—PROPRIETARY LEASE—
(Occupancy Agreement)

PARTIES:

COTTAGE VILLAGE COOPERATIVE, an Oregon cooperative corporation ("CVC")
_____ ("Member")

EFFECTIVE DATE: _____, 20____ (the "Effective Date")

RECITALS:

A. CVC is leasing the land and buildings described on Exhibit A, known as Cottage Village Cooperative, and by street numbers 1402-1424 E. Madison Street, Cottage Grove, OR 97424, from SquareOne Villages under a Real Property Lease dated September 17, 2020.

B. CVC is a cooperative corporation formed for the purpose of providing affordable and sustainable housing for people with very low-incomes through tiny houses that are safe, livable, and affordable within a community setting. Each of the 14 dwelling units on the property are designated by number.

C. Member holds a membership interest in CVC, and has the right to occupy one of its dwelling units under the terms and conditions set out in this lease, the Articles of Incorporation and Bylaws of CVC, and any other rules, regulations, or policies the cooperative adopts.

AGREEMENTS:

1. **LEASE OF PREMISES.** CVC leases to Member dwelling unit _____ (the "unit"). As used in this lease, the "unit" means the entire interior and exterior of the building designated by the mentioned letter, together with their accessories and fixtures, and specifically including any porches, roofs, or portions outside the building that are allocated exclusively to the occupant of the unit.

2. **TERM.** This lease begins on the Effective Date and continues as long as the Member holds a membership interest in CVC, unless sooner terminated as provided in this lease.

3. **MONTHLY CARRYING CHARGES (RENT)**

3.1. During the continuance of this lease, Member shall be liable for the monthly carrying charge (as rent) determined in the manner set forth in the bylaws of CVC.

3.2. The carrying charge for the unit is $_____ per month, payable in advance on the first day of each month. CVC may increase or decrease the amount of the carrying charge due (and under other proprietary leases) each January and July, but only upon 90 days prior written notice; provided that, the monthly carrying charge will remain affordable to people earning very low-incomes (50% of the area median income), where affordable means housing costs do not exceed 30% of 50% of the area median income.

3.3. Member will pay all carrying charges to CVC on the terms and at the times provided, without any deduction on account of any set-off or claim that Member may have against CVC. CVC will not accept partial payments of the carrying charge unless other written arrangements have been made in advance. If Member shall fail to pay any installment of the carrying charge within 7 days from when due, Member shall pay a late fee of $25, and such fee shall be deemed additional rent.

4. **USE AND OCCUPANCY.** Member may use the unit for residential purposes only. These units are intended to serve as the sole domicile of the member(s) residing at CVC in order to provide a safe haven and shelter at night. No more than the _____ individuals may occupy the unit, and all adults occupying the unit must be listed as Member above. Member shall not, without the written consent of CVC on such conditions as CVC may prescribe, occupy or use the unit or permit any part of the unit to be occupied or used for any purpose other than as the private dwelling for Member and their children or grandchildren that are under the age of 26. No guests are allowed for any period longer than 14 days, unless otherwise approved by CVC, and Member is responsible for ensuring that all guests comply with the terms of this lease, the rules and regulations and all other requirements applicable to lessees at CVC.

5. **PAYMENT OF UTILITIES AND LIENS.** CVC shall arrange for and pay for the following utilities and services to the unit: garbage service, water, and sewer. Member must pay for electricity directly, and must maintain electric service to the unit at all times. Member shall not use an unreasonable amount of any common utilities or services. If CVC determines that Member is using an unreasonable amount of any common utilities or services, then CVC may either require Member to curtail the Member's use, or require Member to pay an additional fee, as reasonably determined by CVC, to cover the

excess use, with such fee being additional carrying charge.

6. **PERSONAL PROPERTY.** This lease includes a refrigerator, a hot water heater, other personal property, and built-in fixtures present in or on the unit and belonging to CVC. Member shall not remove the refrigerator, hot water heater, range, or other personal property belonging to CVC, and/or built-in fixtures during or after the term of this lease.

