

OCCUPANCY AGREEMENT

FOR

EL RIO MOBILE HOME PARK COOPERATIVE

Revised Draft Posted October 2020

Dear Co-Op Members:

Our Bylaws attorney's first draft of the proposed revised Occupancy Agreement and Bylaws was initially reviewed by the Board and subsequently by a committee of Board and Co-op members. During that period we also held two town halls to gather member input.

Proposed revisions were then sent back to our attorney. Most were incorporated into the document that is posted here.

The Board will begin reviewing these documents, making any final revisions, before sending it on to the membership for a vote. This review process will include public Board meetings held on Zoom, as well as what we are calling "Fireside Chats" – opportunities for conversation via Zoom and also potentially in an outdoor, socially distanced manner. We will also try to arrange a town hall via Zoom with our bylaws attorney.

Your participation is welcome and strongly encouraged. Please read through these documents and give us your feedback – either in writing to the office, during member comments at Board meetings or by email: elriofeedback@gmail.com

Thank you! --- the El Rio Board of Directors

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EL RIO MOBILE HOME PARK COOPERATIVE, INC.

OCCUPANCY AGREEMENT

This Agreement is made and entered into this ____ day of 20__ by and between the El Rio Mobile Home Park Cooperative, Inc., a California nonprofit public benefit corporation ("Cooperative"), having its principal office and place of business at 2120 N. Pacific Avenue, Santa Cruz, California 95060 and _____ ("Member"). Cooperative and Member may individually be referred to as "Party" and collectively referred to as "Parties." The Cooperative has authorized _____ (the "Manager"), whose address and telephone number are _____ to enter into this Lease Agreement (if applicable) and act on the Cooperative's behalf as provided under this Occupancy Agreement.

WHEREAS, the Cooperative has been formed for the purpose of acquiring, owning and operating a cooperative mobile home park as a limited-equity housing cooperative pursuant to Sections 817 – 817.4 of the Civil Code for low- and moderate-income persons, located at 2120 N. Pacific Avenue, Santa Cruz California.

WHEREAS, the Cooperative is governed by the Governing Instruments, the Regulatory Agreements and the Operating Rules.

WHEREAS, the Member must also comply with the Operating Rules and this Occupancy Agreement, which governs the Member's exclusive right to occupy a Space and is governed by California landlord tenant law.

WHEREAS, the Member is the owner and holder of a Membership in the Cooperative and has a bona fide intention to reside in the Park.

NOW THEREFORE, in consideration of the promises contained in this Agreement the Cooperative hereby lets to the Member and the Member hereby hires and takes from the Cooperative space number ____ ("Space"). The parking area assigned to this Space is located as depicted in the Space's parking map (the "Parking Area"). The Cooperative shall have the right to enter the Parking Area in order to enforce the Operating Rules. The Member may not park any vehicle anywhere in the Park other than their designated Parking Area unless prior permission is granted by the Cooperative. Under no circumstances may any vehicle be parked in any portion of the fire lane, nor may a Member's vehicle be parked in the Visitor Parking areas.

To have and to hold said Space unto the Member, their executors, administrators, and his/her successors in interest who become members in the manner described in the Bylaws, on the terms and conditions set forth herein and in the Governing Instruments now or hereafter adopted pursuant thereto, from the date of this Occupancy Agreement, for a one (1) year term, renewable automatically thereafter for successive one (1) year terms under the conditions provided for in this Occupancy Agreement so long as Member abides by this Occupancy Agreement and as further set forth in Article 4. The Cooperative reserves the right to amend the terms of the Occupancy Agreement upon renewal.

ARTICLE 1. DEFINITIONS

Section 1.1 "ADR" shall mean Alternative Dispute Resolution as set forth in Article 17 of the Bylaws.

Section 1.2 "Agreement" shall mean this El Rio Mobile Home Park Cooperative, Inc. Occupancy Agreement.

Section 1.3 "Articles of Incorporation" shall mean the Articles of Incorporation of the Cooperative filed with the California Secretary of State October 23, 1987 as may be amended from time to time.

Section 1.4 "Assessments" shall mean the Regular Assessments, Special Assessments, and Individual Special Assessments.

Section 1.5 "Board" or "Board of Directors" shall mean the Board of Directors of the Cooperative.

Section 1.6 "Bylaws" shall mean the First Amended and Restated Bylaws of El Rio Mobile Home Park Cooperative, Inc. dated _____, 200_.

Section 1.7 "CHRP-R Regulatory Agreement" shall mean that certain Regulatory Agreement – Number 91-HRL-M-001 California Housing Rehabilitation Program – Rental Component dated March 31, 1993 by and between HCD and the Cooperative.

Section 1.8 "Civil Code" shall have the meaning set forth in Section 10.3.

Section 1.9 "Cooperative" shall have the meaning set forth in the first paragraph of this Occupancy Agreement.

Section 1.10 "Declaration" shall mean the Cooperative's Declaration of Conditions, Covenants, and Restrictions dated _____ and recorded as document number _____ in the Santa Cruz County Recorder's office on [to be filled in when Declaration Received.]

Section 1.11 "Default" shall have the meaning set forth in Section 16.2.

Section 1.12 "Default Notice" shall have the meaning set forth in Section 17.2.

Section 1.13 "Delinquent Payment Date" shall have the meaning set forth in Section 16.2(k).

Section 1.14 "Effective Termination Date" shall have the meaning set forth in Section 17.3(a).

Section 1.15 "Governing Instruments" shall mean the Articles of Incorporation, Bylaws and Declaration.

