PROPRIETARY LEASE
OF
C STREET CO-OPERATIVE

This PROPRIETARY LEASE AGREEMENT between the C Street Co-operative, an Oregon co-operative (the "Co-operative") and _____ ("Lessee"), a Member of the Co-operative is made and entered into this __ day of _____, 2021. The Co-operative and the Lessee may from time to time hereafter be referred to individually as a "Party" and/or collectively as the "Parties."

In consideration of the mutual promises set forth herein, the Co-operative and Lessee agree as follows:

1. **Premises**. Consistent with this Agreement, the Co-operative leases and grants to the Lessee the right to the exclusive use and occupancy of Unit ____ at the Co-operative's Property located at _____ C Street, Springfield, Oregon 97477 , the right to exclusive use of a storage closet at said Property, and the license and right to non-exclusive use of the Common Areas in common with other members of the Co-operative.

2. **Agreement Tied to Membership**. This Agreement is issued to the Lessee on the specific condition that Lessee is and will remain a Member of the Co-operative.

3. **Definitions.** Unless a contrary meaning is clearly indicated from the context, the following definitions will apply throughout this Proprietary Lease.

3.1 **"Agreement"** means this Proprietary Lease executed between the C Street Co-operative and the Lessee.

3.2 **"Board"** means the Board of Directors of the Co-operative.

3.3 **"Bylaws"** means the Bylaws of the Co-operative as adopted, amended and/or replaced from time to time by the Co-operative.

3.4 **"Carrying Charges"** means the Monthly Assessments, Special Assessments, and Special Charges due monthly under the Proprietary Lease for a Unit.

3.5 **"Common Areas"** means all portions of the Land and Improvements exclusive of the Units.

3.6 **"Entering Member"** means any person who is acquiring a Membership from a departing Member.

3.7 **"Event of Default"** means any default listed in Section 16 below.

3.8 **"Governing Documents"** means collectively the Articles, these Bylaws, the Ground Lease, the Proprietary Lease and the Community Agreements.

3.9 "**Ground Lease"** means that certain ground lease covering the Property between Square One Village and the Co-operative.

3.10 **"Improvements"** means all structures, installations, utilities, landscaping and other improvements added to the Land including but not limited to buildings, paving fences, walls, plantings, storage facilities, pipes, wires and tanks.

3.11 **"Land"** means that real property in Lane County, Oregon, described in Exhibit "A" of the Ground Lease.

3.12 "**Member"** means a person who owns or co-owns a Membership in the Co-operative.

3.13 "**Monthly Assessment**" means the Lessee's one-sixth ($1/6^{th}$) share of the monthly budget of the Co-operative due and payable to the Co-operative every month as rent.

3.14 **"Premises"** means the Unit (as defined below). When used in reference to a particular Member, it means the premises leased to that Member.

3.15 **"Preservation Period"** means that period of time not to exceed four (4) months in which a Secured Party may foreclose its Purchase Lien without action by the Co-operative to cancel the Member's Membership and terminate the Member's Lease to allow the Secured Party to enforce its rights under the Purchase Lien.

3.16 **"Primary Mortgage**" means all the mortgages, trust deeds or other security interests in the Property granted by SquareOne Village, the underlying owner of the Property and Lessor on the Ground Lease.

3.17 **"Property"** means the Land and all Improvements thereon.

3.18 **"Purchase Lien"** means a security interest in the Membership of a Member given by the Member to a Secured Party to secure a loan used to acquire the Member's Membership.

3.19 **"Secured Party"** means any third-party lender to a Member who finances that Member's purchase of a Membership and whose debt is secured by a Purchase Lien.

3.20 "**Special Assessment**" means an assessment set by the Board in addition to the Monthly Assessment which will be due and payable as additional rent every month or at such other times as set by the Board and for such amount as set by the Board.

3.21 **"Special Charge"** means any cost incurred and/or assessed by the Co-operative and owed by the Member for specific actions, defaults or circumstances for which the Member is liable or responsible as established by this Agreement.

3.22 "**SquareOne**" means SquareOne Villages, an Oregon non-profit corporation which is the lessor of the Ground Lease.

3.23 "**Storage Closet**" means a storage closet located on the Property assigned to and occupied and used by the Lessee.

3.24 **"Unit"** means a residential suite in one of the two buildings at the C Street Property. A Unit is one of the six initial suites in the buildings: 1075A, 1075B, 1075C, 1075 D, 1077A, 1077B

4. **Governing Documents**.

4.1 The Unit to be occupied by the Lessee is located in a building on Land owned by Square One Villages and is leased to the Co-operative pursuant to the Ground Lease. The Parties agree that the Ground Lease governs, in part, the relationship between the Co-operative and the Member as established by this Agreement. The Lessee acknowledges that he or she has read the Ground Lease and agrees to abide by its terms in all respects. The Parties agree that if any conflict exists between the provisions of this Agreement and the provisions of the Ground Lease, then the provisions of the Ground Lease will govern and the provisions of this Agreement that do not conflict with or can be harmonized with the Ground Lease will remain in full force and effect.

4.2 The Parties agree that the Bylaws govern the relationship between the Co-operative and the Lessee. The Lessee agrees to abide by the Bylaws in all respects. The Parties agree that if any conflict exists between the provisions of this Agreement and the provisions of the Bylaws, then the provisions of the Bylaws will govern and the provisions of this Agreement that do not conflict with or can be harmonized with the Bylaws will remain in full force and effect.

