

University Square No. 1, Inc.
4625 Fifth Avenue
Pittsburgh, PA 15213

**Occupancy Agreement
Between
University Square No. 1 Inc.,
and
[Shareholder Name]**

Occupancy Agreement Between

**University Square No. 1, Inc.,
and [Shareholder Name]**

THIS AGREEMENT made and entered into this ____ day of _____, by and between UNIVERSITY SQUARE No.1, INC., (hereinafter referred to as the *Corporation*), a Pennsylvania corporation having its principal office and place of business in the City of Pittsburgh, County of Allegheny, Pennsylvania and [Shareholder Name] hereinafter (referred to as *Shareholder*).

WHEREAS, the Corporation has been formed for the purpose of owning and operating a cooperative housing project located at 4625 Fifth Avenue, City of Pittsburgh, County of Allegheny, Pennsylvania, (herein after "the Property") with the intent that its Shareholders shall have the right to occupy the units thereof under the terms and conditions hereinafter set forth; and

WHEREAS the Shareholder is the owner and holder of _____ shares of common capital stock of the Corporation:

NOW, THEREFORE, in consideration of the mutual promises contained herein, the Corporation hereby grants to the Shareholder, and the Shareholder hereby acquires from the Corporation, the right to use and occupy that portion of the Property as partitioned and designated as Unit Number _____, (hereinafter "Unit") located at University Square No.1, 4625 Fifth Avenue, Pittsburgh, Pennsylvania 15213.

TO HAVE AND TO HOLD said Unit unto the Shareholder, Shareholder's heirs, successors, executors, administrators, or assigns, on the terms and conditions set forth herein and in the Articles of Incorporation and the By-Laws of the Corporation and any Rules and Regulations of the Corporation now or hereafter adopted pursuant thereto, as the same may be amended from time to time, from the date of this Agreement, until this Agreement is terminated as set forth herein.

ARTICLES

ARTICLE 1. PREMISES TO BE USED FOR RESIDENTIAL PURPOSES ONLY

All Shareholders and non-shareholder residents shall occupy the Unit covered by this Agreement as a private residential dwelling Unit for the Shareholder(s) and registered and/or approved non-shareholder residents and for no other purpose, and may enjoy the use, in common with the other Shareholders of the Corporation, of all common property and facilities, so long as Shareholder(s) continue to own common stock of the Corporation, occupies the Unit, and abides by the terms of this Occupancy Agreement, the Corporate By-Laws and the Rules and Regulations of the Corporation.

ARTICLE 2. SHAREHOLDER'S RIGHT TO QUIET USE AND ENJOYMENT

In return for the Shareholder's continued fulfillment of the terms and conditions of this Agreement, the Shareholder may, at all times while this Agreement remains in effect, have the right to quiet use and enjoyment of the Unit, for Shareholder's sole use and benefit, after obtaining occupancy, and may use and enjoy in common with all other Shareholders of the Corporation all community property and facilities of the Corporation.

ARTICLE 3 SHAREHOLDER TO COMPLY WITH ALL CORPORATE REGULATIONS

The Shareholder guarantees that the Shareholder will preserve and promote the high standards and principles on which the Corporation has been founded, and abide by the Articles of Incorporation, Corporate By-Laws, Rules and Regulations of the Corporation and any amendments thereto. The Shareholder will act in cooperation with other Shareholders to ensure a high standard of personal living and community conditions.

University Square is a no-pet community with the exception of service animals and/or companion animals (also known as emotional support animals) permitted pursuant to federal law. Exceptions to the "No Pet Policy" may only be granted on the basis of a disability as a reasonable accommodation pursuant to the Fair Housing Act. The owner must submit sufficient medical documentation and obtain prior approval of the Board, said approval not to be unreasonably withheld before a service or companion animal will be permitted in the Unit.

If any Shareholder, Non-Shareholder Resident(s), Guest, or Invitee is in violation of the Articles of Incorporation, Corporate By-Laws, or Rules or Regulations of the Corporation, or is in violation of the terms of this Occupancy Agreement and fails to cure said violation after notice and

the opportunity to cure said violation, the Corporation or its Board of Directors shall have the right to terminate this agreement by either a vote of the two-thirds of the total percentage interest in the Corporation or by a majority vote of the Board of Directors.