Section 1.16 "HCD" shall mean the California Department of Housing and Community Development.

Section 1.17 "HCD Regulatory Agreement" shall mean that certain Regulatory Agreement by and between HCD and the Cooperative dated February 19, 1988 and recorded as document number 009251 in the Santa Cruz County Recorder's Office.

Section 1.18 "Health and Safety Code" shall mean the California Health and Safety Code.

Section 1.19 "Hearing" shall have the meaning set forth in Section 17.3(a).

Section 1.20 "HOME Regulatory Agreement" shall mean that certain HOME Investment Partnerships Program Regulatory Agreement recorded on August 03, 2000 as document number 2000-0037485 by and between the Cooperative and the City of Santa Cruz, California.

Section 1.21 "Individual Delivery" or "Individual Notice" shall mean delivery by one of the following methods: (1) first-class mail, postage prepaid, registered or certified mail, express mail, or overnight delivery by an express service carrier, addressed to the recipient at the address last shown on the books of the Cooperative; or (2) e-mail, facsimile, or other electronic means, if the recipient has consented, in writing, to that method of delivery. The consent may be revoked, in writing, by the recipient.

Section 1.22 "Individual Special Assessments" shall mean the individual special assessments levied by the Board pursuant to the Bylaws and due from the Member to the Cooperative pursuant to Section 2.3 of this Agreement.

Section 1.23 "Initial Term" shall mean twelve (12) months from the date of this Agreement.

Section 1.24 "Manager" shall have the meaning set forth in the first paragraph of this Agreement.

Section 1.25 "Material Default" shall have the meaning set forth in Sections 17.1(a).

Section 1.26 "Meet and Confer Program" shall mean the Meet and Confer Program set forth in Article 17 of the Bylaws.

Section 1.27 "Member" shall mean the persons holding a Membership in the Cooperative listed in the first paragraph of this Agreement and executing this Agreement as the Member.

Section 1.28 "Member's Mobile Home" shall mean the Mobile Home owned by the Member and occupying the Space.

Section 1.29 "Membership" shall mean a membership in the Cooperative.

Section 1.30 "Mobile Home" shall mean a manufactured home, park model or similar type of dwelling approved by the Cooperative for placement on a Space.

Section 1.31 "MPP" shall have the meaning set forth in Article 11.

Section 1.32 "MRL" shall have the meaning set forth in Section 10.3.

Section 1.33 "Notice of Assessment" shall have the meaning set forth in Section 2.1.

Section 1.34 "Occupancy Agreement" shall mean this El Rio Mobile Home Park Cooperative, Inc. Occupancy Agreement.

Section 1.35 "Operating Rules" shall mean the rules adopted by the Board of Directors that apply to the management and operation of the Park and the business and affairs of the Cooperative. The Operating Rules shall be in writing, reasonable, and permitted by the Governing Documents and Regulatory Agreements. The Operating Rules are governed by Article 18 of the Bylaws. A copy of the current Operating Rules is attached to this Occupancy Agreement as Exhibit A.

Section 1.36 "Park" shall mean the El Rio Mobile Home Park.

Section 1.37 "Parking Area" shall have the meaning set forth on page 1 of this Agreement.

Section 1.38 "Parties" shall have the meaning set forth in the first paragraph of this Occupancy Agreement.

Section 1.39 "Party" shall have the meaning set forth in the first paragraph of this Occupancy Agreement.

Section 1.40 "Primary Residence" shall mean the resident physically occupies their Mobile Home greater than half of each calendar year and uses their Mobile Home address to: (1) register with the Santa Cruz County Assessor to receive a Homeowner's Exemption; and (2) register with the California Department of Motor vehicles or the Santa Cruz County Department of Election. The Board may make exceptions on a case by case basis for Members whose work or travel may cause them to be gone from their Mobile Home 51% of the year or more. Members must request such exception in advance.

Section 1.41 "Regular Assessment(s)" shall mean the monthly amount due from the Member to the Cooperative pursuant to Bylaws and Section 2.1 of this Agreement.

Section 1.42 "Regulatory Agreements" shall mean the CHRP-R Regulatory Agreement, the HCD Regulatory Agreement and the HOME Regulatory Agreement.

Section 1.43 "Space" shall mean the space in the Park occupied by the Member's mobile home as identified on page 1 of this Agreement and as physically delineated by posted lot markers.

Section 1.44 "Special Assessments" shall mean the special assessments levied by the Board pursuant to Section 11.4 of the Bylaws and due from the Member to the Cooperative pursuant to Section 2.2 of this Agreement.

Section 1.45 "Suggested Hearing Date and Time" shall have the meaning set forth in Section 17.3(b).

Section 1.46 "Tax Assessor" shall have the meaning set forth in Section 2.4.

Section 1.47 "Termination Notice Response" shall have the meaning set forth in Section 17.3(d).

Section 1.48 "3-Day Notice to Pay or Quit" shall have the meaning set forth in Section 17.1 (a).

ARTICLE 2. REGULAR, SPECIAL AND INDIVIDUAL ASSESSMENTS

Section 2.1 Regular Monthly Assessments.

(a) Commencing at the time indicated in Article 3 hereof, the Member agrees to pay to the Cooperative a monthly sum referred to herein as "Regular Assessments," to be determined in conformance with the Bylaws. The amount of the Regular Assessment will be based in part on the sum required by the Cooperative, as estimated by its Board of Directors, to meet its annual expenses, as set forth in the Bylaws. The Board of Directors shall determine the Regular Assessments annually, pursuant to the Bylaws.