5. **Acceptance, Use and Occupancy of Premises**.

5.1 The Lessee hereby accepts the Premises including the Unit referenced in Section 1 above in the condition existing as of the date of this Agreement and for the term of this Agreement. The Premises must be used as a primary residence and may be used for business uses only if those uses are in compliance with applicable zoning regulations, regulations in the Ground Lease and other Co-operative policies. The Common Areas may not be used for any private purpose or private storage and are reserved for the common use of all Members of the Co-operative.

5.2 If the Lessee permits or suffers anything to be done, kept or neglected in the Unit or the Storage Closet which increases the rate or cost of insurance on the Property or its

contents or on other Units on the Property, the Lessee will be personally liable to the Co-operative and/or other Members of the Co-operative for the additional insurance cost and premiums. This will be a Special Charge owed by the Lessee.

5.3 Except for a Purchase Lien, the Lessee will not permit or suffer any lien or claim of lien to be filed against the Property. If a lien or claim of lien is filed against the Property as a result of any work, materials, activities, circumstances or claims on, for, regarding or relating to the Premises or the Lessee or for which the Lessee is responsible or claimed to be responsible, then it is the Lessee's responsibility to have the lien or claim of lien removed immediately. If the lien or claim of lien is not removed within ten (10) days after the Lessee has received notice to do so, then the Co-operative may cause such lien or claim of lien to be discharged and/or removed without investigation as to validity. The Co-operative may then assess a Special Charge to the Lessee for all its costs incurred including but not limited to any money paid to discharge the lien and all its direct and indirect costs (such as attorney fees) incidental to having the lien or claim of lien discharged and removed. In the alternative, if the Lessee wants to contest a lien or claim of lien in a court of law, then the Lessee will provide the Co-operative with a bond or other security in an amount determined by the Board to fully indemnify the Co-operative and Square OneVillages from the lien or claim of lien.

6. **Quiet Enjoyment.** The Lessee will not interfere with the rights, including the right to quiet enjoyment of other Members of the Co-operative or residents of the Property and will not annoy them by unreasonable noises, nor commit or permit any nuisance in the Premises or Common Areas.

7. **Assessments.**

7.1 The Lessee will pay to the Co-operative the Monthly Assessment or rent charged in this Agreement. The Monthly Assessment will be the Lessee's one-sixth (1/6th) share of the monthly budget of the Co-operative as determined by the Members of the Co-operative at their annual meeting. Until further written notice from the Co-operative, the Monthly Assessment for the Unit is $_____ per month. The Monthly Assessment is due and payable on or before the first (1st) day of each month but without penalty if paid on or before the fifth (5th) day of each month. Payments will be paid to the Treasurer of the Co-operative at his or her Unit at the Property or such other site as designated by the Co-operative. A late penalty will be charged on the sixth (6th) day of the month. The Co-operative will have the right, from time to time, to revise the Monthly Assessment and penalties based on revisions to the Co-operative's annual budget adopted pursuant to the Bylaws.

7.2 The Lessee will pay to the Co-operative all special assessments issued by the Board and Special Charges assessed to the Lessee. Special assessments and Special Charges will be due and payable on the date specified by the Co-operative and will be past due after five (5) days or such longer time as established by the Co-operative. The Co-operative may charge reasonable penalties for payments received after the fifth (5th) day or such longer time as established by the Co-operative.

8. **Utilities.** The Lessee will pay his or her one-sixth ($1/6^{th}$) share of the monthly utility bill charged to the Property. Unless different payment arrangements are established by the Board, the Treasurer of the Co-operative will notify the Lessee each month of the amount to be paid for utilities and Lessee will pay that amount with the Monthly Assessment

9. **Insurance and Taxes**.

9.1 The Co-operative will carry property and liability insurance on the Property in such amounts as it deems appropriate and consistent with the Ground Lease. The Co-operative will not carry insurance on the contents of the Unit nor on any other property of the Lessee. The Lessee is encouraged to obtain and keep in for personal liability insurance, insurance for the Lessee's personal property at the Unit, and insurance for improvements made by the Lessee to the Premises under coverage sometimes called "Tenant's Improvements and Betterment Coverage." The Lessee may not carry any insurance that would decrease the amount which the Co-operative would be entitled to realize under any insurance policy maintained by it.

9.2 The Co-operative will pay the real property taxes and similar taxes levied against the Property. The Lessee will pay other taxes, if any, related to or based upon the Lessee's ownership or sale of a Membership in the Co-operative or rights under this Agreement.

10. **Alterations and Additions**.

10.1 All requests for modifications, improvements and/or additions to the Property must be first submitted to the Co-operative on the form attached hereto as Exhibit "A." Without the prior written consent of the Co-operative, which may be granted or withheld at the sole discretion of the Co-operative, the Lessee will not make any modifications, improvements or alterations to the Unit or other portion of the Property. If the Co-operative gives consent to a proposed modification or improvement, it will also notify Lessee if the proposed modification or improved qualifies as an "Allowed Capital Project," as the same is defined in the Ground Lease.

