

**OCCUPANCY AGREEMENT  
CANTERBURY MEWS COOPERATIVE  
SECTIONS ONE AND TWO AND THREE  
FHA PROJECT NOS. 044-44163/164/409-MAN**

THIS AGREEMENT, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between CANTERBURY MEWS COOPERATIVE (HEREINAFTER REFERRED TO AS THE CORPORATION), a corporation having its principal office and place of business in Canton Township, Wayne County, Michigan, and \_\_\_\_\_ (hereinafter referred to as Member):

WHEREAS, the Corporation has been formed for the purpose of acquiring, owning and operating a cooperative housing project to be located at Haggerty Road between Ford & Cherry Hill Road, Canton Township, Michigan, with the intent that its members shall 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 of the Corporation and has a bona fide intention to reside in the project as a principal place of residency; and

WHEREAS, the Corporation proposes to develop Canterbury Mews Cooperative in six sections (all of which sections are hereinafter collectively referred to as the “entire cooperative community”), which will involve a total of approximately 263 dwelling units, (hereinafter referred to as the “project”); and

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

NOW, THEREFORE, the Corporation lets to the Member, and the Member hereby hires and takes from the Corporation, dwelling unit number \_\_\_\_\_, located at \_\_\_\_\_;

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 corporate Articles and By Laws of the Corporation and any rules and regulations of the Corporation now or hereafter pursuant thereto, from the date of this agreement, for a term terminating on \_\_\_\_\_, 20\_\_\_\_, renewable thereafter for successive three-year periods under the conditions provided for herein.

**ARTICLE 1. MONTHLY HOUSING CHARGES AND SUBSCRIPTION PRICE AND INITIAL PAYMENT UNDER OCCUPANCY AGREEMENT**

Prior to the execution of this Occupancy Agreement, the Member has paid to the Corporation: (1) the membership *Subscription Price of \$100.00*; and (2) the Initial Payment under the Occupancy Agreement in the amount of \$ \_\_\_\_\_ (which Initial Payment under the Occupancy Agreement is referred to in the By Laws of the Corporation as the “Value of Occupancy Agreement”).

Commencing at the time indicated in ARTICLE 2 hereof, the Member agrees to pay to the Corporation a monthly sum referred to herein as “Monthly Carrying Charges” equal to one-twelfth of the Member’s proportionate share of the sum required by the Corporation, as estimated by its Board of Directors, to meet its annual expenses, pertaining to the Project and to the community or other facilities which the Member is entitled to utilize including but not limited to the following items:

- ❖ Section One, FHA Project No. 044-44163-MAN, 60 dwelling units
- ❖ Section Two, FHA Project No. 044-44164-MAN, 81 dwelling units
- ❖ Section Three, FHA Project No. 044-44409-MAN, 122 dwelling units

**ARTICLE 1. MONTHLY HOUSING CHARGES AND SUBSCRIPTION PRICE AND INITIAL PAYMENT UNDER OCCUPANCY AGREEMENT** (continued)

- A. The cost of all operating expenses of the project and services furnished.
- B. The cost of necessary management and administration.
- C. The amount of all taxes and assessments levied against the project of the Corporation or which it is required to pay, and ground rent, if any.
- D. The cost of fire and extended coverage insurance on the project and such other insurance as the Corporation may effect or as may be required by any mortgage on the Project.
- E. The cost of furnishing all utilities, if the Corporation furnishes such utilities. (See Article 9 for a listing of those utilities that are to be furnished by the Corporation.)
- F. All reserves set up by the Board of Directors including the general operating reserve and the reserve for replacements.
- G. The estimated cost of repairs, maintenance and replacements of the Project property to be made by the Corporation.
- H. The amount of principal, interest, mortgages insurance premiums and other required payments on the hereinafter-mentioned insured mortgage.
- I. Any other expenses of the Corporation approved by the Board of Directors'; including operation deficiencies, if any, for prior periods.