(b) Until further notice from the Cooperative, the monthly Regular Assessment for the Space shall be _____ Dollars (\$ _____), exclusive of utilities, property taxes, and MPP. The amount of the Regular Assessment is subject to change by the Board of Directors. The Board of Directors shall provide Members with Individual Notice of any increase in Regular Assessments at least thirty (30) days but not more than sixty (60) days prior to the increased Assessment becoming due ("Notice of Assessment"). If the Regular Assessment is increased by more than twenty percent (20%) from the previous fiscal year, such increase must be approved by a majority of the Members of the Cooperative in conformance with the Bylaws. The amount of the monthly Regular Assessment is based on the cost of maintaining the Cooperative, and shall be the same for all Members.

(c) Member agrees to pay their Regular Assessment on or before the first day of each month. Payment is to be made at El Rio's office or the office of the Manager of the Park at the address set forth in the first paragraph of this Agreement.

Section 2.2 Special Assessments. In addition to the Regular Assessments, the Member shall also pay any Special Assessments levied by the Board of Directors. Special Assessments shall be levied as provided in the Bylaws for the purpose of defraying, in whole or in part, the common expenses of the Cooperative for any fiscal year, including but not limited to unanticipated delinquencies, costs of construction, unexpected repairs or replacement or reconstruction of capital improvements in or on the Park. No Member shall be charged with more than their equal share of any Special Assessments as determined by the Board of Directors. Special Assessments are governed by the Bylaws.

Section 2.3 Individual Special Assessments. The Member shall also pay any Individual Special Assessment levied by the Board of Directors. Individual Special Assessments shall be levied as provided in the Bylaws for the purpose of reimbursing the Cooperative for costs incurred in performing repairs on the Member's Space which the Member is responsible for pursuant to the Bylaws and this Agreement. Members shall pay all costs related to collection of Individual Special Assessments.

Section 2.4 Property Taxes. If property taxes are owed, the Member shall pay their proportional share of the property taxes as determined in accordance with the annual schedule of property taxes prepared by the Tax Assessor for the County of Santa Cruz (the "Tax Assessor"). The Cooperative shall bill the Member for the property taxes on a semi-annual basis, providing the Member with a copy of the schedule prepared by the Tax Assessor. It is the Member's responsibility, upon acceptance of a Certificate of Membership and execution of this Agreement, to file with the Tax Assessor change of ownership information as required by law and to apply upon request for a homeowner's tax exemption.

Section 2.5 Late Charges and Other Costs in Case of Default. Assessments are delinquent if not paid within fifteen (15) days after they become due. In addition to the other sums that have become or will become due, pursuant to the terms of this Agreement, if an Assessment is delinquent, the Member shall pay to the Cooperative a late charge not to exceed ten percent (10%) of the delinquent Assessments or ten dollars (\$10.00), whichever is greater. In addition to late charges imposed on delinquent Assessments, Member shall pay all reasonable costs incurred by the Cooperative in collecting the delinquent Assessments, including reasonable attorneys' fees and interest on all sums due, including the delinquent Assessments at twelve percent (12%) annual interest commencing thirty (30) days after the Assessments becomes due.

In the event either party to this Occupancy Agreement institutes legal action against the other party to interpret or enforce this Occupancy Agreement or to obtain damages for any alleged breach of this Occupancy Agreement or to enforce payment of any late charges pursuant to this Article, the prevailing party in such action shall be entitled to an award of reasonable attorneys' fees and other costs of suit.

ARTICLE 3. COMMENCEMENT OF PAYMENT OF REGULAR ASSESSMENTS

The Member shall make the first payment on their Regular Assessment out of escrow. The first payment will be for a full monthly Regular Assessment, assuming a thirty (30) day month, starting on the date the Member accepts occupancy as determined by the date set forth in the first paragraph of this Occupancy Agreement. If the Member accepts occupancy on a date that is not the first of the month, the first Regular Assessment shall be prorated starting on the date after the expiration of the first thirty (30) days through the end of the first month. Thereafter, the Member shall pay their Regular Assessment as specified in Section 2.1, on or before the first day of each month.

ARTICLE 4. MEMBER'S OPTION TO TERMINATE

The term of occupancy shall be continuously and automatically extended and renewed at the expiration of the initial term on a year-to-year basis, or for additional periods as determined by the Board of Directors and Member. All extensions and renewals shall be upon the terms and conditions set forth in the Governing Instruments and Operating Rules and in any amendments thereto.

The Member may elect to terminate this Agreement by complying with the Bylaws including, but not limited to, the provisions contained in Section 4.7 of the Bylaws entitled "Transfer of Membership". Upon termination, the Member shall leave the Space in a good state of repair, excepting normal wear and tear.

ARTICLE 5. OCCUPANCY LIMITED TO MEMBER AND IMMEDIATE HOUSEHOLD

Occupancy of the Space under this Occupancy Agreement is limited to the Member and the following named members of their household:

<u>Name</u>	<u>Relationship</u>
_____	_____
_____	_____
_____	_____

The Cooperative recognizes the right of the Member to entertain guests or visitors, provided, however, that the Member shall not allow guests or visitors to remain for a period longer than thirty (30) consecutive days in a calendar year without the written consent of the Board or the Board's designated representative. Guests and visitors shall not be considered occupants of El Rio Mobile Home Park Cooperative.