10.2 All such work must be performed in a neat and workmanlike manner by competent personnel in full compliance with applicable laws and codes, after all necessary permits have been obtained, and in full compliance with the Ground Lease. The Co-operative will give special scrutiny to any proposed modification or improvement which result in any of the following: an opening to any wall, floor, ceiling of a Unit or other structure on the Property; any change or alteration to any exterior portion of a Unit or other structure on the Property; any change or alteration to the electrical or plumbing systems or any structural component of a Unit or other structure on the Property; any change to or alteration of the Common Area; any interference (including but not limited to noise, vibration and fumes) with the quiet enjoyment of other residents of the Property; or anything which interferes with the energy efficiency of the Unit.

10.3 The only type of stove-top appliance that Lessee can install or use at the Unit is an electric type stove. Electric assistance stoves or combustion cooking devices are strictly prohibited for fire safety reasons. The wall and air space around the electric cove heater

must be kept clear of furnishings for a distance of twelve (12) inches in all directions. Also, space heaters are not allowed for use at the Unit.

11. **Responsibilities of the Co-operative**. In addition to other responsibilities imposed upon the Co-operative in this Agreement or in the Bylaws, the Co-operative agrees and covenants with the Lessee as follows:

11.1 The Co-operative will maintain the foundation, roof, exterior surfaces and structural components of the Unit, fence, sheds, hot water heaters, and Common Area in good condition and repair commensurate with the age and quality of the Unit.

11.2 The Co-operative will provide and maintain wires, pipes, conduits and all other infrastructure necessary to provide electricity, water, sewer and telephone services to the Unit. However, if damage to such facilities occurs as a result of the acts or neglect of the Lessee or any person for whom the Lessee is responsible, the Co-operative shall impose a Special Charge on the Lessee for all the Co-operative's costs in repairing the damage and other expenses incurred by the Co-operative.

11.3 The Co-operative will perform such other functions and duties as are established by the Governing Documents.

12. **Lessee's Responsibilities**. In addition to all other responsibilities and obligations of the Lessee set forth in this Agreement, the Lessee covenants and agrees to:

12.1 Fully comply with all terms of the Governing Documents and with all the terms, rules and regulations of the Co-operative's Community Agreements and Participation Policy.

12.2 Keep the Unit and the Storage Closet in as good condition and repair as existed at the commencement of this Agreement (minor wear associated with normal use excepted).

12.3 Keep the Unit and the Storage Closet in clean and sanitary condition, free from fire and other hazards, and well maintained in a neat and clean appearance.

12.4 Refrain from keeping or storing at the Unit or the Storage Closet any illegal or dangerous item.

12.5 Refrain from the use, manufacture, or storage of any hazardous material, as the same is defined in federal and state law, in or at the Unit or Storage Closet except in material compliance with all applicable environmental laws.

12.6 Refrain from damaging the Common Area and refrain from using the Common Area in any way that is inconsistent with its purpose or with the rights of other

Members and residents of the Property. Storage of personal belongings outside the Unit in any part of the Common Area is strictly prohibited.

12.7 Repair, replace and keep in good working order and condition all surfaces, fixtures, appliances, components, appurtenances, windows, doors, and other features of the Unit other than those features which are the responsibility of the Co-operative under Section 11 of this Agreement.

12.8 Promptly inform the Co-operative of any condition or defect, which is the responsibility of the Co-operative to correct or repair or which is causing or may cause damage or deterioration to the Property. The Lessee is liable to the Co-operative for any damage or expense incurred by the Co-operative related to or occasioned by the Lessee's failure to promptly inform the Co-operative of any such condition or defect and the Co-operative will assess a Special Charge against the Lessee for all its costs related thereto.

12.9 Comply with all federal, state, and local laws, ordinances, rules and regulations with respect to the occupancy and use of the Premises. The Lessee will not engage in any illegal activity on the Property.

13. **Lessee Responsibility for Others**. The Lessee will be responsible for the actions, conduct and inaction of the Lessee's family members, guests, sub-lessees, and invitees and all persons using or occupying the Premises by, through or under the Lessee or this Agreement. The Lessee is responsible for any damage to the Property caused by the actions or inactions of the Lessee's family members, guests, sub-lessees, and invitees and all persons using or occupying the Premises by, through or under the Lessee or this Agreement. The Co-operative will assess a Special Charge against the Lessee for any expense of the Co-operative related to such damage.

14. **Inspections.** Upon reasonable notice of at least twenty-four (24) hours (except in emergencies when no notice need be given) and for reasonable purposes, the following persons and entities are permitted to enter the Premises: the Board or any agent or employee of the Co-operative as authorized by the Board; any representative of a lender or potential lender to the Co-operative if the Property will be security for the debt; or any representative of a governmental unit or serving utility when done in performance of their duties.

15. **Occupancy, Assignment, Subletting and Transfer of Rights**.

15.1 The Lessee agrees to occupy the Unit as the Lessee's permanent, full-time residence, as defined as residing in the home for at least nine (9) months out of every year except in the event of an approved sub-lease as defined in the Bylaws. The Premises may be occupied only by the Lessee and members of the Lessee's family, as that term is defined in the Ground Lease.

15.2 Subleasing of a Unit by the Lessee will be on the following terms and conditions:

15.2.1 Before submitting an application for a subtenancy to the Board, the Lessee will make reasonable investigation to determine that the proposed subtenant will be an appropriate resident of the Premises and will not interfere with the rights of other residents of the Property.