The Board of Directors shall determine the amount of the Monthly Carrying Charges annually, but may do so at more frequent intervals, should circumstances so require. No member shall be charged with more than his proportionate share thereof as determined by the Board of Directors. That amount of the Monthly Carrying Charges required for payment on the principal of the mortgage of the Corporation or any other capital expenditure shall be credited upon the books of the Corporation to the "Paid-In Surplus" accounts as a capital contribution by the members.

Notwithstanding the above provisions, it is understood and agreed by the Member and the Corporation that where the annual family income of the Member is such that he is entitled to the benefit of the interest reduction payment made by the FHA to the mortgagee, the Monthly Carrying Charges for the Member shall be reduced to the extent required by the FHA as set forth in the Regulatory Agreement.

Until further notice from the Corporation, the Monthly Carrying Charges for the above-mentioned dwelling unit shall be \$ \_\_\_\_\_.

It is understood and agreed that if the annual family income of the member is hereafter increased, his monthly housing charges will be increased to the extent required by the FHA as set forth in the Regulatory Agreement.

The Member agrees that his family income, family composition, and other eligibility requirements are substantial and material conditions with respect to the amount of Monthly Housing Charges he will be obligated to pay and with respect to his continuing right of occupancy. The Member agrees to make a recertification of his income to the Corporation at least every year from the date of this Agreement so long as he is receiving the benefit of interest reduction payments made by the FHA to the mortgagee. The Member may make a voluntary recertification of family income upon the death, disability, departure or unemployment of any family member whose income was included in the next previous income certification, and under such other unusual circumstances and may be approved by the Board of Directors and the Department of Housing and Urban Development. The Member further agrees that the monthly Housing Charges are subject to adjustment by the Corporation to reflect income changes, which are disclosed on any of the Member's recertifications, or required by the Regulatory Agreement. Immediately upon making such adjustment, the Corporation agrees to give 30 days written notice to the Member stating the new amount the Member will be required to pay, which, until further notice, shall then be the Member's Monthly Carrying Charges.

**ARTICLE 2. WHEN PAYMENT OF MONTHLY HOUSING CHARGES TO COMMENCE**

After a five-day notice by the Corporation to the effect that the dwelling unit is or will be available for occupancy, the Member shall make a payment for Monthly Carrying Charges covering the unexpired balance of the month. Thereafter, the Member shall pay Monthly Housing Charges in advance on the first day of each month.

### **ARTICLE 3. MEMBER'S OPTION FOR AUTOMATIC RENEWAL**

It is covenanted and agreed that the term herein granted shall be extended and renewed from time to time by and against the parties hereto for further periods of three years each from the expiration of the term herein granted, upon the same covenants and agreements as herein contained unless: (1) notice of the Member's election not to renew shall have been given to the Corporation in writing at least four months prior to the expiration of the then current term, and (2) the Member shall have on or before the expiration of said term (A) endorsed his membership certificate for transfer in blank and deposited same with the Corporation, and (B) met all his obligations and paid all amounts due under this agreement up to the time of said expiration, and (C) vacated the premises, leaving same in good state of repair. Upon compliance with provisions (1) and (2) of this article, the Member shall have no further liability under this agreement and shall be entitled to no payment from the Corporation. The Board of Directors may from time to time set policy that is more lenient than the provisions of this article.

### **ARTICLE 4. PREMISES TO BE USED FOR RESIDENTIAL PURPOSES ONLY**

The Member shall occupy the dwelling unit covered by this agreement as a private dwelling unit for himself and his immediate family and for no other purpose, and may enjoy the use in common with other members of the Corporation of all community property and facilities of the entire cooperative community so long as he continues to own a membership certificate of the Corporation, occupies his dwelling unit, and abides by the terms of this agreement. Any subleasee of the Member, if approved pursuant to Article 6 hereof, may enjoy the rights to which the Member is entitled under this Article 4.

The Member shall not permit or suffer 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 commit or permit any nuisance on the premises or commit or suffer any immoral or illegal act to be committed thereon. The Member shall comply with all of the requirements of the Board of Health and of all other governmental authorities with respect to the said 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 be personally liable for the additional insurance premiums.