7. **MAINTENANCE AND REPAIRS BY CVC.** CVC, at its own expense, shall maintain, repair and replace, as needed, structural components and exteriors of the units, the common areas, including the out areas, parking areas, sidewalks, and landscaped and lawn areas located on the property, excepting only those portions the maintenance, repair and replacement which are expressly stated to be the responsibility of Member under this lease. CVC shall be responsible for repairing or replacing in the unit windows, window panes, window frames, sills, doors, frames, the refrigerator and hot water heater (the “Appliances”), exterior door locks, all other personal property belonging to CVC, plumbing, gas and electrical wiring up to the point of entry to the unit, and heating fixtures and related equipment, excepting only those portions the repair and replacement which are expressly stated to be the responsibility of Member under this lease. CVC’s obligation to repair or replace shall arise only upon receipt of written notice from Member, and CVC shall have a reasonable period of time after receipt of such notice to commence and complete such repairs or replacements.

8. **REPAIRS BY LESSEE.** Member shall maintain and keep the interior of the unit, including interior walls, floors, and ceilings, windows, window panes, window frames, sashes, sills, doors, frames, all other personal property belonging to CVC, plumbing, gas and electrical wiring within the unit, plumbing fixtures, lighting, electrical fixtures, lighting fixtures (including replacing light bulbs), and related equipment, in good repair. Member shall do all painting and decorating required in the unit, including the interior of window frames, sashes, and sills. Member is solely responsible for maintaining, repairing and replacing any personal property of Member.

9. **DAMAGE BY LESSEE.** Notwithstanding anything to the contrary in this lease, Member is responsible for the cost of maintenance, repair or replacement of any item when the need for such maintenance, repair or replacement arises out of negligence or willful misconduct of Member or Member’s pets, occupants, guests, permitted occupants, or invitees. CVC shall determine whether CVC will complete the maintenance, repair or replacement and invoice Member for such cost, or require Member to complete the maintenance, repair or replacement at Member’s sole cost, and in any case with such obligation to be a carrying charge payment obligation under

this lease.

10. **LESSEE OBLIGATIONS.**

10.1. Member shall not permit unreasonable odors to escape from the unit. Member shall not permit any unreasonable noises or vibrations or anything else that would interfere with the rights of, or unreasonably annoy, other Members. Member shall not obstruct the common walks. Member shall not store any items or permit any storage outside of the unit.

10.2. Member shall ensure the exterior of their unit has a clean appearance (e.g. no cigarette butts, dead plants, garbage, bottles, etc.). Only furniture designed for outdoor use and in good condition may be kept outside the unit on the patio. Member shall not affix tarps or any other materials to their unit in order to create storage space. Only screening materials designed to provide shade that are in good condition and neat in appearance may be affixed to the exterior of the unit. Member must get written approval from CVC to install window air conditioning or window coverings.

10.3. If, in CVC's sole judgment, any of Member's equipment or appliances result in or present a substantial danger of damage to the unit or property, or of interruption of service to other units or elsewhere on the property, or of overloading of, overuse of or damage to facilities maintained by CVC for supplying water, electricity, or any other utility to the property, or if any appliances visible from the outside of the unit become rusty or discolored, Member, on notice from CVC, shall promptly remedy the condition, and pending such remedy, shall cease using any appliance or equipment creating the objectionable condition or danger.

10.4. Member shall comply with all requirements of the National Board of Fire Underwriters, insurance authorities, and all governmental authorities. If any mortgage affecting the Property contains any provisions pertaining to the right of Member to make changes or alternations in the unit, or to remove any fixtures, appliances, equipment, or installations, Member shall comply with such requirements. On Member's written request, CVC will furnish to Member copies of applicable provisions of each such mortgage.

10.5. Member shall comply with all federal, state, and local laws, ordinances, rules, and regulations with respect to the occupancy or use of the unit. Member shall not engage in any illegal activities on the property.

10.6. Member shall keep the unit and property free and clear of all liens and encumbrances imposed or threatened to be imposed on the unit or property by reason of any contract, act or omission by Member.

10.7. Member shall attend meetings and contribute the number of participation hours in maintenance and management activities that are required by the rules of membership of CVC. At all times Member shall comply with the terms of the Participation Policy of CVC.