15.2.2 The Co-operative may approve a proposed sublease of a Unit and all requests for subleasing will be submitted to the Co-operative on the form designated by the Board. The process for approving a sublease will be the same as that set forth in Section 7.3 of the Bylaws. The Co-operative will only consider approving a proposed sublease under the following circumstances: (a) if the Lessee desires to reside outside the Co-operative for a limited period time subject to the approval of the Co-operative but intends to return to the Unit as his or her primary residence; or (b) if the Lessee is attempting to sell his or her Membership but has not found a suitable person to purchase it yet. In either event, the subtenant must be an income-eligible person as defined in the Ground Lease and approved by Square One and who will reside on the Unit along with his or her family (as that term is defined in the Ground Lease) as his or her primary residence. The sublease may be for a maximum of one year unless the Lessee applies for and is granted a one time extension for a maximum of one year.

15.2.4 The Lessee subleasing his or her Premises will be responsible in all respects for the subtenant and the actions of the subtenant including the subtenant's compliance the Articles, these Bylaws, the Proprietary Lease and the Community Agreements issued by the Board.

15.3 A Unit may not be encumbered except for a Purchase Lien. A Unit may not be sold or transferred except as set forth in Article 7 of the Bylaws.

16. **Default**. The Lessee will be in default of this Agreement on the occurrence of any of the following:

16.1 The Lessee ceases to own the Membership to which this Lease Agreement is connected or if the Agreement passes or is assigned to anyone who is not approved by the Co-operative as a transferee of such Membership.

16.2 The Premises covered by this Agreement is subleased or otherwise occupied in violation of the requirements of the Agreement or the Bylaws.

16.3 The Lessee fails to pay to the Co-operative when due any of the Carrying Charges. Before taking action to exercise any remedy allowed hereunder, the Co-operative will give a Member who has defaulted in this manner a written notice of his or her default and a demand to cure in full within fifteen (15) days.

16.4 The Lessee fails to perform any covenant or provision of this Agreement or the Bylaws other than payment of any Carrying Charges due, including but not limited to failure to comply with the Community Agreements adopted by the Co-operative for the Property, and such default continues for thirty (30) days after written notice and demand to cure from the

Co-operative. Nevertheless, if the default is of such a nature that it cannot be completely remedied within said thirty-day period, the Lessee will be deemed to have timely complied with the Co-operative's demand to cure if the Lessee has begun correction of the default within the thirty (30)-day period and thereafter proceeds with reasonable diligence and in good faith to affect the remedy as soon as practicable.

16.5 During the term of this Agreement, the Lessee files a voluntary petition in bankruptcy or is adjudicated a bankrupt under the laws of the United States; a receiver is appointed for the properties of the Lessee; an involuntary petition of bankruptcy is filed regarding the Lessee and the Lessee fails to secure a dismissal of that petition within sixty (60) days after filing; the Lessee makes a general assignment for the benefit of creditors; the Membership of the Lessee is attached or levied or the leasehold interest of the Lessee in this Lease Agreement is attached or levied and the Member fails to secure discharge of such attachment or release of such levy of execution within thirty (30) days.

16.6 The Lessee is convicted under a federal law, state law or local ordinance of a crime based on an act which the Board of Directors determines by a majority vote threatens the health, safety or welfare of the other Members and residents at the Property.

16.7 The Board of Directors, at a meeting called for that purpose, finds that the Lessee has engaged in egregious and objectionable conduct, whether or not in violation of these Bylaws or the Community Agreement, which jeopardizes orderly living at the Property, the Property's reputation, or the peaceful living of other Members and residents at the Property. Prior to calling a meeting for this purpose, the Board will give the Lessee a written demand to immediately cease and desist such objectionable conduct.

16.8 The Lessee is in default under any Purchase Lien.

16.9 The Lessee has moved most or all his or her furnishings and other personal property out of his or her Premises and left it without notifying the Co-operative of the location to where he or she has moved.

17. **Termination of Agreement**.

17.1 Upon occurrence of an Event of Default, the Co-operative may proceed as follows to terminate the Membership and Proprietary Lease of the Lessee in default:

17.1.1 The Co-operative must give the Lessee in default a written notice which must contain the following: (a) A statement, in reasonable detail, of the factual nature of the Event of Default; (b) The intent of the Co-operative to terminate this Agreement and forfeit the Member's Membership in the Co-operative; and (c) The time, date and place of a Special Meeting of the Board of Directors to be held to consider the proposed termination of this Agreement and forfeiture of the Lessee's Membership along with an invitation to the Lessee to attend the meeting. This Special Meeting of the Board of Directors will be held no earlier than ten (10) days nor no later than twenty-one (21) days after the delivery of the notice.

17.1.2 If the Membership and/or this Agreement is subject to a Purchase Lien, the Co-operative will allow the Secured Party to invoke a Preservation Period as set forth in Section 3.14 of the Bylaws.

17.1.3 Any director who feels that it would be impossible for him or her to be fair, objective and unbiased should disqualify himself or herself at the beginning of the meeting. At the meeting, the Association will first present evidence of the facts constituting an Event of Default and the Lessee will then be given all reasonable opportunity to show the Board of Directors why the Agreement should not be terminated and the Membership not forfeited. Both the Co-operative and the Lessee may present testimony from witnesses who attend in person or by affidavit or declarations made under oath. If needed in the interests of justice, the Board may continue the meeting for a reasonable period not to exceed fifteen (15) days.