Additional occupants of the Space must have the approval of the Board or the Board's designated representative, must be registered with the office and must submit to a criminal background check as part of the approval process. If approved, the occupant must be listed in this Article 5 of the Occupancy Agreement. New occupants will receive a copy of the Occupancy Agreement and Operating Rules and are required to comply therewith. The Member shall inform the Board or the Board's designated agent when a listed occupant no longer resides with the Member.

Notwithstanding the occupants listed above, only _____ is/are a Member(s) of the Cooperative.

ARTICLE 6. PREMISES TO BE USED FOR RESIDENTIAL PURPOSES ONLY

The Member shall occupy the Space covered by this Occupancy Agreement with a private Mobile Home as their Primary Residence for themselves and their immediate household (as listed above in Article 5) and for no other purpose. Along with the other Members of the Cooperative, the Member may enjoy the use of all community property and facilities of the Park so long as they continue to own a Membership in the Cooperative, occupy their Space with a private Mobile Home as their Primary Residence, and abide by the terms of the Occupancy Agreement. Members may not rent their spaces, homes, or rooms in their homes for commercial purposes including but not limited to vacation or other short-term rentals of a similar nature, or to members of the public for business purposes.

The Member shall not permit or cause anything to be done or kept upon the premises which will increase the rate of insurance for the Park, or its contents, or that will obstruct or interfere with the rights of other occupants or that will unreasonably annoy them. The Member will not commit or permit any nuisance or illegal act to be committed on the premises. The Member shall comply with all of the requirements of all governmental authorities with respect to the premises.

If, by reason of the occupancy or use of the premises by the Member, the rate of insurance of the Park shall be increased, the Member shall become personally liable for the additional insurance premium.

As used in this Article, the term "Member" includes the Member and all persons belonging to Member's immediate household listed in Article 5, and all guests or invitees of Member.

ARTICLE 7. SUBLEASING

The Member hereby agrees not to sublet their Space or Mobile Home without the written consent of the Board of Directors. Approval by the Board will be conditioned upon compliance with the Governing Instruments and Operating Rules. The Board may add reasonable additional special conditions. Any subleasing in violation of this Occupancy Agreement shall, at the option of the Cooperative, result in the forfeiture of the Member's rights under this Occupancy Agreement. The liability of the Member under this Agreement shall continue notwithstanding the fact that they may have sublet the Space with the approval of the Cooperative. The Member shall continue to be liable for all obligations hereunder and shall be responsible to the Cooperative for the conduct of their sub-lessee.

ARTICLE 8. MEMBER'S RIGHT TO PEACEABLE POSSESSION

In return for the Member's continued compliance with the terms and conditions of this Occupancy Agreement, the Cooperative agrees that the Member may at all times, while this Occupancy Agreement remains in effect, have and enjoy for their sole use and benefit, the Space described above, and may enjoy in common with all other Members of the Cooperative the use of all community property and facilities of the Park. Notwithstanding the foregoing, the use and

benefit of the Space must at all times be in compliance with the Governing Documents and Operating Rules.

ARTICLE 9. TRANSFERS AND ASSIGNMENTS

Neither this Occupancy Agreement nor the Member's right of occupancy shall be transferable or assignable except as provided by the Bylaws of the Cooperative.

ARTICLE 10. OPERATING RULES AND REGULATIONS

Section 10.1 Promotion of Cooperative's Principles. The Member covenants that they will preserve and promote the Cooperative's ownership principles on which the Cooperative was founded. The Member further covenants to act in cooperation with the other Members to bring about for themselves and their co-members a high standard in home and community conditions.

Section 10.2 Compliance With Governing Instruments, Operating Rules and This Occupancy Agreement. The Member and all occupants, guests, roommates, or invitees of the Member's Mobile Home shall comply with the provisions of this Occupancy Agreement, the Governing Instruments, and the Operating Rules. The provisions of the Occupancy Agreement and the Operating Rules may be amended from time-to-time by the Board of Directors. The Governing Instruments may be amended from time-to-time by the Members.

Section 10.3 Applicability of Mobile Home Residency Law. Pursuant to California Civil Code (the "Civil Code") Section 799.1, the Member's occupancy in the Park is not covered by or subject to Articles 1 through 8 of the Mobile Home Residency Law (the "MRL," Civil Code Section 798 et seq.). The Cooperative may, however, opt to utilize portions of the MRL at its sole discretion.

ARTICLE 11. MEMBERSHIP PARTICIPATION PROGRAM

In order to keep the Park operating costs down, and in the spirit of a cooperative, each Member household shall participate in activities that benefit both the Park's common infrastructure and other Members. Each Member household must donate two (2) hours a month toward the betterment of the Cooperative and other Members or pay a monthly fee. A list of current Membership Participation Program ("MPP") tasks assigned and available for assignment are posted. MPP tasks not on the list require approval from the MPP coordinator or other Board designee. Excess hours worked in any given month can be accrued and "banked" for a later date. Members shall direct questions regarding the MPP to the MPP coordinator or the Manager. To avoid a monthly fee, Members must submit MPP forms to the office, separate from any other items, according to the schedule established by the Board. Sublessees may contribute two (2) hours per month toward MPP. The MPP requirement may be waived if no one in a Member's household is able to contribute work due to a medical or disabling condition. In such event the Member is required to submit an MPP exemption form to the Board for approval.

ARTICLE 12. MANAGEMENT, TAXES AND INSURANCE

Section 12.1 Management, Taxes and Insurance. The Cooperative shall provide necessary management, operation, and administration of the Park; pay or provide for the payment of all property taxes or assessments levied against the Park; procure and pay or provide for the payment of fire insurance and extended coverage as required under the terms of any approved loans on the property in the Park, and such other insurance as the Cooperative may deem advisable on the property in the Park. The Cooperative will not provide insurance on the Member's Mobile Home or personal property.