### **ARTICLE 5. MEMBER'S RIGHT TO PEACEABLE POSSESSION**

In return for the Member's continued fulfillment of the terms and conditions of this agreement, the Corporation covenants that the Member may at all times while this agreement remains in effect, have and enjoy for his sole use and benefit the dwelling unit hereinabove described, after obtaining occupancy, and may enjoy in common with all other members of the Corporation the use of all community property and facilities of the entire cooperative community. Member covenants to not disturb the peaceful possession of co-members.

### **ARTICLE 6. NO SUBLETTING WITHOUT CONSENT OF CORPORATION**

The Member hereby agrees neither to assign this agreement nor to sublet his dwelling unit without the written consent of the Corporation on a form approved by the Federal Housing Administration. The liability of the Member under this Occupancy Agreement shall continue notwithstanding the fact that he may have sublet the dwelling unit with the approval of the Corporation and the Member shall be responsible to the Corporation for the conduct of his subleasee. Any unauthorized subleasing shall, at the option of the Corporation, result in the termination and forfeiture of the member's rights under this Occupancy Agreement. Non paying guests of the Member may occupy Member's unit under such conditions as may be prescribed by the Board of Directors in the rules and regulations.

### **ARTICLE 7. TRANSFERS**

Neither this agreement nor the Member's right of occupancy shall be transferable or assignable except in the same manner as may now or hereafter be provided for the transfer of memberships in the By Laws of the Corporation.

## **ARTICLE 8. ABANDONMENT**

If at any time during this agreement, cooperative believes in good faith that member has abandoned the premises and current carrying charges are unpaid, cooperative may re-enter the premises and remove the remaining possessions of member without liability therefore. Abandonment shall be conclusively presumed if carrying charges are unpaid for fifteen days following the due date and either (1) a substantial portion of member's possessions have been removed or (2) acquaintances of member or other reliable sources indicated to cooperative that member has left without intending to re-occupy the premises. If member abandons the premises or surrenders them at any time and leaves personal property there, cooperative may dispose of it in any manner it deems appropriate, and member shall reimburse cooperative for all costs incurred in that regard.

## **ARTICLE 9. EXTENDED LEAVE**

If at any time during members' occupancy at Canterbury Mews Cooperative the Head and Co-Head are absent from their cooperative unit for 60 continuous days for any reason, or for longer than 120 continuous days for medical reasons their membership and occupancy at Canterbury Mews will be terminated. This policy is in effect even if carrying charge payments for the months of absence are paid in full. The Board of Directors may allow exceptions for extenuating circumstances.

## **ARTICLE 10. MANAGEMENT, TAXES AND INSURANCE**

The Corporation shall provide necessary management, operation and administration of the Project; pay or provide for the payment of all taxes or assessments levied against the Project; 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 Project, and such other insurance as the Corporation may deem advisable on the property in the Project. The Corporation will not, however, provide insurance on the Member's interest in the dwelling unit or on member's personal property.

## **ARTICLE 11. UTILITIES**

The Corporation shall provide gas, water and heat in amounts that it deems reasonable. The Member shall pay directly to the supplier of all other utilities.

## **ARTICLE 12. REPAIRS**

- A. *By Member.* The Member agrees to repair and maintain his dwelling unit at his own expenses as follows:
- 1) Any repairs or maintenance necessitated by his own negligence or misuse;
  - 2) Any redecoration of his own dwelling unit; and
  - 3) Any repairs, maintenance, or replacements required on items not furnished by the Corporation.
- B. *By Corporation.* The Corporation shall provide and pay for all necessary repairs, maintenance and replacements, except as specified in clause (a) of this Article. The officers and employees of the Corporation shall have the right to enter the dwelling unit of the Member in order to effect necessary repairs, maintenance, and replacements and to authorized entrance for such purposes by employees of any contractor, utility company, municipal agency, or others, at any reasonable hour of the day and in the event of emergency at any time.
- C. *Right of Corporation to Make Repairs at Member's Expense.* In case the Member shall fail to effect the repairs, maintenance or replacements specified in clause (a) of this Article 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 Monthly Carrying Charge payment.