17.1.4 The Board my issue its decision at the close of the Special Meeting or may adjourn and render its decision at a later date, not to exceed seven (7) days following the date of the meeting. A decision to terminate will cancel the Membership and terminate this Agreement. The Board may announce its decision orally but must deliver a written notice of the decision to the Lessee within seven (7) days of the meeting. The notice of decision need not contain findings of fact or conclusions of law. The notice of decision will be filed in the Co-operative's record book. If the Board determines to terminate this Agreement and forfeit the Membership, such termination and forfeiture will be effective seven (7) days after delivery of the notice of decision to the Lessee.

17.1.5 In lieu of terminating the Lease, the Board may set terms of probation for the Member and require that the Lessee comply with such terms as are reasonable under the circumstances. In this event, the Lessee will execute an Assurance of Voluntary Compliance prepared by the Board of Directors setting forth the terms of such probation.

17.2 In addition to and without limiting any other rights of the Co-operative, the Co-operative may bring any appropriate action in court to seek possession of the Unit and/or other appropriate relief in the event of any failure to comply with or breach of the Articles, these Bylaws, this Agreement or the Community Agreements. Notwithstanding any other provision in these Bylaws, if the Co-operative takes possession of a Unit, the Co-operative may lease that Unit to a non-Member who is a low or moderate income person as defined in the Ground Lease until the Membership associated with the Premises is sold to an Entering Member. During any such period, the rent from the Unit will first be applied to reimburse the Co-operative for its costs incurred in taking possession of and/or renting the Unit, then to all past due sums owed under the Agreement to the Co-operative for Carrying Charges, then to any sums presently due and payable to the Co-operative for Carrying Charges, and the balance, if any, to the defaulting Lessee whose Membership is associated with the Unit.

17.3 If this Agreement is terminated, the Co-operative is entitled to immediate possession of the Unit and the Lessee agrees to immediately surrender the same. The Co-operative may use any means available to it through the Governing Documents, in law, in

equity, or otherwise to retake possession of the Unit in the event of termination of this Agreement.

18. **Damage, Destruction or Condemnation**.

18.1 If any portion of a Unit is damaged or destroyed by fire or other casualty, the same shall be repaired and reconstructed as speedily as possible at the expense of the Co-operative so as to conform as closely as possible to the original plans provided that the Co-operative determines, in its discretion and consistent with the Ground Lease, that adequate funds are available and space on the Property exists for such repair or reconstruction. If the Co-operative reconstructs or repairs a damaged Unit, this Agreement will not be terminated but shall continue. If the damage or destruction renders the Unit uninhabitable, monthly assessments (but not special assessments and Special Charges) on the Unit will stop until the Unit is once again habitable.

18.2 If any Unit is taken by condemnation by a governmental entity, then this Agreement will be terminated as of the date possession of the Premises is taken by the taking authority. Condemnation proceeds will be distributed as set forth in the Ground Lease.

19. **Subordination**. The Parties agree that this Agreement and their rights under this Agreement are limited by and subordinate to the Primary Mortgage of any present or future third-party lender. However such subordination and the Primary Mortgage shall be subject to the following: (a) in the event of foreclosure or other action taken under the Primary Mortgage, this Agreement and the rights of Lessee hereunder will not be disturbed but will continue in full force and effect so long as Lessee is not be in default hereunder, and (b) in the event of destruction or condemnation, insurance proceeds and condemnation proceeds will be used or disbursed as set forth in the Ground Lease.

20. **Indemnification**. The Member will indemnify and hold the Cooperative harmless from any claim arising out of the occupancy or use by the Member and the Member's family, guests, invitees and/or any person claiming rights by or through the Member. As used herein, the term "occupancy or use" will include but is not limited to any activity occurring in or about the Premises and/or Common Area or any act or omission or alleged act or omission in or about the Property.

21. **Miscellaneous**.

21.1 The Co-operative will be responsible for providing locks on all exterior doors of the Unit. The Lessee will not alter or replace the locks. The Co-operative will provide the Lessee with one copy of the keys(s) and will retain a master copy of the key. Upon request and with reasonable advance notice, the Co-operative will provide the Lessee with a replacement key at the Lessee's cost and expense.

21.2 The sale or termination of the Lessee's Membership in the Co-operative and/or the termination of this Agreement will not relieve or release any former Lessee from any

liability or obligation incurred or in any way connected with the Co-operative during the period of Membership or during the period of this Agreement or impair any rights or remedies which the Co-operative may have against such former Lessee arising out of or which is in any way connected with such Membership.

21.3 Notwithstanding the duty of the Co-operative to maintain and repair the Common Areas, the Co-operative will not be liable for injury or damage caused by a latent condition at the Property, nor for injury or damage caused by the elements, Members or other persons.

21.4 The failure of the Co-operative, the Board or the Lessee to enforce any right, provision, covenant or condition in the Articles or these Bylaws will not constitute a waiver of the rights of the Co-operative, the Board or the Lessee to enforce such right, provision, covenant or condition in the future.

21.5 Notices to be made to the Lessee under this Agreement will be deemed made if made by any of the following methods: By personal delivery of the notice to the Lessee, in which case the notice will be deemed given on the date of delivery; by posting the notice on the door of the Premises occupied by the Lessee, in which case the notice will be deemed given on the date the notice is posted; or by sending a copy of the notice to the Lessee by first class mail to the Unit occupied by the Lessee or to such other address as the Lessee has previously requested in writing, in which event the notice will be deemed given on the third day after it is mailed.