Upon such termination of the Occupancy Agreement, the Shareholder(s) shall have thirty (30) days to vacate the premises and remove all belongings, including furniture, personal property, inclusive of all items in the Shareholder's storage locker.

The Shareholder(s) shall have the right to sell the Shareholder's shares of stock (See Article 12) but no longer enjoys the right to possess the Unit and must vacate the property within Thirty (30) days of receipt of the *Notice to Vacate* issued by the Corporation in accordance with this Occupancy Agreement. The *Notice to Vacate* shall be delivered in accordance with the notice requirements set forth in Article 13 of this Occupancy Agreement.

ARTICLE 4. SHAREHOLDER'S ATTESTATION OF OCCUPANCY

Each Shareholder is required to complete the *Verification of Occupancy Attestation Form* on an annual basis by January 15th of each year.

ARTICLE 5. MONTHLY CARRYING CHARGES AND OTHER CHARGES

MONTHLY CARRYING CHARGES. The Shareholder agrees to pay to the Corporation a monthly sum referred to herein as "Carrying Charges", equal to the Shareholder's proportionate share of the sum required by the Corporation as estimated by its Board of Directors to meet its annual expenses, including but not limited to the following items:

- (a) The cost of all operating expenses of the Property and services furnished. (Services furnished does **not** include, internet/cable/phone, interior maintenance of the Unit or minor repairs or decorations of the interior of the Unit.)
- (b) The cost of necessary management and administration.
- (c) The amount of all taxes and assessments of the Corporation which it is required to pay.
- (d) The cost of fire and extended coverage insurance and such other insurance as the Corporation may affect or as may be required.

- (e) The cost of furnishing water and sewage, electricity, heat, gas, garbage and trash collection, elevator/intercom, miscellaneous power, and other utilities, when furnished by the Corporation.
- (f) All reserves set up by the Board of Directors, including operating reserves and

- reserves for replacements.
- (g) The estimated cost of repairs, maintenance, and replacements of the Property to be made by the Corporation.
 - (h) Any other expenses of the Corporation approved by the Board of Directors.

The Board of Directors shall determine the Carrying Charges. Said sums shall be estimated on an annual basis and divided by the number of months in the fiscal year; but in any event, the Shareholder shall only be charged his/her proportionate share thereof as determined by the Board of Directors. Carrying charges may be increased, from time to time, at the discretion of the Board.

Until further notice from the Corporation, the monthly carrying charges for the above-mentioned Unit shall be \$_____. Shareholders are required to pay the monthly Carrying Charge by **Direct Debit** where the charge is deducted directly from the Shareholder's checking account on the 5th of each month.

SPECIAL ASSESSMENTS. In the event that it is necessary to levy a special assessment against the Shareholders in the discretion of the Board of Directors, the Corporation may, but is not required to, refund or credit to the Shareholder within ninety (90) days after the end of each fiscal year any such portion of such special assessments as have been collected in anticipation of expenses which are in excess of the amount needed for said expenses, at the sole discretion of the Board of Directors.

INITIAL CAPITAL IMPROVEMENT FEE. Upon the resale or transfer of a Unit, the new Shareholder(s) shall be responsible for the payment of an Initial Capital Improvement Fee equal to four (4x) times the monthly Carrying Charge allocated to that Unit at the time of resale or transfer. The Initial Capital Improvement Fee is a one-time, non-refundable fee to be paid by all new Shareholders. The Initial Capital Improvement Fee shall be paid from the proceeds of the closing, or in the event of a transfer without a formal closing, prior to the issuance of a new Share Certificate. The Initial Capital Improvement Fee is not refundable upon any sale, conveyance, or any other transfer of the title to a Unit, and are in addition to, and not a deposit of, all other charges. All Initial Capital Improvement Fees shall be deposited and maintained in the reserve account of the Corporation. To the extent that said reserve account may be depleted, or in the judgment of the Board of Directors, determined to be inadequate, the Board of Directors may increase the amount of the Initial Contribution Fee upon notice to the Unit Owners.