## **ARTICLE 13. ALTERATIONS AND ADDITIONS**

The Member shall not, without the written consent of the Corporation make any structural alterations in the premises or in the water, gas or steam pipes, electrical conduits, plumbing or other fixtures connected therewith, or attach any fixtures to the outside of the building, or remove any additions, improvements, or fixtures from the premises. If the Member upon move out wishes to sell an authorized improvement to the next member it will be the incoming member's option to accept such improvement. If the incoming member chooses not to accept the authorized improvement it will be the responsibility of the outgoing member to restore the alteration to the original condition, whether by removing the improvement or otherwise.

### **ARTICLE 13. ALTERATIONS AND ADDITIONS (continued)**

The Member shall not, without the prior written consent of the Corporation, install, or use in his dwelling unit any central air conditioning equipment, satellite dishes, or large power tools. The Member agrees that the Corporation may require the prompt removal of any such equipment at any time, and that his failure to remove such equipment upon request shall constitute a default within the meaning of Article 12 of this agreement.

### **ARTICLE 14. DEFINITION OF DEFAULT BY MEMBER AND EFFECT THEREOF**

It is hereby mutually agreed as follows: At any time after the happening of any of the events specified in clauses (a) to (1) of this Article the Corporation may at its option give to the Member notice that this agreement will expire at a date not less than seven (7) days thereafter. If the Corporation so proceeds, all of the Member's rights under this agreement will expire on the date so fixed in such notice, unless in the meantime the default has been cured in a manner deemed satisfactory by the Corporation, it being the intention of the parties hereto to create conditional limitations, and it shall thereupon be lawful for the Corporation to re-enter the dwelling unit and to remove all persons and personal property therefrom, either by summary dispossession proceedings or by suitable action or proceeding at law or in equity or by any other proceedings which may apply to the eviction of tenants or by force or otherwise, 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 Corporation whether membership is terminated by corporation, via vote of Board of Directors or designee, or by member's own volition.
- b. In case the Member attempts to transfer or assign this agreement in a manner inconsistent with the provisions of the By Laws.
- c. In case at any time during the continuance of this agreement the Member shall be declared a bankrupt under the laws of the United States.
- d. In case at any time during the continuance of this agreement a receiver of the Member's property shall be appointed under any of the laws of the United States or of any State.
- e. In case 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 the membership rights of a Member in the Corporation shall be duly levied upon and sold under the process of any court.
- g. In case the Member fails to effect and/or pay for repairs and maintenance as provided for in Article #10 hereof.
- h. In case the Member shall fail to pay any sum due pursuant to the provisions of Article 1 or Article 9 hereof.
- i. In case the Member shall default in the performance of any of his obligations under this agreement.
- j. In case the Member shall fail to pay any charge which if not paid, could become a lien against the Project.
- k. At any time during the term of this agreement, the limitations for occupancy, which may be established from time to time by the Federal Housing Administration are exceeded, the Corporation may elect to terminate this agreement.
- l. In case at any time during the term of this agreement, the Member fails to comply promptly with all requests by the Corporation or the Federal Housing Commissioner for information and certifications concerning the total current income of the Member and his family, the composition of the Member's family and other eligibility requirements for occupancy in the Project.
- m. In case member ceases to occupy unit. Membership shall terminate if member ceases to be the owner or legal holder of a cooperative membership, or if member ceases to occupy the dwelling unit for any reason, and member shall surrender possession thereof (including all alterations, additions, fixtures, and improvements) to cooperative in as good a condition as when received. Member shall be deemed to be a non-occupant if he/she maintains any address other than his/her cooperative unit as reflected in public records.

The Member hereby expressly waives any and all right of redemption in case he shall be Dispossessed by judgment or warrant of any Court of Judge; the words "enter", "re-enter", and "re-entry", as used in this agreement are not restricted to their technical legal meaning, and in the event of a breach or threatened breach by the Member of any of the covenants or provisions hereof, the Corporation shall have the right of injunction and the right to invoke any remedy allowed at law or in equity, as if re-entry, summary proceedings, and other remedies were not herein provided for.