21.6 There have been no representations or agreements other than those contained within this Agreement and the Governing Documents. This Agreement and the Governing Documents contain the full understanding of the Parties.

21.7 The provisions of this agreement are intended to be severable. If any term or provision of this agreement is illegal or invalid for any reason, the validity of the remainder of the agreement will not be affected.

21.8 These Bylaws will be governed by the laws of the state of Oregon. As used in these Bylaws, the masculine, feminine and neuter gender and the singular and plural number will each be deemed to include the others whenever the context so indicates. The headings herein are for convenience only and do not affect the meaning of this Agreement.

21.9 None of the present or future members of the Co-operative, nor any present or future director, trustee, employee or agent of the Co-operative will be personally liable for or as the Co-operative on any of the covenants, agreements or provisions of this Agreement or the Governing Documents.

21.10 In the event the Co-operative or the Lessee takes legal action to enforce any term or right under any of this Agreement or because of a dispute of any kind between the Co-operative and the Lessee, including but not limited to any tort claim or dispute related to any

provision in this Agreement, the exclusive forum for such action will be binding arbitration with a single arbitrator under the auspices of the Arbitration Service of Portland, Inc. The decisions of the arbitrator will be conclusive. All such claims, disputes or controversies will be decided in this manner in lieu of any action at law or equity; provided however that nothing herein will be construed as precluding the bringing of an action for injunctive relief or other equitable relief. The arbitrator will not have the right to award punitive or speculative damages to either party and will not have the power to amend any of this Agreement. The arbitrator will be required to follow all applicable law.

21.11 In the event either party takes action to enforce the terms of this Agreement, whether in court, arbitration or bankruptcy, then the prevailing party will be entitled to an award for all reasonable attorney fees and costs incurred in the matter.

21.12 This Agreement is binding upon and inures to the benefit of the Parties hereto and their respective heirs, personal representatives, assigns and successors. Nothing in this Section shall in any way modify the rights and responsibilities of the Parties with respect to assignment of this Agreement and/or subletting the Premises.

21.13 Time is of the essence of this Agreement. In the computation of any period of time provided in this Agreement, if the last day of the applicable period falls on a Saturday, Sunday or federal or state holiday, such period shall be deemed to expire on the next day that is not a Saturday, Sunday or federal or state holiday.

EXECUTED THIS ___ DAY OF _____, 20___.

C STREET COOPERATIVE:

By:_____

Print Name:_____

Title:_____

LESSEE:

_____ _____

Print Name:_____ Print Name:_____

PROPRIETARY LEASE | EXHIBIT A

—Application for Alterations to Premises—

Applicant's Name _____ Unit/ _____

C Street Cooperative, an Oregon Cooperative Corporation
Physical/Mailing Address: 1075 C Street, Springfield, OR

Date _____

Project Description: *Using separate pages, please provide a detailed description of the proposed alteration to premises. Respond to each of the questions below, and complete all items under Member Checklist and Responsibilities. Be sure to include any drawings, photos, or other documentation you may have.*

Areas Impacted by Alteration: *Please mark all items that would be changed or impacted permanently by the proposed alteration. Do not check an item if it is only being repaired or replaced in a like manner.*

Exterior Finishes
• Exterior Siding
• Roofing Materials
• Rainwater Drainage (Including Gutters & Downspouts)

Landscape Elements
• Grading Around House
• Fencing
• Major Plantings (Including Large Shrubs and Trees)

Windows & Doors
• Windows
• Exterior Doors
• Interior Doors

Utilities
• Electrical Wiring
• Fresh-Water Plumbing
• Sewage Plumbing
• Vents or Chimneys
• Telephone Service Lines

Structural Components
• Foundation Walls or Footings
• Exterior Walls
• Interior Walls
  • Framing of Floor (Including Upper Levels & Lofts)
  • Framing of Roof (Including Porch Roof)
  • Exterior Decks & Porches

Other Elements
• Please describe in summary.

1. How will the proposed alteration/addition affect neighbors once completed: visual impact, noise, smells, proximity to other structures, etc.?

2. How long will the project take and how will it impact neighbors during construction? What are possible ways to mitigate impacts of noise, parking, and lack of privacy during the construction period?

3. How will proposed alteration affect resale for next resident (will the mortgage, property taxes, insurance, etc. increase significantly due to alteration?) Can addition be considered a general improvement to structure?

4. Will restrictions on re-sale need to be created (e.g. if proposed alteration is approved for limited commercial use will that approval be extended to future owners)?