Section 12.2 Effect of Fire Loss on Interest of Member. In the event of loss or damage by fire or other casualty to a Space without the fault or negligence of the Member, the Cooperative shall determine, if feasible, when to restore the damaged Space (but not the Mobile Home) and shall further determine, in the event such Space shall not be restored, the amount that shall be paid to the Member to redeem the Membership of the Member. If, under such circumstances, the Cooperative determines to restore the Space, Regular Assessments shall be abated wholly or partially as determined by the Cooperative until the Space has been restored. If the Cooperative determines not to restore the Space, the Regular Assessments shall cease from the date of such loss or casualty.

ARTICLE 13. UTILITIES AND RELATED SERVICES

Section 13.1 Common Areas. The Cooperative shall provide water, electricity, sewer, and gas to the common areas of the Park in such amounts as it deems reasonable for the proper maintenance and use of such areas. The cost of utilities and services related to the common areas will be the responsibility of the Cooperative but will be charged to the Members through the Regular Assessment.

Section 13.2 Individual Spaces. The Cooperative shall provide water, electricity, sewer, and gas to each Individual Space. The Member will be charged by the Cooperative for their use of water, electricity, and gas according to the amount of usage indicated on the submeter.

Section 13.3 Member's Responsibility. The Member is responsible for contracting and paying directly for cable television, telephone, and internet service for their Mobile Home.

ARTICLE 14. REPAIRS

Section 14.1 By Member. Each Member shall be responsible for the repair and maintenance of their Mobile Home and of their own Space, including removal of debris.

The Member shall be responsible for the repair of common area of the Park if:

(a) Any repairs, replacements or maintenance are necessitated by the Member's negligence or misuse, or that of other occupants of the Member's Space, or that of Member's guests or invitees; and

(b) Any repairs, maintenance or replacements are required pursuant to this Occupancy Agreement or the Bylaws.

Section 14.2 By Cooperative. Except for as provided in Section 14.1, the Cooperative shall provide and pay for all necessary repairs, maintenance and replacements of the premises and fixtures not within the Member's Space. In addition, the Cooperative shall pay for all necessary repairs, maintenance, and replacements of electrical, gas, and plumbing fixtures located outside of the Member's home, up to and including those located on the utility pedestal and up to but not including the plumbing cleanout. In the clubhouse area and laundry room, the Cooperative shall pay for all necessary repairs, maintenance, and replacements of electrical, gas, and plumbing fixtures as well as all furnishings and all major systems, such as roof, exteriors, structural elements, and windows.

The Manager of the Park shall have the right to authorize entry into the Member's Mobile Home for an emergency only. The Manager of the Park must obtain permission from the Member when access to their Space is needed to undertake necessary or agreed upon repairs, maintenance, and replacements by Cooperative employees, management employees, or by employees of any contractor, utility company, governmental agency, or others for such purposes. In such event, unless the Member consents at the time of entry, such entry shall be made only upon 24-hours written notice and during normal business hours, except in the event of an emergency, whereupon the above individuals may enter the Member's Mobile Home upon direction of the Manager or other authorized representative of the Cooperative without prior notice or consent for the limited purposes of correcting the emergency situation or making emergency inspection. The Member may revoke the consent in writing at any time.

Section 14.3 Right of the Cooperative to Make Repairs at Member's Expense. In case the Member shall fail to effect the repairs, maintenance, or replacements specified in Section 14.1 in a manner satisfactory to the Cooperative, the Cooperative may do so and add the cost thereof to the Member's next month's payment, as an Individual Special Assessment, as provided in this Agreement and the Bylaws. Prior to performing such repairs, the Cooperative shall serve upon the Member notice of the Member's responsibility to perform such repairs. Said notice shall provide the Member with seven (7) days in which to complete the repairs prior to the Cooperative making the repairs, except in cases of health hazard, fire hazard or emergency, in which case the Cooperative's notice may provide a lesser reasonable time after service of notice upon the member for the Member to perform such repairs. If the Member fails to make repairs within the time stated in the notice, the Cooperative shall have the right to enter the Member's Space and complete all necessary repairs and maintenance. Upon receipt of a request in writing from a Member for a reasonable extension of time for cause, the Board of Directors may grant additional time to repair.

ARTICLE 15. ALTERATIONS AND ADDITIONS

The Member shall not, without the written consent of the Cooperative, make any improvements or structural alterations in their Space or in the water, gas, plumbing, electrical conduits, or other fixtures connected therewith.

If the Member for any reason shall cease to be an occupant of the Space, they shall surrender the Space to the Cooperative, including any alterations, additions, fixtures and improvements. The Member must correct any alterations or improvements made to the Space by the Member without proper authorization of the Cooperative or the Cooperative will correct same at Member's expense.

Park infrastructure located in the ground on a Member's lot (sewer, water pipes, electrical) is the responsibility of the Cooperative. Everything placed on the lot by the Member (e.g. pavers, landscaping, decks, garden boxes, sheds etc.) is the responsibility of the Member.

Members should be aware that landscaping may need to be disturbed or items moved in order to repair park infrastructure under the ground. In the event this becomes necessary, the Cooperative must give Member notice at least 24 hours in advance except in the event of an emergency as determined by the Manager, or where the Member has abandoned or surrendered the premises. Member is responsible for moving such items and putting them back in place. The Cooperative will be responsible for returning the ground to its preexisting state.