**ARTICLE 14. DEFINITION OF DEFAULT BY MEMBER AND EFFECT THEREOF (continued)**

The Member expressly agrees that there exists under this Occupancy Agreement a landlord-tenant relationship and that in the event membership is terminated for a breach of any covenant or provision of this agreement, there shall be available to the Corporation such legal remedy or remedies as are available to a landlord retake possession of the let premises under the Law by a tenant of any provision of a lease or rental agreement.

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

**ARTICLE 15. MEMBER TO COMPLY WITH ALL CORPORATE REGULATIONS**

The Member covenants that he will preserve and promote the cooperative ownership principles on which the Corporation has been founded, abide by the Charter, By Laws rules and regulations of the Corporation and any amendments thereto, and by his acts of cooperation with its other members bring about for himself and his co-members a high standard in home and community conditions. The Corporation agrees to make its rules and regulations known to the Member by delivery of same to him or by promulgating them in such other manner as to constitute adequate notice.

**ILLEGAL DRUG USE/DRUG RELATED ACTIVITY**

In consideration of the execution or renewal of an Occupancy Agreement of the dwelling unit identified herein the Owner and Member agree as follows:

1. Member, any member of the member's household, or guest or other person under the member's control shall not engage in criminal activity, including drug related criminal activity, on or near the project premises. "Drug-related criminal activity" means the illegal manufacture, sale, distribution, use or possession of a substance (as defined in Section 102 of the Controlled Substance Act 21 U.S.C.802).
2. Member, any member of the member's household, or guest or other person under the member's control shall not engage in criminal activity, including drug related criminal activity, on or near the project premises. "Drug-related criminal activity" means the illegal manufacture, sale, distribution, use or possession of a substance (as defined in Section 102 of the Controlled Substance Act 21 U.S.C.802).
3. Member, any member of the member's household, guest or other person under the member's control shall not engage in any act intended to facilitate criminal activity, including drug criminal activity, on or near the project premises.
4. Member or members of the household shall not permit the dwelling unit to be used for, or to facilitate, criminal activity, including drug-related criminal activity, regardless of whether the individual engaging in such activity is a member or the household or a guest.
5. Member or members of the household will not engage in the manufacture, sale or distribution of illegal drugs at any location, whether on or near project premises or otherwise.
6. Member, any member of the member's household or a guest or another person under the member's control shall not engage in acts of violence or threats of violence, including, but not limited to, the unlawful discharge of firearms, on or near project premises.
7. VIOLATION OF THE ABOVE PROVISIONS SHALL BE A MATERIAL VIOLATION OF THE OCCUPANCY AGREEMENT AND CAUSE FOR TERMINATION OF TENANCY. A single violation of any of the provisions of this addendum shall be deemed a serious violation and a material noncompliance with the occupancy agreement. It is understood and agreed that a single violation shall be good cause for termination of the occupancy agreement. Unless otherwise provided by law, proof of violation shall not require criminal conviction, but shall be by a preponderance of the evidence.
8. In case of conflict between the provisions of this addendum and any other provisions of the occupancy agreement, the provision of the addendum shall govern.
9. This Addendum is incorporated into the occupancy agreement executed or renewed this day between Canterbury Mews Cooperative and Member.

## **ARTICLE 16. EFFECT OR 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 Corporation 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 and to reimburse him for such loss as he may have sustained.

If, under such circumstances, the Corporation determines to restore the premises, Monthly Housing Charges shall abate wholly or partially as determined by the Corporation until the premises have been restored. If on the other hand the Corporation 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 Corporation, the officers and employees of the Corporation, and with the approval of the Corporation the employees of any contractor, utility company, municipal agency or others, shall have the right to enter the dwelling unit of the Member and make inspections thereof at any reasonable hour of the day and at any time in the event of an emergency.

## **ARTICLE 18. SUBORDINATION CLAUSE**

The Project, of which the above-mentioned dwelling unit is a part, was or is to be constructed by the Corporation with the assistance of a mortgage loan advanced to the Corporation by a private lending institution with the understanding between the Corporation and the lender that the latter would apply for mortgage insurance under the provisions of the National Housing act. 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 or deed of trust and accompanying documents executed by the Corporation. 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 of trust, and the Member hereby appoints the Corporation and each and every officer thereof, and any future officer, his 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 said mortgage, which may be required by law.