10.8. Member may keep household pets upon the approval of CVC. Member is fully responsible for all damage and messes created by their pets, and shall ensure that any pets do not harass or create a nuisance to other residents or their pets. Member must seek CVC approval before acquiring a new pet. A pet policy will be adopted by CVC to add further stipulations on how many and what type of pets are allowable, and may require a pet deposit. Member shall at all times comply with the terms of the Pet Policy of CVC.

10.9. Member, member's family, and member's guests shall conduct themselves in a manner that will not disturb other's peaceful enjoyment of the property. Member, member's family, and member's guests shall not deliberately or negligently destroy, defac e, damage, impair or remove any part of the property or knowingly permit any person to do so. CVC reserves the right to remove from the property any of the member's guests who cause unreasonable disturbances.

11. **CVC RULES AND REGULATION.** CVC may, at any time and from time to time, enact rules and regulations governing activities on or that impact the Property, the unit, the other units, or the other members, and Member shall faithfully observe and comply with, and cause Member's guests, invites or permitted occupants to comply with, all such rules and regulations, and all reasonable modifications thereof that CVC shall from time to time enact. Any modifications of such rules and regulations shall be binding upon Member. Member may be assessed reasonable fines for any violations of the rules and regulations, payable in accordance with the rules and regulations, and which shall constitute additional rent under this lease. CVC shall not be responsible to Member for the nonperformance of any such rules and regulations by any other Member or occupants of the Property, but shall enforce such rules and regulations in a consistent and non-discriminatory manner. In addition, Member shall faithfully observe and comply with, and cause Member's guests, invitees and permitted occupants to comply with the rules and regulations, and CVC's "Membership Agreement."

12. **COMMON AREAS.** Member shall have the right in common with other Members and permitted occupants of the property to use the common areas, but subject to the rules and regulations of CVC. CVC shall keep the common walks and other areas clean.

13. **CVC'S RIGHT TO CURE NONCOMPLIANCE.** If Member fails to make repairs to any part of the unit or its fixtures or equipment as required in this lease, or fails to remedy any objectionable condition which is Member's responsibility, within 15 days after notice from CVC of the failure, CVC may make or cause to be made such repairs, and may remove such objectionable condition, at Member's costs and without CVC incurring any liability for doing so. If, in the sole judgment of CVC, the condition requires prompt action, notice of less than 15 days may be given, and if, in the sole judgment of CVC, an emergency exists, no notice need be given. In all actions taken or caused to be taken by CVC, CVC and its agents, employees, and contractors shall, as between CVC and Member, be conclusively deemed to be acting as agents of Member, and all contracts entered into by CVC pursuant to this section shall be so construed. If Member fails to perform or comply with any other covenants or provisions of this lease within 30 days after written notice from CVC (or such shorter time if allowed by this lease), CVC may, but need not, remedy the condition, and may enter the unit to remedy the condition. CVC shall be entitled to recover from Member all expenses of curing Member's default that have been incurred or for which it has contracted, and such expenses shall be payable by Member on demand as additional rent. The notices in this section may be given concurrently with a notice of default under Section 25 "Termination of Lease by CVC."

14. **DAMAGE TO BUILDING**

14.1. Insured Losses. If any part of the unit is damaged by fire or other cause covered by property insurance policies carried by CVC, then CVC shall carry out or cause to be carried out replacements and/or repairs as appropriate, but CVC is not required to expend more than the available insurance proceeds beyond the deductible. All such replacements and repairs shall be at the expense of CVC and shall be effected with materials of a kind and quality then customary in structures of the same type. Included within the scope of CVC's obligation is replacement or repair of walls, floors, ceilings, pipes, wiring, and conduits in the unit. However, anything in this Section to the contrary notwithstanding, CVC shall not be required to repair or replace, or cause to be repaired or replaced, equipment, fixtures, furniture, furnishings, or decorations installed by Member or any predecessors in title, nor shall CVC be obligated to repaint or to replace

wallpaper or other decorations in units, nor shall CVC be obligated to repair or replace any of Member's personal property.