Altering lot markers or their locations requires a permit from HCD. Members may not hide markers from view with landscaping or structures.

ARTICLE 16. DEFAULT BY MEMBER

Section 16.1 Landlord/Tenant Relationship. The Parties mutually agree that there exists a landlord/tenant relationship between the Cooperative and Member in that the Cooperative, through the provisions of this Occupancy Agreement, is providing Member with the right to use the Space on which to locate the Member's Mobile Home, the Parking Space and the facilities and services within the Park. In the event of a breach or threatened breach by the Member of the provisions of any of the Governing Instruments, the Operating Rules, or this Occupancy Agreement, there shall be available to the Cooperative such legal remedies as are available to a landlord for a breach or threatened breach under the law by a tenant, including specific performance.

Section 16.2 Default. The Parties mutually agree that the occurrence of one or more of the actions listed below shall constitute a default ("Default") by the Member:

- (a) The Member ceases to be the owner and legal holder of a Membership of the Cooperative.
- (b) The Member voluntarily files or has involuntarily filed against them any petition of bankruptcy or insolvency, or the Member makes a general assignment of the Membership or the Membership certificate for the benefit of creditors.
- (c) The Member's Mobile Home is foreclosed upon.
- (d) A receiver is appointed to the Member's property under any of the laws of the United States or of any state.
- (e) The Membership owned by the Member is duly levied upon and sold under the process of any Court.

(f) Failure of the Member or other resident of the Member's Mobile Home to comply with a local ordinance or state law or regulation relating to mobile homes within a reasonable time after the Member or other resident receives a notice of noncompliance from the appropriate governmental agency or the Cooperative.

(g) Conduct by the Member or other resident of the Member's Mobile Home, upon the Park premises, which constitutes a substantial annoyance to other Members or residents.

(h) The Member fails to pay any charge which, if not paid, could become a lien against the Park.

(i) The Member fails to comply with the Governing Instruments, the Operating Rules or this Occupancy Agreement, including occupying their Mobile Home as their Primary Residence.

(j) The Member fails to truthfully and/or adequately disclose information which is relevant and material to Member's compliance with the terms and conditions of the Governing Instruments, the Operating Rules or this Occupancy Agreement. The Member's duty to truthfully disclose applies to all information relevant and material from the initial application and includes a continuing duty to provide current information of any change in circumstance.

(k) The Member fails to pay Assessments and associated fees, utility charges, property taxes, or reasonable incidental service charges, provided that the amount due has been unpaid for a period of at least fifteen (15) days from its due date (the "Delinquent Payment Date").

ARTICLE 17. PROCEDURE UPON DEFAULT

Section 17.1 Procedure Upon Default of Assessment and Related Charges

(a) Upon failure of the Member to pay the Assessment or associated fees, utility charges, property taxes, or reasonable incidental service charges ("Related Charges"), the Cooperative will send a notice to the Member of delinquency and offer a payment plan. If the letter is ignored or the Member fails to respond and the Member has failed to cure the Default, the Cooperative will offer the Member a meeting pursuant to the Meet and Confer Program. If the Member does not accept the Cooperative's offer of a meeting pursuant to the Meet and Confer program within three (3) calendar days of receipt of the offer, or does not cure the Default within that time frame, the Member shall be given a 3-day notice to Pay or Quit, which shall state the amount due and specify that the Member has three (3) days to pay the amount due or shall vacate the Park. The 3-Day Notice to Pay or Quit shall be in lieu of the Default Notice described below, and shall be given to the Member in the manner prescribed by Section 1162 of the California Code of Civil Procedure. If the Member does not cure the Default within the time frame set forth in the 3-day Notice to Pay or Quit, the Default shall be considered a material default ("Material Default") and the Cooperative shall send a notice of a hearing with the Board of Directors. If a resolution is not reached through the hearing with the Board of Directors, the Board of Directors may proceed with the termination of the Membership and may commence eviction proceedings in accordance with the procedures set forth in Section 17.3.

If the Member does timely request a meeting pursuant to the Meet and Confer Program, but a resolution is not agreed upon through the Meet and Confer Program, the Cooperative shall offer ADR (as defined in Section 17.4 of the Bylaws), when feasible, pursuant to the process described in Article 17 of the Bylaws. If the Member does not timely accept the Cooperative's offer to engage in ADR or if a resolution is not agreed upon through ADR, the Default shall be considered a Material Default and the Cooperative shall send a notice of a hearing with the Board. If a resolution is not reached through the hearing with the Board, the Board may proceed with the termination of the Membership and may commence eviction proceedings in accordance with the procedures set forth in Section 17.3.

Within ten (10) days after the 3-Day Notice to Pay or Quit has been delivered to the Member, unless the Member has cured the Default, a copy of the 3-Day Notice to Pay or Quit shall also be sent to any individual or entity with a security interest in the Mobile Home, as specified in Civil Code Section 798.55(b).

(1) Payment by the Member prior to the expiration of the 3-Day Notice to Pay or Quit shall cure a Default under this subsection. In the event the Member does not pay prior to the expiration of the 3-Day Notice to Pay or Quit, the Member will be in Material Default and shall remain liable for all payments due up until the time the Membership and tenancy are terminated and a new Member has replaced the defaulting Member.

(2) Payment by the legal owner, any junior lien holders or the registered owner on behalf of the Member prior to the expiration of thirty (30) calendar days following the mailing of the 3-Day Notice to Pay or Quit to the legal owner, each junior lien holder, and the registered owner, as provided in Civil Code Section 798.55(b), shall cure a Default under this subsection with respect to that payment.