In the event a waiver of such notices is not legally valid, the Member does hereby appoint the Corporation his agent to receive and accept such notices on the Member's behalf.

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

The Member covenants and agrees that, in addition to the other sums that have become or will become due, pursuant to the terms of this Agreement, the Member shall pay to the Corporation a late charge in an amount to be determined from time to time by the Board of Directors for each payment of Monthly Carrying Charges, or part thereof, more than 10 days in arrears. This section does not alter the due date of monthly carrying charges, which shall be due on the 1<sup>st</sup> of the month.

If a Member defaults in making a payment of Monthly Carrying Charges 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 defaults involved, the Member covenants and agrees to pay to the Corporation any costs or fees involved, that may be awarded by a court in accordance with the provisions of a statute permitting the assessment of Court costs or attorney fees.

The Cooperative will make any and all legal attempt to collect any and all legal fees incurred to the Cooperative due to eviction proceedings from the member and will deduct them from the membership fee as well as any equity earned.

## **ARTICLE 20. UNIT TRANSFERS**

Unit Transfers are available for growing and existing families. Example: At the time of transfer children in the family that are over eighteen years old would not be a growing family. The Board of Directors using the following guidelines reviews transfer applications:

## **ARTICLE 20. UNIT TRANSFERS (continued)**

1. Payment history that includes carrying charges as well as any other charges owed such as work orders, retro excess income payments, etc.
2. Maintenance history of the unit during members' occupancy.
3. Members' ability to abide for the rules and regulations and Occupancy Agreement.
4. Composition of family.
5. Reason for request.
6. Ability to pay Carrying Charge. Example: member will be paying more than 50% of their income in carrying charges.
7. Units are not designed for members who are not able to climb stairs all units have bedrooms upstairs only. If a member has medical disability that makes stair climbing difficult, the Board of Directors and or the Property Manager will review possible modifications to the unit such as extra handrails, grab bar by bathtub, etc.

The Site Manager will notify the member in writing as to the decision of the Board of Directors. If approved the member will be added to the transfer waiting list, which does take precedent of applicant waiting list. The waiting list is maintained by the date of transfer application however preferences may be given to approved members that exceed 2 persons per bedroom. If transfer application is denied, the member must wait one year before applying again.

If the application is approved and a unit becomes available the Site Manger will notify the member. At this time an inspection of the Member's unit will be made along with a current review of the Member's payment record and compliance with the rules and regulations, current family composition, etc. The member may refuse the unit and will be placed at the bottom of the transfer waiting list. After a 2<sup>nd</sup> refusal or inability to pay deposit the member will be removed from the waiting list and must wait one year from the original transfer application date to reapply. If the member agrees to accept the transfer the member must:

- a. Pay a \$1500 deposit, the difference between the two membership fees and the transfer fee as set by the Board of Directors. Any monies owed over and above the deposit must be paid with the following months carrying charge. All monies owed must be paid at the time transfer paperwork is signed. Any monies due the member will be paid to the member by the 1<sup>st</sup> day of the following month after the previous unit has been occupied (acceptance of key constitutes occupancy).
- b. The transferring member will be responsible for the carrying charges of both units up to the time that the old unit is occupied by a new member.
- c. Return the present Occupancy Agreement, Membership Certificate and By-laws to the Site Manager. A new Occupancy Agreement will be issued at the time of transfer.
- d. Member is responsible for old unit reconditioning charges it as if moving out.

This policy does not apply to non-rental cooperative owned units or units in which members choose to sell their units directly in accordance with the by-laws.