Member Checklist & Responsibilities:

- Ensure all adjacent Co-op neighbors have been contacted and are aware of proposed alteration/addition and possible impacts (such as privacy by design issues).
- Ensure all Co-op Members have seen a staked area showing the proposed addition footprint.
- Provide written confirmation that the Co-op's liability insurance policy covers workers on site and that the intended use (of alteration) will not adversely affect the Co-op insurance policy for the long-term.
- Document required permits for land use, building, plumbing, mechanical, electrical, etc. Provide details for who will be doing the actual work.
- Is the Co-op, as owner of the improvements, hiring a licensed contractor or electrician/plumber? If not, how will the Co-op be protected?
- Document approval from the sewer district, water purveyor, city land use, building inspector, and/or health department. List all required changes to infrastructure as a result of the alteration.
- Reference all applicable sections of the Ground Lease and Proprietary Lease that must be complied with (see Ground Lease sec. 7, Proprietary Lease sec. 10)
- Reference Recitals and sec. 5.1 of Ground Lease entitled "Affordable Housing Only." The mission of SquareOne Villages is to provide decent, affordable housing for those who would otherwise be denied such opportunities because of limited financial resources. The improvements of the C Street Cooperative are intended for residential use only. Any alterations proposed for commercial use (limited or otherwise) must be considered as an exception to the stated mission of SquareOne Villages and the C Street Cooperative.

Are you seeking credit for the cost of this project under section 10.3.2 of the Ground Lease?
Yes ____ No ____

(This does not affect the approval process but may require additional information. C Street Cooperative must assess the reality of capital improvements being added to transfer/sale price of

unit and how this affects permanent affordability.)

Signature of Member _____

Date _____

The Co-op Board/Membership agrees to respond to Application for Alteration to Premises within 30 days of receipt of application, provided all materials referenced above are included with application.

Co-op Membership/Board Responsibilities:

- Determine whether proposed alterations should be approved at the sole discretion of Board, or should be voted on by entire Co-op Membership.
- Determine what remedies the Co-op will exercise if the Member cannot fulfill the building contract.
- Determine what recourse Members have if proposed alteration adversely impacts lives in a dramatic and ongoing way, either during construction or after completion.
- Issue a statement from the Co-op holding SquareOne harmless and assuring SquareOne will be protected from any liens, lawsuits or other claims that may come as a result of the alteration or failure thereof.

Date Project Approved by Co-op _____
Unanimous_____ or majority vote_____

Date Project Not Approved by Co-op _____
Unanimous_____ or majority vote_____

(See Attached Explanation for approval or disapproval or any extenuating circumstances)

Signature of Presiding Officer(s) _____

Date_____

PROPRIETARY LEASE | EXHIBIT B

—Sublease Agreement—

Sublease Agreement entered into between:
Member: _____
Sub-tenant: _____
Co-op officer: _____

Sublease Period: The Sub-tenant agrees to sublease from Member, property known as: _____ from: _____(month/date/year) to: _____ (month/date/year).
Note: Sublease agreements are subject to the conditions in Section 8.4 of the Bylaws and Section 10.5 of the Ground Lease.

Terms of Sublease: The Sub-tenant agrees to comply with all terms and conditions of the lease entered into by the Member, including the prompt payment of all assessments. The lease terms are incorporated into this agreement below. The Sub-tenant agrees to pay the Member the monthly rent stated in that lease, and all other rental charges hereinafter due, and otherwise assume all the

Member's obligations during the Sublease period and indemnify Tenant from same. The Sub-tenant shall not have the right to sublet the premises.

1. In addition to the monthly rental state above, Sub-tenant shall pay the following utilities: electric power ($_____); propane ($_____); water ($_____); and sewer service ($_____); other($_____).

2. Said rent shall be payable monthly in advance on or before the first calendar day of each month, payable to the Member or to such other person or persons as the Member from time to time designates by written notice.

3. Unless terminated as provided herein, this lease shall be automatically renewed for successive terms of one month each at the aforesaid rental, payable in advance without demand on the first day of each month. Either party may terminate this lease at the end of

the initial term or any successive term by giving twenty (20) days written notice or more, preceding the end of the initial term or any successive monthly term, to the other party.

4. Sub-tenant agrees as follows:
    a. To pay the rent herein stated promptly when due without any obligation on the part of the Member to make any demand for the same;
    b. To keep the premises in a clean and sanitary condition, and to comply with all laws, health and policy requirements with respect to said premises and appurtenances, and to save the Member harmless from all fines, penalties and costs for violations or noncompliance by Sub-tenant with any of said laws, requirements, or regulations, and from all liability arising out of any such violations or noncompliances;
    c. Not to use premises for any purpose deemed hazardous by insurance companies carrying insurance thereon;
    d. To dispose properly from the dwelling unit all rubbish, garbage, and other organic or flammable waste, in a clean and sanitary manner at reasonable and regular intervals, and assume all costs of extermination and fumigation for infestation caused by the Sub-tenant;
    e. To properly use and operate all electrical, gas, heating, plumbing and other fixtures and appliances, and to repair said appliances when necessary, at Sub-tenant's expense;
    f. Not to intentionally or negligently destroy, deface, damage, impair or remove any part of the structure or dwelling, with appurtenances thereto, including the facilities, equipment, furniture, furnishings, and appliances, or permit any member of his or her family, invitee, licensee, or any person under his or her control to do so;
    g. Not to permit a nuisance or common waste;
    h. To repair any damage to the property at Sub-tenant's own expense caused by Sub-tenant's acts or neglect within thirty (30) days after written notice by the Member to perform the repairs, or within a shorter time in case of emergency. If Sub-tenant has not complied within the notice period the Member may:
        i. evict the Sub-tenant in accordance with Oregon State law;
        ii. enter the dwelling, repair the damage, and charge the Sub-tenant for the repair, which Sub-tenant agrees to pay to the Member by the next rent due date, or on terms mutually agreed upon by the Member and Sub-tenant, or immediately if the lease term has terminated;
    i. To permit the Member, or its agent, employee, or representative, to enter the premises at reasonable times for the purpose of inspections, or to make necessary repairs, improvements, or replacements. The Member shall, whenever practical,

give Sub-tenant two (2) days prior notice of its intention to enter the premises except in case of emergency or abandonment, then the Member can enter the premises without notifying the Sub-tenant;

j. To permit the Member or its agent to bring unlawful detainer and any other appropriate legal action in the event of a breach by the Sub-tenant of any of the covenants or provisions of this lease.