Section 17.2 Procedure Upon Default and Determination of Material Default. Upon the occurrence of a Default, other than a Default pursuant to Section 17.1 for failure to pay Assessments and Related Charges which shall be governed by that section, the Cooperative shall provide written notice to the Member (the "Default Notice") stating the basis of the Default, setting forth at least a 7-day timeline by which the Default must be cured. The Default Notice shall be given by Individual Delivery. If the Default Notice is ignored or the issue has not been resolved, the Cooperative shall send the Member a notice to offer a meeting pursuant to the Meet and Confer Program described in Article 17 of the Bylaws.

(a) The Member shall have seven (7) calendar days from the date of actual receipt of the notice of the offer to meet and confer (if given by mail, actual receipt shall be presumed to be five (5) days after mailing; posting on the door of the Mobile Home shall be considered actual notice) within which to accept Cooperative's offer to participate in the meeting pursuant to the Meet and Confer Program.

(b) If the Member does not timely accept the Cooperative's offer to participate in the meeting pursuant to the Meet and Confer Program, the Default shall be considered a Material Default and the Cooperative shall send the Member a notice of hearing with the Board of Directors. If a resolution is not reached through the hearing with the Board of Directors, (i) the Board of Directors may assess a monetary fine or penalty for the Member to pay or (ii) the Board

of Directors may proceed with the termination of the Membership and commence eviction proceedings and other litigation. If the Board of Directors assesses a monetary fine or penalty for the Member to pay, the Member may request ADR.

(c) If the Member timely accepts the Cooperative's offer to participate in the Meet and Confer Program but a resolution is not agreed upon, the Cooperative shall offer ADR, when feasible, pursuant to the process described in Article 17 of the Bylaws.

(d) If the Member does not timely accept the Cooperative's offer to engage in ADR or if a resolution is not agreed upon through ADR, the Default shall be considered a Material Default and the Member will have a hearing with the Board of Directors. If a resolution is not reached through the hearing with the Board of Directors, (i) the Board of Directors may assess a monetary fine or penalty for the Member to pay or (ii) the Board may proceed with the termination of the Membership and commence eviction proceedings and other litigation.

Section 17.3 Membership Termination Proceedings. Upon a Member's Material Default, the Cooperative may terminate a Member's rights under this Agreement pursuant to the procedures set forth below:

(a) The Member shall be provided with a written notice (the "Membership Termination Notice") of the proposed termination, at least fifteen (15) calendar days prior to the proposed date of termination (the "Effective Termination Date").

(b) The Membership Termination Notice shall contain: (i) a statement of the reasons for the termination; (ii) the Effective Termination Date; (iii) an explanation of the Member's right to address the Cooperative, either orally or in writing, at a hearing (the "Hearing") to be held by the Board of Directors; (iv) a suggested date and time for the Hearing, which shall be no fewer than five (5) days before the Effective Termination Date (the "Suggested Hearing Date and Time"); and (v) the name and address of the person to whom the Termination Notice Response (as defined below) should be addressed.

(c) The Membership Termination Notice shall be given by Individual Delivery.

(d) The Member shall have seven (7) calendar days from the date of actual receipt of the Member Termination Notice (if given by mail, actual receipt shall be presumed to be five (5) days after mailing; posting on the door of the Mobile Home shall be considered actual receipt) within which to provide, in writing, confirmation to proceed with the Hearing on the Suggested Hearing Date and Time or, if such date and time do not work for the Member, to provide three alternative dates and times, which dates shall be within five (5) calendar days of the Suggested Date and Time (the "Termination Notice Response").

(e) The Termination Notice Response shall be provided to the person or entity specified in the Membership Termination Notice at the address specified in the Membership Termination Notice. The Termination Notice Response may also request that such Hearing take place in an executive session of the Board. Failure to respond in writing to the Membership Termination Notice as provided in this paragraph within seven (7) calendar days of actual receipt of the Membership Termination Notice shall be deemed a waiver of the Hearing and the Member's Membership termination shall be effective as of the Effective Termination Date.

(f) If the Member provides a Termination Notice Response, a second notice confirming the date and time of the Hearing, as well as the location and procedures governing the Hearing, shall immediately be delivered to the Member and the Effective Termination Date set forth in the Notice of Termination shall no longer be applicable.

(g) The Hearing shall afford the Member the basic safeguards of due process which shall include, but not necessarily be limited to:

(1) At the expense of the Member, the right to examine and copy prior to the Hearing all documents and records of the Cooperative that are relevant to the Hearing and not privileged;

(2) The right of the Member to be invite up to ten (10) persons, which may include an attorney.

(3) The right to present evidence and arguments in support of their position, to controvert evidence relied on by the Cooperative, and to confront and cross-examine all witnesses testifying at the Hearing; and

(h) Within seven (7) calendar days after the Hearing, the Board shall prepare a written decision detailing the disciplinary action or termination (including the new Effective Termination Date), together with supporting reasons (the "Hearing Determination Letter") The Board's decision to terminate a Membership requires a majority of affirmative votes of the Board with no more than two (2) dissenting. A copy of the Hearing Determination Letter shall be served on the Member in the same manner as the Membership Termination Notice.