## **ARTICLE 21. REGULARLY SCHEDULED RECERTIFICATIONS**

Each year, one hundred twenty (120) days prior to the anniversary date of the member's occupancy agreement, the Cooperative will request the member to report the income and composition of the member's household and to supply any other information required by HUD for the purpose of determining the member's monthly carrying charge payment. The member agrees to provide accurate statements of this information and to do so by the date specified in the Cooperative's request. The Cooperative will verify the information supplied by the member and use the verified information to compute the amount of the Member's carrying charges and assistance payment, if any. The cooperative agrees to give member at least (30) days advance written notice of any increase in the Member's carrying charges, except as noted in Article 21.



**ARTICLE 22. REPORTING CHANGES BETWEEN REGULARLY SCHEDULED RECERTIFICATIONS:**

If any of the following changes occur, the member agrees to advise the Cooperative immediately. Failure to inform the cooperative of any such changes in a timely manner shall be grounds for termination of membership.

1. Any household member moves out of the unit thereby decreasing the household size.
2. Any increase in the size of the member's household.
3. Any adult member of the household who was reported as unemployed on the most recent certification who obtains employment.
4. Any increase in the household income by more than \$200.00 per month if the member's payment was reduced due to an interim decrease in income.

The member may report any decrease in income or any change in other factors considered in calculating the member's carrying charges. If the decrease in income or change in other factors will last more than ninety (90) days, the Cooperative will request verification and if applicable, make any necessary adjustments in the member's payment.

If the member does not advise the Cooperative of any interim changes, which may cause them to pay a higher carrying charge, the Cooperative may increase the member's carrying charge payment to the HUD approved market rate. The Cooperative may do so only in accordance with the time frames and administrative procedures set forth in HUD regulations, handbooks and instruction on the administration of multi-family subsidy programs. On any certification or re-certification, the member may request to meet with a representative of the Cooperative to discuss how any change in income or other factors affected their monthly carrying charge payment. If the member requests such a meeting, the Cooperative representative agrees to meet with the member and explain how the member's payment was computed.

**ARTICLE 23. TERMINATION OF ASSISTANCE:**

If during the term of the member's occupancy, the member may qualify for and receive a member-based subsidy, then the member understands that assistance made available on his/her behalf may be terminated if any of the following events happen. Termination of assistance means that the Cooperative may make the assistance available to another member and the member's carrying charges will be recomputed. In addition, if the member's assistance is terminated because of criteria (1) (2) or (3) below, the member will be required to pay the HUD approved market rate for the unit.

1. The Member deliberately submits false information on any application, certification, re-certification, or request for interim adjustment for the purpose of obtaining a higher assistance payment or lower carrying charge payment.
2. The member does not provide the Cooperative with the information or reports scheduled or interim re-certification within ten (10) calendar days after receipt of the Cooperative's notice of intent to terminate the member's assistance payment.
3. The amount the member would be required to pay towards carrying charges and utilities under HUD rules and regulations equals the Family Gross Contribution.

The Cooperative agrees to give the member written notice of the proposed termination. The notice will advise the member that, during the ten (10) calendar days following the date of the notice, he/she may request to meet with the Cooperative's representative to discuss the proposed termination of assistance. If the member requests a discussion of the proposed termination, the Cooperative agrees to meet with the member.

Termination of assistance shall not affect the member's other rights under the Occupancy Agreement, including the right to occupy the unit. If assistance is terminated pursuant to (1) or (2) above, assistance may subsequently be reinstated if the member submits the income or other data required by HUD procedures, the Cooperative determines the member is eligible for assistance, and assistance is available.

#### **ARTICLE 24. PENALTIES FOR SUBMITTING FALSE INFORMATION**

If the member deliberately submits false information regarding income, family composition or other data on which the member's eligibility or carrying charge is determined, the Cooperative may, with HUD approval, require the member to pay the higher, HUD approved market rate for as long as the member remains in the Cooperative. In addition, the member could become subject to penalties available under Federal Law. Those penalties include fines up to \$5,000.00 and imprisonment for up to two (2) years.

#### **ARTICLE 25. NOTICES**

Whenever the provisions of law or the By Laws of the Corporation or this agreement require notice to be given to either party hereto, any notice by the Corporation to the Member shall be deemed to have been duly given, and any demand by the Corporation upon the Member shall be deemed to have been duly made if the same is delivered to the Member at his unit or 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 same in the United States mails addressed to the Member as shown in the books of the Corporation, or the President of the Corporation, as the case may be, and the time of mailing shall be deemed to be the time of giving of such notice.