ARTICLE 6. INSURANCE LIABILITY

The Shareholder shall not permit anything to be done upon the Property which will increase the rate of insurance on the building, or on the contents thereof. The Shareholder will ~~not commit or permit any nuisance or damage on the premises or commit or suffer any illegal~~ University Square No. 1, Inc. Revised Occupancy Agreement – Effective January 2018

act to be committed thereon.

Shareholders shall comply with all the requirements of all local, state or federal governmental authorities with respect to the Property. If by reason of the occupancy or use of the Unit or any portion of the Property by the Shareholder, the rate of insurance on the building shall be increased, the amount of said increase shall be assessed against the Unit and the Shareholder shall also be personally obligated for the additional insurance premiums.

ARTICLE 7. EFFECT OF FIRE LOSS ON INTERESTS OF MEMBERS

In the event of loss or damage by fire or other casualty to the Unit, or multiple Units, without the fault or negligence of the Shareholder, the Corporation shall, upon an affirmative vote of a majority of all Shareholders, determine whether to restore the damaged premises and shall further determine, in the event such premises shall not be restored, the amount which shall be paid to the Shareholder to redeem the common stock of the Shareholder and to reimburse the Shareholder for such loss as the Shareholder may have sustained.

If the Corporation, determines, upon an affirmative vote of a majority of all Shareholders (i.e., 51% vote of the total percentage interest in the Corporation), to restore the premises, Carrying Charges shall be suspended, wholly or partially, as determined by the Corporation until the premises have been restored.

If the Corporation determines, upon an affirmative vote of a majority of all Shareholders, not to restore the premises, the Carrying Charges shall cease from the date of such loss or damage.

ARTICLE 8. DEFINITION OF DEFAULT BY SHAREHOLDER AND EFFECT THEREOF

It is expressly understood and agreed that, upon the occurrence of any of the events specified in clauses (a) to (j) of this Article, the Corporation, after notice and an opportunity to cure, may give to the Shareholder a Notice that this Agreement will be terminated at a date not less than thirty (30) days thereafter. As set forth in Article 3 above, this Agreement, and all

the Shareholder's rights under this Agreement, will terminate on the date fixed in such Notice and must vacate the Unit within thirty (30) days of receipt of a *Notice to Vacate*. The Shareholder(s) shall have the right to sell the Shareholder's shares of stock but no longer enjoys the right to possess the Unit issued by the Corporation in accordance with this Occupancy Agreement. Such Notice will be delivered in accordance with Article 13 of this Occupancy Agreement.

Upon termination of this Occupancy Agreement, it shall thereupon be lawful for the Corporation to re-enter the Unit and remove all persons and personal property therefrom, either by summary proceedings or by suitable action or proceeding at law or in equity or otherwise, and to repossess the Unit as if this Agreement had not been made. The following shall constitute a default under the terms of this Occupancy Agreement:

- (a) If, at any time during the term of this Agreement, the Shareholder shall cease to be the owner and legal holder of a share of the stock of the Corporation;
- (b) If the Shareholder attempts to transfer or assign this Agreement or permit occupancy of a Unit in a manner inconsistent with the provisions of the Occupancy Agreement, the Articles of Incorporation, By-Laws or Rules and Regulations;
- (c) If at any time during the term of this Agreement, the Shareholder shall be declared bankrupt under the laws of the United States, whether voluntarily or involuntarily;
- (d) If at any time during term of this Agreement, a receiver of the Shareholder's property shall be appointed under any of the laws of the United States or of any State.
- (e) If at any time during the term of this Agreement, the Shareholder shall make a general assignment for the benefit of creditors.
- (f) If at any time during the term of this Agreement, any of the stock of the Corporation owned by the Shareholder shall be duly levied upon and sold under the process of any Court.
- (g) If the Shareholder fails to effect and/or pay for repairs and maintenance as provided for in Article 10 hereof, after notice and an opportunity to cure.
- (h) If the Shareholder shall fail to pay any sum due pursuant to the provisions of Article 5 hereof.
- (i) If the Shareholder shall default in the performance of any of his/her obligations under this Agreement, Corporation By-Laws or Rules and Regulations, after notice and an opportunity to cure.
- (j) If the Shareholder shall fail to submit the *Verification of Occupancy Attestation Form* each year in accordance with Article 4 hereof.