14.2. Abatement of Carrying Charge. If damage resulting from fire or other cause is so extensive as to render the unit partly or completely untenantable, the carrying charge will proportionately abate until the unit is again rendered wholly tenantable or the means of access is restored. However, if such damage is the result of the act or negligence of Member or one or more agents, employees, guests, or members of the family of Member or of any occupant of the unit, the carrying charge will abate only to the extent of any rental value insurance, if any, collected by CVC with respect to the unit.

14.3. Determination Not to Repair. If the members determine that: (1) the unit is totally destroyed by fire or other cause; (2) the unit is so damaged that it will not be possible to repair it within a reasonable time after the loss has been adjusted with the insurance carriers; or (3) the destruction or damage was caused by hazards not covered by CVC's insurance policies then in effect; and if the members do not vote to repair, restore or rebuild the unit, then on the giving of notice, this lease and all right, title, and interest of the parties and the tenancies created, shall terminate. The carrying charge shall be payable to the date of such destruction or damage.

15. **CHANGES IN TERMS AND CONDITIONS OF PROPRIETARY LEASES.** Each proprietary lease shall be in the form of this lease, unless a variation of any lease is authorized by the members. The form and provisions of all proprietary leases then in effect and subsequently executed may be changed, amended, replaced or restated by approval of the members, or as otherwise provided in the bylaws, and such changes will be binding on all Members even if they did not vote for such changes. Any change, amendment, replacement or restatement will be effective 30 days after the delivery of the same to the Member. Otherwise, the provisions of this lease may not be modified.

16. **QUIET ENJOYMENT; MASTER LEASE.** On paying all rent, performing the covenants, and complying with the conditions set forth in this lease, Member, at all times during the term of this lease, shall quietly have, hold, and enjoy the unit without any suit or hindrance from CVC; subject, however, to the rights of other tenants or occupants of this or other units, and to any and all mortgages, underlying leases or matters of records against the property. Member recognizes the paramount rights of SquareOne Villages under a master lease for property containing and including the unit and agrees to comply with all requirements of that master lease.

17. **COOPERATION.** Member shall always in good-faith endeavor to observe and

promote the cooperative purposes for the accomplishment of which CVC is incorporated.

18. **SUBLEASE, ASSIGNMENT OR PLEDGE.** Member shall not sublet the unit, in whole or in part, at any time. Member shall not assign this lease or transfer the membership to which it is appurtenant or any interest in such lease, and no such assignment or transfer shall take effect as against CVC for any purpose, except if Member shall die, then this lease will be terminated and any rights that would accrue to Member upon termination will accrue to Member's estate. Member may not pledge and assign this lease as security in any circumstances.

19. **INCREASE IN RATE OF FIRE INSURANCE.** Member shall not permit anything to be done or kept in the unit that would increase the rate of casualty insurance on the building or its contents. If, by reason of the occupancy or use of the unit by Member, the rate of fire insurance on the building or any unit in it or the contents of either is increased, Member, if such objectionable occupancy or use continues for more than 15 days after written notice is given by CVC, shall become liable for the additional insurance premiums incurred by CVC, and CVC shall have the right to collect the premiums for its benefit or the benefit of any such Member or Members as additional rent for the unit, due on the first day of the calendar month following written demand by CVC.

20. **ALTERATIONS**

20.1. Member, without first obtaining the written consent of CVC, which consent shall not be unreasonably withheld, and of SquareOne Villages, shall not make any alteration, enclosure, or addition to the unit, any cosmetic changes to the exterior of the unit, or any alteration of or addition to the water, gas, or pipes, heating system or units, electrical conduits, wiring or outlets, plumbing fixtures, communication systems, or any other installation or facility in the unit. Notwithstanding the foregoing, Member shall not in any case (a) make any structural changes to the unit; or (b) install any appliance that would overload the existing wiring or equipment in the building or on the Property. Performance by Member of any work in the unit shall be in accordance with any applicable rules and regulations of CVC and such governmental agencies as may have jurisdiction, and, when required by CVC, shall be performed by a licensed, bonded and insured contractor reasonably acceptable to CVC. Member shall pay for and obtain any permits required for approved work, and shall provide proof to CVC that the permits were acquired before beginning any work.