#### **ARTICLE 26. ORAL REPRESENTATION NOT BINDING**

No representatives other than those contained in this agreement, the Charter and the By Laws of the Corporation shall be binding upon the Corporation.

#### **ARTICLE 27. REMEDIES**

The exercise of any of the rights or remedies as herein provided with respect to any default shall not preclude or affect the subsequent exercise of such rights or remedies at different times for different defaults. The respective rights or remedies, whether provided by this agreement or by law, or available in equity, shall be cumulative and the exercise of any one or more of such rights or remedies shall not preclude or affect the exercise, at the same or at different times, of any other such rights or remedies for the same or different defaults, or for the same or different failures of the Member to perform or observe any provision of this Agreement.

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

**MICHIGAN TRUTH IN RENTING:** Now, therefore in consideration of the mutual undertakings of the parties hereto, it is hereby agreed as follows: The Corporation shall not alter any provisions of the Occupancy agreement after its commencement without the written consent of the Member except as provided by statute or except those matters hereinafter enumerated, all of which may be made upon written notice of not less than thirty (30) days. These include changes made required by federal, state or local laws or rule or regulation, changes in rules relating to the property which are required to protect the physical health, safety or peaceful enjoyment of the members and guests, changes in amount of rental payments to cover additional cost in operating the rental premises incurred by the corporation because of increases in ad valorem property taxes, charges for the electricity, heating, fuel, water or sanitary sewer services consumed at the property or increases in premiums paid for liability, fire or workman's compensations insurance.

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

**DISCLOSURE OF INFORMATION ON LEAD-BASED PAINT AND LEAD-BASED PAINT HAZARDS**

**Lead Warning Statement**

Housing built before 1978 may contain lead-based paint. Lead from paint, paint chips, and dust can pose health hazards if not taken care of properly. Lead exposure is especially harmful to young children and pregnant woman. Before renting pre-1978 housing, landlords must disclose the presence of known lead-based paint and lead based paint hazards in the dwelling. Tenants must also receive a Federally approved pamphlet on lead poisoning prevention.

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**Lessor’s Disclosure (initial)**

\_\_\_\_\_ (a) Presence of lead-based paint or lead-based paint hazards (check on below):

- Known lead-based paint and/or lead-based paint hazards are present in the housing (Explain).

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- Lessor has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

**DISCLOSURE OF INFORMATION ON LEAD-BASED PAINT AND LEAD-BASED PAINT HAZARDS – (continued)**

\_\_\_\_\_ (b) Records and reports available to the lessor (check one below):

- Lessor has provided the lessee with all available records and reports pertaining to lead-based paint and/or lead based paint hazards in the housing (list documents below).

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- Lessor has no reports or records pertaining to lead-based paint and/or lead based paint hazards in the housing.

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**Lessee’s Acknowledgement (initial)**

\_\_\_\_\_ (c) Lessee has received copies of all information listed above.

\_\_\_\_\_ (d) Lessee has received the pamphlet *Protect Your Family from Lead in Your Home*.

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**Agent’s Acknowledgement (initial)**

\_\_\_\_\_ (e) Agent has informed the lessor of the lessor’s obligations under 42 U.S.C. 4852 (d) and is aware of his/her responsibility to ensure compliance.

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**Certrification of Accuracy**

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information provided by the signatory is true and accurate.

\_\_\_\_\_  
Lessor                                          Date

\_\_\_\_\_  
Lessor                                          Date

\_\_\_\_\_  
Lessee                                          Date

\_\_\_\_\_  
Lessee                                          Date

\_\_\_\_\_  
Agent                                          Date

\_\_\_\_\_  
Agent                                          Date

**CANTERBURY MEWS COOPERATIVE**

BY \_\_\_\_\_(SEAL)

\_\_\_\_\_  
MEMBER

\_\_\_\_\_  
MEMBER