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

In the event of a default, the Corporation may choose to exercise any of the remedies defined in this Occupancy Agreement, the Articles of Incorporation, Corporation By-Laws or Rules and Regulations. The failure on the part of the Corporation to exercise any one or more of its legal remedies shall not be a waiver of the right to otherwise enforce its right thereunder.

ARTICLE 9. MANAGEMENT, TAXES, AND INSURANCE

The Corporation shall provide necessary management, operation, and administration; pay or provide for the payment of all taxes or assessments against the Property; procure and pay or provide for the payment of fire insurance and extended coverage; other insurance as required by any mortgage on Property; and such other insurance as the Corporation may deem advisable on the Property. The Corporation will not provide insurance on the Shareholder's interest in the Shareholder's Unit or on the Shareholder's personal property. (See Articles 6 and 7 above.) In the event that a Shareholder believes that the Corporation is in breach of the terms of this Occupancy Agreement, the Shareholder shall provide the Corporation with written notice specifying the alleged breach and no less than thirty (30) days to respond or cure said breach.

ARTICLE 10. MAINTENANCE REponsibility

A. By Shareholder

The Shareholder shall be responsible for and agrees to perform any repairs and decoration(s) to Shareholder's Unit, and further agrees to perform any repairs or maintenance to Shareholder's Unit necessitated by Shareholder's own negligence or misuse at Shareholder's expense.

The Shareholder shall be responsible to maintain and repair, at the Shareholder's cost, all faucets, water supply lines to sinks, lavatories, bathtubs, shower stalls, toilets, electrical wiring, plugs, switches, kitchen appliances except for the dishwasher and disposal, electric light fixtures in the Unit, ceiling fans, air conditioning units, kitchen cabinets, bathroom vanity units, and all decorating and finishes of walls, ceiling, and floors including but not limited to paint, wallpaper, carpeting, flooring of any kind, draperies, blinds, curtains and any such window treatments whether purchased by the Shareholder or otherwise.

The Corporation shall have the right to charge back to the Shareholder any cost incurred by the Corporation due to the negligence of the Shareholder, including but not limited to any necessary exterminating costs due to the Shareholder knowingly or unknowingly introducing insects or any pests into the Unit that cause an infestation or risk of harm to any other Unit or common property in the building.

B. By Corporation

The Corporation shall be responsible to provide and pay for all necessary repairs, maintenance and replacement of the buildings and other property of the Corporation, including the Shareholder's dwelling Unit, except as otherwise set forth herein or in the By-Laws.

C. Right of Corporation to Make Repairs at Shareholder's Expense:

In case the Shareholder shall fail to effect necessary repairs and maintenance specified herein or in the By-Laws, in a manner satisfactory to the Corporation, and pay for same, the Corporation may do so and assess the cost thereof against the Unit and the same shall be a lien on the Unit and the personal obligation of the Shareholder.

D. Annual Safety Inspection of Unit:

Each Shareholder's Unit will undergo a maintenance and safety inspection by the building staff on an annual basis. Shareholders will be given a minimum of five (5) days' notice before the inspection which will take place only between the hours 9 AM and 3:00 PM during the work week. Shareholders expressly agree to fully cooperate with said inspection and to freely permit access to the Unit for this purpose.

ARTICLE 11. REMODELING AND ALTERATIONS

The Shareholder shall not make any structural alterations to the premises or in the water, gas or steam pipes, electrical conduits, plumbing, or other fixtures connected therewith, or remove any additions, improvements, or fixtures from the premises without the prior written consent of the Corporation. Washing machines and dryers are strictly prohibited in the Units.

The Shareholder shall submit a completed *Apartment Remodeling Application Form*, including contractual drawings, to the Business Office for approval by the Board and Management PRIOR to initiating any project within the dwelling.

If the Shareholder, for any reason, ceases to be an Occupant of the premises, the Shareholder shall surrender to the Corporation any alterations, additions, fixtures, and improvements.