20.2. Member, without CVC's written consent, shall not remove any fixtures, appliances, additions, or improvements from the unit except as provided in this lease. If Member or a prior Member has previously placed or installed, or if Member subsequently places or installs in the unit, at Member's own expense, any additions, improvements, appliances, or fixtures which can be removed without structural alterations or permanent damage to the unit, then title to such items shall remain in Member and Member shall have the right, prior to the termination of this lease, to remove them at Member's own expense if certain conditions are satisfied. The conditions are that (a) at the time of such removal Member is not in default in the payment of the carrying charge or any other rent, or in the performance or observance of any other covenants or conditions of this lease; (b) prior to the termination of this lease, Member repairs, at Member's own expense, all damage to the unit caused either by the installation or removal of any of such additions, improvements, appliances, or fixtures; (c) if Member has removed from the unit any articles or materials owned by CVC or its predecessor in title, or any fixtures or equipment necessary for the use of the unit, Member either restores such articles, materials, fixtures, and equipment, and repairs any damage resulting from their removal and restoration, or replaces them with others of a type and quality customary in comparable buildings and satisfactory to CVC; and (d) if any mortgagee has acquired a lien on any such property prior to the execution of this lease, Member first procures from such mortgagee its written consent to such removal.

20.3. On the expiration or termination of this lease, Member shall surrender to CVC possession of the unit with all additions, improvements, appliances, and fixtures then included, except as provided in this lease. Any additions, improvements, fixtures, appliances or any other personal property not removed by Member on or before such expiration or termination and remaining on or in the unit after such expiration or termination, at the option of CVC, shall be deemed abandoned, and shall become the property of CVC, and may be disposed of by CVC without liability or accountability to Member.

21. **RIGHT OF ENTRY.**

21.1. CVC, its agents, and their authorized workers, and SquareOne Villages, shall be permitted to visit, examine, or enter the unit and any storage space assigned to Member, at any reasonable hour of the day on 24-hour notice, or at any time and without notice in case of emergency, to make, inspect for or facilitate repairs in any part of the unit or property, or to cure any default by Member. Such persons shall also be permitted to remove such portions of the walls, floors, and ceilings of the unit and

storage space as may be required for any such purpose provided that CVC shall subsequently restore the unit and storage space to its proper and usual condition at CVC's expense if such repairs are the obligation of CVC, or at Member's expense if such repairs are the obligation of Member or are caused by the act or omission of Member or any of Member's family, guests, invitees, agents, or subtenants.

21.2. CVC will be responsible for providing locks on all exterior doors of the unit. Member shall not alter or replace the locks. CVC will provide Member with one copy of the key, and shall retain a spare key. Upon request, and with reasonable advance notice, CVC will provide Member with a replacement key at Member's cost and expense. If Member is not personally present to open and permit an entry at any time when an entry is necessary or permissible, and obstructions or other issues prevent CVC from entering the unit using the spare key, CVC or the agents of CVC may forcibly enter the unit or portion thereof without liability for damages, and without in any manner affecting the obligations and covenants of this lease; provided that except in case of emergency, such entry shall require the authorization of an officer of CVC or an officer of the managing agent, and provided further that during any such entry CVC shall accord reasonable care to Member's property. This right does not impose, nor does CVC assume, any responsibility or liability for the care or supervision of the unit, or any of the pipes, fixtures, appliances, or appurtenances contained in it, except as specifically provided in this lease.

22. **REIMBURSEMENT OF CVC'S EXPENSES.** If Member is at any time in default under this lease, and CVC incurs any expenses (whether actually paid or not) in performing acts that Member is required to perform, or in instituting any action or proceeding based on such default, or in defending or asserting a counterclaim in any action or proceeding brought by Member, the expense to CVC, including reasonable attorneys' fees and disbursements, shall be paid by Member to CVC, on demand, as additional carrying charge.

