation a monthly sum referred to as "Carrying Charges." This amount is equal to one-twelfth (1/12) of the Member's proportionate share of the sum required by the Corporation, as estimated by its Board of Directors ("board") to meet its annual operating expenses, including but not limited to the following items:

1. The cost of all operating expenses for the maintenance and management of the property and for the services furnished.
2. The cost of necessary management and administration.
3. The amount of all taxes and assessments levied against the property of the Corporation or any other governmental charges, which the Corporation is required to pay.
4. The cost of fire and extended coverage insurance on the property and such other insurance as the Corporation obtains.
5. The cost of furnishing water, gas, garbage and trash collection, if furnished by the Corporation.

6. All reserves established by the Board, including the general operating reserves.
7. The estimated cost of repairs, maintenance and replacements of the common property.
8. Any other expenses of the Corporation approved by the Board, including operating deficiencies, if any, for prior fiscal years.

The Board will determine the Carrying Charges on an annual basis and divide that amount by the number of months remaining in that current fiscal year; but in no event will the Member be charged with more than his/her proportionate share of such charges as determined by the Board.

Until further notice from the Corporation, the monthly Carrying Charges for this Unit will be \$_____.

ARTICLE II. PREMISES TO BE USED FOR RESIDENTIAL PURPOSES ONLY.

The Member will occupy the Unit as a private dwelling for himself, or for himself and his immediate family, and for no other purpose, and may enjoy the use, in common with the other members of the Corporation, of all common areas and facilities of the community, so long as he owns a membership certificate, occupies the Unit, and abides by the terms of this Agreement.

The Member will not allow anything to be done or kept in the Unit which will increase the rate of insurance on the building, or its contents, or which will obstruct or interfere with the rights of other occupants or annoy them by unreasonable noises or otherwise. The Member will not engage in any conduct, which is a nuisance or an illegal act. The Member will comply with all of the requirements of the Pima County Health Department and of all other governmental authorities. If the use and occupancy of the Unit causes the rate of insurance on the building to increase, the Member will become personally liable for the additional insurance premium.

The occupancy of the Units is restricted to the following number of persons:

1. An efficiency/studio - zero (0) bedroom will not be occupied by more than 2 persons.
2. 1-bedroom unit will not be occupied by more than 3 persons.
3. 2-bedroom unit will not be occupied by more than 4 persons.
4. 3-bedroom unit will not be occupied by more than 5 persons.

The Board may grant the Member a variance of the occupancy requirements upon the written request of the Member showing good cause for doing so.

An owner may have guests stay overnight, guests can stay in the unit limited to the number of occupants allowed in that specific unit plus 1 over, meaning that if an owner of a 1 bedroom can have 3 occupants plus a guest or 1 occupant plus 3 guests so as long as the number does not exceed 4 persons per 1 bedroom unit. The shareholder must occupy the unit in order for their guest(s) to stay in the unit. The guest(s) can enjoy the use of the pool and other amenities, so as long as, the shareholder is present. The shareholder is responsible for their guest(s) at all times. A guest cannot stay for longer than 30 days in a period of one year without board approval. Caretakers, Nurses or aids are allowed to stay with the shareholders with board approval. A pet sitter is not allowed to stay in the unit overnight without the

shareholder being present. A pet sitter may come in during the day to walk or feed the pet but cannot stay in the unit. Another shareholder may stay in your unit to pet sit as they are shareholders.

ARTICLE III. MEMBER'S RIGHT TO PEACEABLE POSSESSION.

1. In return for the Members continued fulfillment of the terms and conditions of this Agreement, the Corporation agrees that during the term of this Agreement, the Member has the right to enjoy the Unit for his/her sole use and benefit and may enjoy in common with all the members of the Corporation the use of all common areas and facilities in this community.
2. If the Corporation is required to take legal action to remove either the Member or the Member's animal(s) from the Unit, the Member agrees to pay the Corporation's reasonable attorney fees incurred.

ARTICLE IV. NO SUBLETTING IS ALLOWED.

The Member will not assign this Agreement or lease the Unit.

ARTICLE V. MANAGEMENT, TAXES AND INSURANCE.

The Corporation will provide necessary management, operation and administration of the community; pay or provide for the payment of all taxes or assessments levied against the property; procure and pay or provide for the payment of fire insurance and extended coverage, and such other insurance as the Corporation deems advisable. The Corporation will not, however, provide insurance on the Members interest in the Unit or on his/her personal property.

ARTICLE VI. UTILITIES.

The Corporation will provide water and gas for each Unit in amounts, which it deems reasonable. The Member will directly pay for all other utilities associated with the Unit.

ARTICLE VII. REPAIRS.