ARTICLE 12. TRANSFER, SALE AND OCCUPANCY OF UNITS

Neither this Agreement nor the Shareholder's stock or the right to Occupancy of a Unit shall be transferable or assignable or extended except as follows:

(a) *Transfers to Shareholder's Immediate Family*- The Shareholders may transfer the Shareholder's right of Occupancy under this Agreement to a member of the Shareholder's immediate family by gift, bequest, assignment or otherwise, but such transferee shall only be entitled to occupy the Unit upon the prior approval of the Corporation and provided such transferee has been duly approved by the Corporation. In such event, the transferee shall, in writing, assume this Occupancy Agreement and become the legal holder of a share of the Corporation's common stock.

(b) *Procedure Where Shareholder Wishes to Sell Stock*- The Shareholder may sell the Shareholder's stock to any person, but such sale will not entitle the Purchaser to any right of occupancy unless the Purchaser has been duly approved by the Corporation. Upon due execution and delivery of a new Occupancy Agreement, or assumption in writing of the Purchaser's Agreement, the (new) Shareholder shall thereafter enjoy the privileges of and be subject to all the obligations of a Shareholder under this Agreement.

(c) *Occupancy of Units*- The following applies to the occupancy of all Units except the commercial Units located on the first floor of the building and will be strictly enforced:

(i) Per Article X, Section 4(f) of the Corporate By-Laws, at least one occupant of the Unit must be an owner of common stock of the Corporation.

(ii) The ownership of common stock of the Corporation is restricted to occupants of the project that have been approved by the Board of Directors of the Corporation.

(iii) Occupancy by Shareholders is approved at or before closing, and all new Shareholders must attend the University Square No. 1 Orientation Session prior to occupancy.

(iv) A Unit may not be occupied by Non-Shareholder residents unless a record Shareholder occupies the Unit at least six non-consecutive months in a calendar year.

(v) All non-shareholder residents 18 and older, including a family member relative and friend, must be pre-approved by the Board of Directors and attend the University Square No. 1 Orientation Session before occupancy. All non-shareholder residents must sign a Non-Shareholder Resident form prior to occupancy.

(vi) Non-shareholder residents will not be approved and may not occupy a Unit when at least one record Shareholder does not use the Unit as a residence at any time.

(vii) The Unit may only be a primary residence for a non-shareholder if he or she resides with a Shareholder of record whose primary or permanent residence is at the Corporation. The non-shareholder may then continue to occupy the Unit at any time during the absence of the Shareholder so long as the other requirements of this Article are met.

(viii) Upon request or upon a request for approval of a non-shareholder resident, the record shareholder must provide proof of occupancy at the discretion of the Board of Directors. Proof of occupancy may include a State issued photo identification, voter registration, tax returns or other similar documentation at the discretion of the Board.

(ix) The Shareholder is required to submit proof of occupancy of the Unit each year and must immediately notify the Board of Directors in the event of a change in occupancy.

(x) In the absence of the record Shareholder, the Unit may not be occupied by a house-sitter, relative, friend, visitor or otherwise. University Square No. 1 has staff available 24 hours a day to handle any emergency which may arise.

(xi) Short-term rentals, leasing and/or subleasing are not permitted under any circumstances. This includes but is not limited to services such as AirBNB.

(xii) The Board of Directors may approve an exception to these occupancy requirements under unique circumstances at the discretion of the Board and the approval shall not be unreasonably denied.

ARTICLE 13. NOTICES

Whenever the provisions of law or the By-Laws of the Corporation or this Agreement requires notice to be given to either party hereto, such notice may be given in writing by U.S. Mail addressed to the person to whom the notice is given at the last known address registered with the Corporation, hand-delivered to the shareholder's Unit where the Shareholder is a full-time resident or by electronic mail if an email address is registered with the Corporation.

ARTICLE 14. FISCAL REPORTS (AUDIT)

Each year, prior to the University Square No. 1 Annual Meeting, Management and the Board shall furnish to the Shareholder an audit report of the income and disbursements of the Corporation for the preceding fiscal year.

ARTICLE 15. ORAL REPRESENTATIONS NOT BINDING

No representations other than those contained in this Agreement, the Articles of Incorporation, Corporation By-Laws or Rules and Regulations shall be binding upon the Corporation.

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

ATTEST:

UNIVERSITY SQUARE NO. 1, INC.

.....
Secretary

.....
President

.....
Member and Stockholder

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Member and Stockholder

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Member and Stockholder

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Member and Stockholder