23. **CVC'S LIEN FOR UNPAID RENT.** CVC has and may enforce a lien on the unit and Member's membership interest in CVC for any unpaid carrying charges and other rent or any other unpaid amounts due under this lease or under the bylaws of CVC, and interest on such unpaid amounts, at the legal rate, as provided by law. Such lien also secures payment by Member of reasonable attorneys' fees incurred by CVC in collecting any unpaid carrying charges or other rent or other amounts due, or in enforcing the lien, including upon appeal. In any action by CVC to enforce such lien, Member shall have the right to interpose any defenses, legal or equitable, that Member may have against CVC under this lease.

24. **AUTOMATIC TERMINATION.** This lease will automatically terminate upon the happening of any of the following events:

24.1. If at any time Member's membership in CVC terminates or is forfeit.

24.2. If the unit is destroyed or damaged and CVC decides not to repair or rebuild as provided in this lease.

24.3. If at any time the property containing the unit or a substantial portion thereof, is taken by condemnation proceedings.

25. **TERMINATION OF LEASE BY CVC**. On, or at any time after the happening of any one of the events mentioned in this Section, CVC may give Member a notice that the term of this lease will expire on the date of such notice, and the term of this lease shall expire on the date so fixed. All right, title, and interest of Member shall wholly cease, and Member shall surrender the unit to CVC, and Member's membership in CVC will also automatically terminate. Upon such an event, CVC shall have the right to reenter the unit and to remove all persons and personal property by any suitable action or proceeding, or by use of self-help, and to repossess the unit as of its former estate as if this lease had not been made. No liability shall attach to CVC by reason of the exercise of this right of reentry, repossession, and removal.

25.1. New Member Period. CVC may terminate this lease for any or no reason during the first 90 days of this lease. If Member is comprised of more than one person, then this Section may apply to any individual Member or to everyone comprising Member, as determined by CVC. The effective date of termination will be 30 days after the date of the notice, or such longer period as provided in the notice. The notice of termination must be given during the 90 day period, but the effective date of termination may be after the 90 day period without affecting the validity of the notice or the termination.

25.2. Default in Payment of Carrying Charges or Rent. If Member remains in default for a period of 7 days in the payment of any carrying charges, other rent, or any other amount due under this lease, and fails to cure such default within 10 days after written notice from CVC.

25.3. Default in Performance of Covenants. Except for acts justifying 24-hour termination below, if Member or a guest of the Member violates in a substantial manner, or in repeated minor instances, each as determined by CVC, any requirements of this Lease, or any other policies and procedures lawfully adopted by CVC, other than the

covenant to pay carrying charges, other rent or other amounts due under this Lease.

a. A written warning notice shall be delivered to the Member stating the nature of the default. The lease will terminate 30 days after the written notice from CVC, unless (i) for defaults that are ongoing and capable of being cured, Member cures the default and does not allow the default to be repeated in the 30 day period; (ii) for defaults that are capable of being cured, Member cures the default and does not allow the default to be repeated in the 30 days period; or (iii) for defaults that are not capable of being cured, Member enters into a “last chance” agreement with CVC, in a form determined by CVC in CVC’s sole discretion, and strictly complies with the terms of the “last chance” agreement.

b. In modification of this Section, if CVC gives Member a notice of default under this Section, then CVC is not required to give Member any subsequent notices of default for a similar default that occurs within one year after the first notice, and instead CVC may immediately terminate this lease upon written notice for such subsequent violation. In addition, if Member has entered into a “last chance” agreement with CVC, and Member violates any provision of the “last chance” agreement, then CVC may immediately terminate this lease upon written notice.

25.4. 24-Hour Termination. Upon at least 24-hours’ written notice, CVC may terminate this lease for any of the reasons described in ORS 90.396(1)(a)-(d) or (f) (2017 revision), subject to the interpretations described in ORS 90.396(3) and (4). For purposes of a 24-hour notice, CVC may reasonably determine whether an act is one that is “outrageous in the extreme.” Member may cure a 24-hour termination in the manner and subject to the limitations as described in ORS 90.396(2).