1. By Member. The Member agrees to repair and maintain the Unit at the Members own expense as follows:
 - (a) Any repairs or maintenance necessitated by the Members own negligence or misuse; and
 - (b) Any repairs, maintenance and replacements as set forth in the Rules and Regulations, Maintenance and Repair Policy.
2. By the Corporation. The Corporation will provide and pay for all necessary repairs, maintenance and replacements, except as specified in clauses (a) and (b). The officers and employees of the Corporation, with appropriate notice, have the right to enter the Unit to effect necessary repairs, maintenance, and replacements, and to authorize the employees of any contractor, utility company, municipal agency, or others, to enter the Unit at any reasonable hour of the day and in the event of emergency at any time.
3. Right of the Corporation to Make Repairs at Members Expense. If the Member fails to make the repairs, maintenance or replacements as provided in Paragraph "A", above, in a manner

satisfactory to the Corporation, the Corporation has the right to do so and add the cost to the Member's next month's Carrying Charges.

ARTICLE VIII. ALTERATIONS AND ADDITIONS.

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

If the Member ceases to be an occupant of the Unit, he/she will surrender possession of the Unit, including any alterations, additions, fixtures and improvements.

In the event the Corporation approves the alteration or modification to any unit, the Member will be responsible for all maintenance of such alteration or modification.

In the event any alteration to the unit is made by the Member without the approval of the Corporation, the Corporation may require the prompt removal of such alteration. The Member's failure to remove the unauthorized alteration, as requested by the Corporation, is a default of this Occupancy Agreement.

No member will make any alterations, additions, or modifications to common areas, including landscaping and planting, without approval of the Board.

ARTICLE IX. MEMBER'S DEFAULT.

It is mutually agreed that if, at any time after any of the events specified in clauses (1–10) of this Article occur, the Corporation will give the Member notice that this Agreement will terminate on a date not less than thirty (30) days after the date of the notice and that upon termination all of the Member's rights under this Agreement will expire, unless the member cures the default in a manner deemed satisfactory by the Corporation. Such notice will further specify that if the member fails to cure the default, then the Corporation will file an action to obtain possession of the Unit:

1. If Member is no longer the owner and legal holder of a membership certificate in the Corporation.
2. If the Member fails to perform and/or pay for repairs and maintenance as provided for in Article VII.
3. If the Member fails to pay any sums due to the Corporation pursuant to the provisions of this Agreement.
4. If the Member defaults in the performance of any of his obligations under this Agreement.
5. If the Member attempts to transfer or assign this Agreement in a manner inconsistent with the provisions of this Agreement or the By-Laws.
6. If the Member files a bankruptcy petition under the laws of the United States.
7. If a receiver is appointed under any of the laws of the United States or of any State to manage the Member's property.
8. If the Member makes a general assignment for the benefit of creditors.

9. If the membership certificate owned by the Member is levied upon and sold under the process of any Court.
10. If the Member fails to provide written proof to the Corporation in the form of a current Certificate of Insurance, or a copy of the paid-up insurance policy showing that the interior of the building/Unit is covered as required in Article XVI of this Agreement.
11. When a member's children turn 18 years old and live in the community, they must submit an application to conduct a background and credit check and sign an occupancy agreement.

The failure on the part of the Corporation to avail itself of any of the remedies available under this Agreement does not waive or destroy the right of the Corporation to avail itself of such remedies for similar or other breaches on the part of the Member.

ARTICLE X. MEMBER TO COMPLY WITH ALL CORPORATE REGULATIONS.

The Member agrees 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, and by his/her acts of cooperation with the other members, bring about for him/herself and the other members a high standard in home and community conditions.

ARTICLE XI. INSPECTION OF UNIT.

The Member agrees that 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, have the right to enter the Unit and make inspections at any reasonable hour of the day, provided that appropriate notice is given to the Member, except in exigent circumstances, when it is not possible to provide such notice.

ARTICLE XII. TRANSFERS.

Neither this Agreement nor the Members right of occupancy is transferable or assignable except in the manner provided for in the By-Laws of the Corporation for the transfer of a Membership Certificate.

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

The Member agrees that, in addition to the payment of any other sums that have become or will become due pursuant to the terms of this Agreement, the Member will pay to the Corporation a late charge in an amount determined from time to time by the Board for each late payment of the Carrying Charges, or any portion thereof, which is more than 10 days late.

If a Member defaults in making any payment of Carrying Charges to the Corporation or in the performance or observance of any provision of this Agreement, and the Corporation obtains the services of an attorney as a result of such defaults, the Member agrees to pay to the Corporation any costs and attorney fees involved, notwithstanding the fact that a suit had not been instituted. If suit is filed, the Member will also pay all court costs and litigation expenses in addition to the attorney fees incurred.

ARTICLE XIV. NOTICES.

Whenever the provisions of law or the By-Laws of the Corporation or this Agreement require notice to be given to either party, such notice may be given in writing by depositing it in the United States Mail, postage

prepaid, and addressed to the person to whom the notice is to be given, at: (a) the Member's address as it appears in the records of the Corporation and (b) to the Corporation at the address of its Manager. Notice will be deemed given three days after the date that it is deposited in the US Mail.

ARTICLE XV. FISCAL REPORTS.

Within thirty (30) days of the date that a Member makes a written request, the Corporation will furnish that Member with a statement of the income and disbursements of the Corporation.