(i) If a Membership is terminated pursuant to a Hearing Determination Letter, or if the Member fails to submit a Termination Notice Response pursuant to a Notice of Termination, Member shall deliver to the Cooperative their Membership certificate and Occupancy Agreement endorsed in such manner as may be required by the Cooperative, and vacate the Park by the Effective Termination Date. If the Member does not voluntarily vacate the Park, the Cooperative may commence eviction proceedings. If the Member does not deliver their Membership certificate and vacate the Park as required, the Cooperative may initiate unlawful detainer proceedings, pursuant to Civil Code Section 798 et seq.

(j) Upon the surrender of a Membership certificate and Occupancy Agreement by the Member, the Cooperative shall thereupon, at its election, either (1) purchase the Membership or (2) proceed with reasonable diligence to affect a sale of the Membership to a purchaser at a sales price acceptable to the Cooperative. The retiring Member shall be entitled to receive the Transfer Value, less: any amounts due to the Cooperative from the Member under the Occupancy Agreement or otherwise; the cost or estimated cost of all deferred maintenance, repairs and replacements as are deemed necessary by the Cooperative to place the Space in suitable condition for another occupant; and legal and other expenses incurred by the Cooperative in connection with the default of such Member and the resale of their Membership.

(k) In the event the retiring Member for any reason should fail for a period of ten (10) days after demand to deliver to the Cooperative their endorsed Membership Certificate, said

Membership Certificate shall forthwith be deemed to be cancelled and may be reissued by the Cooperative to a new purchaser.

(l) Nothing in this Article shall waive or destroy the Cooperative's lien remedy rights established in the Bylaws and Civil Code Section 5650 et seq. for defaults for failure to timely pay Assessments.

(m) The Member hereby expressly waives any and all right of redemption in case they shall be dispossessed by judgment or warrant of any court or 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 Cooperative 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.

(n) The failure on the part of the Cooperative to avail itself of any of the remedies specified herein shall not waive or destroy the right of the Cooperative to avail itself of such remedies for similar or other breaches on the part of the Member.

(o) The Cooperative will extend a right to sell the Mobile Home within an expedited time frame, and may delay eviction on a case-by-case basis. If the Member fails to sell their Mobile Home, or fails to remove their Mobile Home after Membership has been terminated and, if required, eviction procedures have concluded, the Member's Mobile Home will be deemed abandoned as of the first day the Member's Mobile Home is vacated after the Membership is terminated. The Cooperative may then follow the rules set forth in the MRL for abandoned mobile homes (Civil Code Section 798.61), starting with the posting of the thirty (30) day notice, to facilitate the removal of the Member's Mobile Home.

Section 17.4 Default Notice Requirement. If any Member with an outstanding share Loan from the Share Lender is in default under any provision of the Governing Instruments or Operating Rules of the Cooperative or under the Occupancy Agreement, and the default is not cured within the required time period after written notice to that Member, the Cooperative shall give written notice of such default to the Share Lender. The Share Lender, at its option may cure such default, but is under no obligation to do so, and the Cooperative will recognize such cure by the Share Lender as if personally performed by the Member.

ARTICLE 18. ENTRY AND INSPECTION OF SPACE

The Member agrees that the representatives of any mortgagee holding a mortgage on the property of the Cooperative, the officers and employees of the Cooperative, the employees of any managing agents, and, with the approval of the Cooperative, the employees of any contractor, utility company, or governmental agency, or other person shall have the right to enter the Space, but not the Mobile Home of the Member for the purpose of making inspections at any reasonable hour of the day, provided, however, that, unless the Member consents at the time of entry, such entry shall be made only upon 24-hour written notice and during normal business hours, except in the event of an emergency as determined by the Manager, or where the Member has abandoned or surrendered the premises. Members who lock their gates agree that the Cooperative, Management and other emergency responders are not responsible for any damages

incurred to the Space and/or Mobile Home while gaining access to the Member's Space during an emergency.

ARTICLE 19. SUBORDINATION CLAUSE

Notwithstanding any provisions in this Agreement to the contrary, the provisions of this Occupancy Agreement and the rights and duties of the parties hereto, including any persons who may subsequently become bound hereby, shall be subject to and subordinate to the provisions of any promissory note or deeds of trust that may at any time hereafter be placed on the property of the Cooperative. The Member hereby agrees to execute at the Cooperative's request and expense, any instrument that the Cooperative or any lender may deem necessary or desirable to effect the subordination of this Occupancy Agreement to any such mortgage or deed of trust, and the Member hereby appoints the Cooperative and each and every officer thereof, and any future officer, their irrevocable attorney-in-fact, during the term hereof to execute any such instrument on behalf of the Member.

ARTICLE 20. ABANDONMENT OF DWELLING UNIT

In the event Member is absent from the Member's Mobile Home and Space for ninety (90) consecutive days while in default of monthly Regular Assessments, the Member shall, at the option of the Cooperative be deemed to have abandoned the dwelling unit, and any remaining personal property of the Member or other occupants shall be considered abandoned and may be disposed of by the Cooperative according to state law.

ARTICLE 21. ORAL REPRESENTATION NOT BINDING

No representations other than those contained in this Occupancy Agreement, the Governing Instruments of the Cooperative shall be binding upon the Cooperative.

ARTICLE 22. SEVERABILITY

The provisions of this Occupancy Agreement shall be deemed independent and severable, and the invalidity of a portion shall not affect the validity of enforcement of any other provision.

In witness whereas the parties hereto have caused this Agreement to be signed the date first above written.

COOPERATIVE:

El Rio Mobile Home Park Cooperative, Inc.,
a California nonprofit public benefit corporation

By: _____

Title: _____

MEMBER:

By: _____
Name: _____

By: _____
Name: _____