25.5. Unauthorized Assignment, Sublease, or Occupancy. If this lease is assigned, transferred, or sublet; or if Member allows any person to use or occupy the unit in a manner not compliant with this lease; and if Member fails to cause any unauthorized person to vacate the unit within 3 days after written notice from CVC.

25.6. Misrepresentation. If at any time CVC determines that Member misrepresented any fact or intentionally failed to state any fact which would have affected the Member’s acceptance into CVC. If Member is composed of more than one person, then this Section may apply to any individual Member or to everyone comprising Member, as determined by CVC.

26. **EFFECT OF TERMINATION**

26.1. Member’s right to occupy the unit terminates upon termination of this lease. All rights and obligations accruing before termination shall survive termination of this lease. All rights to indemnification survive termination.

26.2. On termination of this lease, Member will surrender to CVC the proprietary lease and Member’s membership in CVC to which the lease is appurtenant. Whether or not the lease and membership are surrendered, however, CVC may issue a new proprietary lease for the unit and a new membership certificate when a purchaser is obtained. On such issuance, the lease and membership held by Member shall be automatically canceled, and Member hereby appoints CVC as Member’s attorney-in-fact, coupled with an interest, and with full power of substitution in the premises, to execute such documents on behalf of Member as CVC deems necessary or desirable in connection with the cancellation of the lease and membership. On issuance of any such new proprietary lease and membership, Member's future liability shall cease, and Member shall only be liable for carrying charges, other rent and expenses accrued to that time.

27. **SURRENDER OF POSSESSION.** On termination of this lease under any other of its provisions, Member shall be and remain liable to pay all carrying charges, other rent, and other charges due or accrued, and to perform all covenants and agreements of Member up to the date of termination. On or before any such termination, Member shall vacate the unit and surrender possession to CVC or its assigns, and on demand of CVC or its assigns, shall execute, acknowledge, and deliver to CVC or its assigns any instrument reasonably required to evidence the surrendering of all interest of Member in the unit, or in the building of which it is a part. Any personal property not removed by Member on or before such expiration or termination and remaining on or in the unit after such expiration or termination will be deemed abandoned, may become the property of CVC, as determined by CVC, and may be sold or disposed of by CVC without liability or accountability to Member.

28. **HOLDING OVER.** If Member remains in possession of the unit without CVC’s consent after the termination of this lease, CVC may bring an action for possession and may recover any actual damages from Member as a result of such holding over.

29. **LESSEE'S OPTION TO CANCEL.** This lease may be cancelled by Member upon 30 days prior, written notice, on complying with all provisions set forth in this lease.

29.1. Documents Required. At the time of the giving of the notice specified, Member shall give CVC:

a. Member's copy of this lease with a written assignment in form required by CVC, in blank, effective as of the effective date of cancellation, free from all subleases, tenancies, liens, encumbrances, and other charges;

b. An assignment of Member's membership interest in CVC, endorsed for transfer; and

c. A written statement setting forth in detail those additions, improvements, fixtures, or equipment, that Member has the right to remove under the terms of this lease, and intends to remove.

29.2. Permission to Show and Occupy Premises. At all reasonable times after receipt of notice of Member's intention to cancel, CVC and its agents may show the unit to prospective lessees or contractors.

29.3. Effective Date of Cancellation. If Member is not otherwise in default, and if Member has timely complied with all the provisions of this section, then this lease shall terminate as of the date fixed in the notice of intention to cancel, and the membership of CVC to which this lease is appurtenant shall become the absolute property of CVC.

29.4. Rights on Member's Default. If Member gives the notice specified in this section, but fails to comply with any of the other provisions of this section, CVC shall have the option at any time prior to termination to: (1) return to Member the lease, membership certificate, and other documents deposited, in which case Member shall be deemed to have withdrawn the notice of intention to cancel; or (2) treat this lease as terminated as of the date named in the notice as the date of cancellation of the lease, and bring such proceedings or actions as it may deem best to enforce the covenants of Member, and collect from Member the payments Member is required to make, together with reasonable attorneys' fees and expenses.