5. Sub-tenant, by execution of this Agreement, confirms that the premises are in a tenantable condition, and agrees that at the end of the occupancy hereunder to deliver up and surrender said premises to the Member in as good condition as received, reasonable wear and tear excepted.

6. No alteration, addition, painting or improvements shall be made in or to the premises, including changing of door locks, without the prior written consent of the Member.

7. Sub-tenant agrees not to use utilities or equipment for any improper or unauthorized purpose, and not to place fixtures, signs, or fences in or about the premises without the prior written permission of the Member. If such written permission is obtained, Sub-tenant agrees, upon termination of the lease, to remove any fixtures, signs or fences, at the option of the Member, without damage to the premises.

8. Sub-tenant further agrees that if he should fail to pay the rent herein stipulated promptly when due, or should fail to comply with any and all other provisions of the Agreement, the Member may serve one of the following notices as circumstances may warrant:

    a. Three (3) Day Notice to Pay or Vacate, after a default in the payment of rent, to pay the rent in full or vacate the premises;
    b. Three (3) Day Notice to Vacate the Premises, for committing a waste upon the premises, setting up or carrying on any unlawful business, or permitting or maintaining a nuisance on or about the premises;
    c. Ten (10) Day Notice to Comply or Vacate, to either comply with all of the terms of this Agreement or vacate the premises.

    In addition, the Member may terminate the tenancy, by delivering to Sub-tenant a legally sufficient written notice at least twenty (20) days prior to the end of the monthly term. Sub-tenant agrees that if he or she violates any of the terms or conditions of this Agreement, the Member may terminate this tenancy in a manner provided by law, and in the event the Member shall bring proceedings to evict the Sub-tenant, or if it becomes necessary for the Member to enforce any of the terms of the Agreement, then Sub-tenant

agrees to pay all reasonable costs, expenses, and attorneys' fees incurred and allowed by law.

9. Failure of the Member to insist upon the strict performance of the terms, covenants, agreements and conditions herein contained, or any of them, shall not constitute or be construed as a waiver or relinquishment of the Member's right thereafter to enforce any such term, covenants, agreement, or condition, but the same shall continue in full force and effect.

10. In return for the Sub-tenant's continued fulfillment of the terms and conditions of this Agreement, the Member covenants that the Sub-tenant may at all times while this Agreement remains in effect, have and enjoy for his or her sole use and benefit the property herein above described.

11. Sub-tenant agrees that all of his or her personal property in the premises and designated storage areas shall be at the risk of the Sub-tenant. Sub-tenant further agrees not to hold the Member, or its agent, liable in any matter for or on account of any loss or damage sustained by action of third party, fire, water, theft, or the elements or for loss of any articles from any cause, from said premises or any other part of the project. Neither shall the Member be liable for any injury to the Sub-tenant, his family, guests, employees or any person entering the apartment, building, or property of which the demised premises are a part. Sub-tenant is encouraged to purchase insurance sufficient to cover Sub-tenant's property and Sub-tenant's liabilities hereunder.

12. Sub-tenant agrees that in the event of abandonment and accompanying default in rent, the Member may immediately enter the apartment and take possession of any property of the Sub-tenant found therein. The Member shall store same in a secure place and mail a notice to Sub- tenant's last known address stating the location and address of stored property. After sixty (60) days from date of default in rent and after prior notice of such sale, the Member may sell such property and may apply any income derived therefrom against monies due the Member, including drayage and storage. Any excess income derived from the sale of such property shall be held by the Member for the benefit of the Sub-tenant for the period of one (1) year from date of sale, and if no claim is made or action commenced by the Sub-tenant for recovery thereof prior to the expiration of that period of time, the balance shall be the property of the Member.

13. Sub-tenant agrees that the Member may, upon thirty (30) days written notice, make changes or additions to the terms stated herein, as deemed necessary for the best interest

of the Member and the Sub-tenant. Included are possible future increases or decreases in the amount of the Sub-tenant's rent.

Security Deposit: The Sub-tenant agrees to pay to the Tenant the sum of $ _____ as a security deposit, to be promptly returned upon termination of this Sublease and compliance of all conditions.

Inventory: Attached to this agreement is an inventory of items or fixtures on the above described property on _____(month/date/yr.). The Sub-tenant agrees to replace or reimburse the Tenant for any of these items that are missing or damaged.

Members' Consent: The Member consents to this lease and agrees to promptly notify the Sub-tenant at _____ if the Sub-tenant is in breach of this agreement. Nothing herein shall constitute a release of Tenant who shall remain bound under this lease. Nothing herein shall constitute a consent to any further Sublease or Assignment of Lease.

Date: _____

_____
Member signature

_____
Print Name

Date: _____

_____
Sub-tenant signature

_____
Print name