ARTICLE XVI. INSURANCE.

1. Insurance Requirements. The Corporation has the authority to maintain fire and extended coverage insurance on the Common Property buildings and other improvements on a current replacement cost basis in an amount not less than 100% of the insurable value (based on current replacement costs), together with such other insurance as the Corporation may deem advisable on the property. All such insurance coverage obtained by the Corporation will be written in the name of the Corporation as trustee for the Members.

2. Insurance Exclusions. The Corporation will not provide insurance on the Members interest in the Unit as described below or on his/her personal property:

2.1 Description of the Unit. Each Unit includes the space enclosed by the interior unfinished surfaces of the ceiling, floor, walls and windows, including adjacent patio and balcony areas, together with any plumbing fixtures, evaporative cooling and/or air conditioning equipment and ducts or duct work, and electrical equipment which exclusively serves that Unit; provided, however, that no portion of the roof, weight-bearing walls or other structural components of the Building in which each Dwelling Unit is located, and no pipes, wires, conduits, flues, shafts or public utility, water or sewer lines situated within such Unit and forming part of any system serving one or more other Units or the Common Areas is part of the Unit. Each Unit also includes the exclusive right to use and enjoy the patio or balcony that is immediately adjacent to the Unit. Each patio and balcony must be maintained by the Member in a clean, neat and orderly condition. The use of the patios or balconies is subject to the rules and regulations promulgated by the Board, this Occupancy Agreement, the Articles of Incorporation, By-Laws and Policies and Procedures of the Corporation.

2.2 Dwelling Unit Property Not Covered by Corporation Insurance. The following property is not covered by the Corporation's insurance:

1. Floor coverings of any kind within a Unit above the upper surface of the sub-flooring, such as carpeting, vinyl goods or hardwood;
2. Wall coverings of any kind within a Unit, such as paint, texture, wallpaper, paneling or permanently mounted mirrors;
3. Appliances within a Unit, such as those used for refrigeration, ventilation, air conditioning, cooking, dishwashing, laundry, security or housekeeping;
4. Evaporative cooling and/or air conditioning equipment located on the roof covering the Unit;

5. Permanently installed plumbing fixtures such as bathtub, shower stall, toilet, sinks, water heater, water softener and water filtering systems;
6. Permanently installed electrical fixtures;
7. Improvements and alterations and other inside building materials such as cabinetry and plumbing or heating systems located within the Unit;
8. Permanently installed improvements and alterations such as entry storm doors or security doors, wrought iron window and arcadia door guards, awnings attached to the exterior walls of the Unit, and storage buildings and other appurtenant structures located within the patio or balcony immediately adjacent to the Unit; and
9. Personal property of the Member.

3. Member Insurance Requirements. The Member will, at his/her own expense, carry an Owner's policy in an amount necessary to maintain fire and extended coverage and liability insurance on the Member's interest in the Unit and any individually owned personal or real property within the Unit, attached to the exterior walls or Common Area roof of the Unit or located within the patio or balcony immediately adjacent to the Unit. It will be the individual responsibility of each Member at his/her own expense to provide as he/she sees fit, liability insurance, theft and other insurance covering personal property damage and loss. The Member will provide proof of insurance coverage annually to the Corporation.

ARTICLE XVII. MISCELLANEOUS PROVISIONS

Representations. No representations or statements other than those contained in this Agreement, the Articles of Incorporation, the By-Laws, and any rules and regulations of the Corporation, as amended from time to time, are binding upon the Corporation.

Prevailing Law. This Agreement was executed in Pima County, Arizona and will be enforced according to the laws of the State of Arizona.

ARTICLE XVII. MISCELLANEOUS PROVISIONS

The standard approved form of the Occupancy Agreement may be amended by the Board of Directors at any time, except for amendments that would alter, change, or otherwise modify any of the rights, duties, or obligations as enumerated in Article XI(a) of the Bylaws. Upon approval of any amendment to the Occupancy Agreement, the standard approved form of the Occupancy Agreement shall be revised accordingly and distributed to the Membership for execution.

The new standard approved form of the Occupancy Agreement will become effective as to an individual Member immediately upon execution by the Member, and will, by its execution by the Member, completely replace and supersede any prior form of Occupancy Agreement then in effect. Any prior form of Occupancy Agreement in effect at the time a new standard approved form of Occupancy Agreement is established by the Board of Directors as set forth above, shall not be subject to renewal and shall expire not later than the end of the current term of occupancy set forth in the Occupancy Agreement then in effect. The individual Members must execute the new standard approved form of the Occupancy Agreement no later than the expiration of the current remaining term of occupancy, or they will be deemed to be in default and subject to the termination of their Membership and right of occupancy as set forth in the Bylaws and this Agreement.

The parties, by their signature below, indicate their acceptance of the terms of this Agreement as of the date set forth above.

ECHO RIDGE COOPERATIVE CORPORATION NO. 2:

By: _____

Title: _____

MEMBER(S): _____