30. **APPLICABILITY OF COVENANTS.** As used in this lease the term “CVC” shall include the successors and assigns of CVC. The terms “Member” and “members of CVC” shall include the legal representatives, legatees, heirs, and assignees of Member and such members. Without modifying the restrictions on subleasing, assignment and pledging, the covenants contained in this lease shall apply to, bind, and inure to the benefit of CVC, Member, and members of CVC, except as specifically provided in this lease.

31. **INAPPLICABILITY OF CHAPTER 90.** In accordance with ORS 90.110(8), Member is a holder of a proprietary lease in a cooperative and ORS Chapter 90 does not apply to this lease.

32. **CVC'S ADDITIONAL REMEDIES.** In the event of a breach or threatened breach by Member of any provision of this lease, CVC shall have the right of injunction, and the right to invoke any remedy as if reentry and other remedies were not provided for in this lease. The election of one or more remedies shall not preclude CVC from any other remedy.

33. **INTEGRATION.** This lease constitutes a final and complete statement of the agreement between the parties regarding the subject matter herein, and fully supersedes all prior agreements or negotiations, written or oral.

34. **LEGAL PROCEEDINGS.** If any legal or arbitration proceeding is commenced to interpret or enforce any provision of this lease, including any proceeding under the U.S. Bankruptcy Code, the prevailing party shall recover its reasonable attorney's fees and related expenses (including expert witness fees, transcript costs and other similar expenses) in such proceeding and any appeal thereof, in addition to the costs and disbursements allowed by law.

35. **NO WAIVER.** Failure of CVC to insist, in one or more instances, on strict performance of any of the provisions of this lease, or to exercise any right or option contained in this lease, or to serve any notice, or to institute any action or proceeding, shall not be construed as a waiver or a relinquishment for the future of any such provisions, options, or rights. Receipts by CVC of any carrying charges or other rent , with knowledge of the breach of any covenant, shall not be deemed a waiver of such breach, and no waiver by CVC of any provision shall be deemed to have been made unless in writing expressly approved by the directors.

36. **NOTICES.** Any notice by or demand from either party to the other required or permitted to be given under this lease shall be deemed given only if in writing and personally delivered or sent by certified mail, return receipt requested. Further, CVC may post any notice for Member on Member’s unit, which shall be deemed delivered the day the notice is both posted and mailed by first class mail. A notice by Member shall be addressed to CVC at the property, with a copy sent by regular mail to CVC's managing agent; a notice to Member shall be addressed to the building or, if authorized in the Member’s “Membership Agreement,” by email. Either party, by notice served in accordance with this section, may designate a different address for service of such

notice or demand. Notices shall be effective upon delivery, and notices sent by certified mail shall be deemed delivered upon two days after the date of mailing (unless the date of delivery would be a Sunday, then the notice will be deemed delivered on the next day that mail is deliverable).

37. **LESSEE MORE THAN ONE PERSON.** If more than one person is named as Member, CVC may require the signatures of such persons in connection with any notice to be given or action to be taken by Member, including, without limitation, the surrender or assignment of this lease, or any request for consent to assignment or sublease. Each person named as Member shall be jointly and severally liable for all of Member's obligations. Any notice by CVC to any person named as Member shall be sufficient, and shall have the same force and effect as though given to all persons named as Member.

38. **INTERPRETATION.** In interpreting this lease, (i) headings and captions are for convenience only and are not to be used in the interpretation of this lease and are not a limitation on the scope of the particular section to which each refers; (ii) the term “including” is always deemed to mean “including, without limitation”; (iii) the rule of construction that a written agreement is construed against the party preparing or drafting an agreement is specifically not applicable to the interpretation of this lease; and (iv) any reference in this agreement to a particular statute shall apply to any revisions or successors of that statute.

39. **PARTIAL INVALIDITY; EFFECT.** If any clause or provision of this lease is adjudged invalid, such adjudication shall not affect the validity of any other clause or provision, or constitute a cause of action in favor of either party against the other.

DATED Effective as of _____, 20_____.

COTTAGE VILLAGE COOPERATIVE LESSEE:

Name: _____ Name: _____

_____ _____

Date Date

COTTAGE VILLAGE COOPERATIVE REPRESENTATIVE:

Name: _____

_____

Date