

UNIVERSITY SQUARE NO. 2, INC. OCCUPANCY AGREEMENT

THIS AGREEMENT is made and entered into as of this «date» day of «month», 2019, by and between **University Square No. 2, Inc.**, (hereinafter referred to as the "Corporation"), a corporation having its principal office and place of business at 4601 Fifth Avenue, Pittsburgh, Allegheny County, Pennsylvania 15213, and «name» (hereinafter referred to as the Shareholder);

WHEREAS, the Corporation was formed for the purpose of constructing, owning and operating a cooperative housing association located at 4601 Fifth Avenue, Pittsburgh, Allegheny County, Pennsylvania 15213, with the intent that its Shareholders shall have the right to occupy the dwelling units thereof under the terms and conditions hereinafter set forth; and

WHEREAS, the Shareholder is the owner and holder of «shares» shares of common capital stock of the Corporation.

NOW, THEREFORE, in consideration of One Dollar (\$1.00) to each of the parties paid by the other party, the receipt of which is hereby acknowledged, and in further consideration of the mutual promises contained herein, the Corporation hereby lets to the Shareholder, and the Shareholder hereby hires and takes from the Corporation, dwelling unit number «unit» located at 4601 Fifth Avenue, Pittsburgh, PA 15213.

TO HAVE AND TO HOLD said dwelling unit unto the Shareholder, his executors, administrators and authorized assigns, on the terms and conditions set forth herein and in the corporate charter and the by-laws of the Corporation and any rules and regulations of the Corporation now or hereafter adopted pursuant thereto, from the date of this agreement, unless terminated by the Corporation or the Shareholder.

ARTICLE 1. MONTHLY CARRYING CHARGES

Commencing at the time indicated in ARTICLE 2 hereof, the Shareholder agrees to pay 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 and to provide for necessary reserves, including but not limited to the following expenses:

- a) The cost of all operating expenses of University Square No. 2, Inc, Property, including, but not limited to, charges for common facilities.
- b) The cost of necessary management and administration.
- c) The amount of all taxes and assessments levied against University Square No. 2, Inc., or which it is required to pay.
- d) The cost of fire and extended coverage insurance on University Square No. 2, Inc., property and such other insurance as the Corporation may effect or as maybe required by any mortgage on University Square No. 2, Inc. property.
- e) The cost of furnishing water, electricity, heat, natural gas, garbage and trash collection.
- f) All reserves set up by the Board of Directors, including but not limited to operating reserves, tax escrow and the reserves for replacements.
- g) The estimated cost of repairs, additions, maintenance and replacements of common areas and other University Square No. 2, Inc., property to be made by the Corporation.
- h) The amount of required payments on any such loans incurred by the Corporation to cover major capital improvements, including principal, interest and other expenses.

i) Any other expenses of the Corporation approved by the Board of Directors, including deficiencies, if any, for prior periods.

The Board of Directors shall determine the Carrying Charges from time to time. Said sums shall be estimated on an annual basis and divided by the number of months remaining in the then current fiscal year, but in no event shall the Shareholder be charged with more than his proportionate share thereof as determined by the Board of Directors.

Pursuant to the provisions of the Pennsylvania Real estate Cooperative Act, the Board of Directors will determine the capital budget and operating budget for the Corporation at least annually. Within thirty days after adoption of any proposed budget by the Board of Directors, the Board shall provide the budget to all Shareholders to consider ratification of the budget not less than fourteen (14) days nor more than thirty (30) days after mailing of the budget. The budget may be rejected by the requisite number of Shareholders set forth in the Corporation's By-laws.

Until further notice from the Corporation, the monthly Carrying Charges for the above mentioned dwelling unit shall be \$«charges».

ARTICLE 2. WHEN PAYMENT OF CARRYING CHARGES TO COMMENCE

The carrying charges commence on the first day of the ownership of the shares of stock and the related abovementioned apartment. Thereafter, the Shareholder shall pay Carrying Charges in advance on the first day of each month. In the event that any Carrying Charge is unpaid for more than ten (10) days after the carrying charges are due, the Shareholder shall be obligated to pay to the Corporation a late charge of \$10.00 plus the unpaid balance of the amount due for each month.

If a shareholder defaults in making any payments of carrying charges or other special charges as set forth herein or defaults in the performance of any provisions of this Occupancy Agreement, the By-laws, or the Rules and Regulations of the Corporation, and the Corporation retains the services of any attorney or collection agency with respect thereto, the Shareholder will pay to the Corporation any and all costs or fees, including reasonable attorney fees and court costs incurred by it, in respect thereto. The Corporation shall have a lien on the dwelling unit for any said charges unpaid, as set forth in the Pennsylvania Real Estate Cooperative Act.

ARTICLE 3. REFUNDS

At the discretion of the Board of Directors, the Corporation may refund or credit to the Shareholder such sums as have been collected in anticipated expenses which are in excess of the amount needed for expenses of all kinds, including reserves.

ARTICLE 4. PREMISES TO BE USED FOR RESIDENTIAL PURPOSES ONLY

The Shareholder shall occupy the dwelling unit covered by this Occupancy Agreement as a private dwelling for the Shareholder and immediate family, and for no other purpose, and may enjoy the use, in common with the other Shareholders of the Corporation, of all common elements and facilities of University Square No. 2, Inc., so long as the shareholder continues to own common stock of the Corporation, occupies his dwelling unit, and abides by the terms of this Occupancy Agreement. There shall be no leasing or subletting of any unit by a Shareholder. See ARTICLE 6 as further clarification. The owner of the stock shall be the occupant of the said unit at all times, and the occupant of the said unit shall be the owner of the stock.

The Shareholder shall not permit or suffer anything to be done upon said premises, which will increase the rate of insurance on the building, or on the contents thereof, nor will the Shareholder commit or permit any nuisance on the premises or commit or suffer any illegal act to be committed thereon. The Shareholder shall comply with all of the requirements of the Board of Health and of all other governmental authorities with respect to the said premises. If, by reason of the occupancy or use of said premises by the Shareholder, the rate of insurance on the building shall be increased, the Shareholder shall become personally liable for the additional insurance premiums.

ARTICLE 5. SHAREHOLDER'S RIGHT TO PEACEABLE POSSESSION

In return for the Shareholder's continued fulfillment of the terms and conditions of this Agreement, the Corporation covenants that the Shareholder may at all times while this Occupancy Agreement remains in effect, have and enjoy for his sole use and benefit the property herein above described, after obtaining occupancy, and may enjoy in common with all other Shareholders of the Corporation the use of all community property and facilities of University Square No. 2, Inc.

ARTICLE 6. THERE SHALL BE NO LEASING OR SUBLETTING

The shareholder shall not be permitted to lease, sublet or sublease his dwelling unit or any part of it. Violation of this provision shall, at the option of the Corporation, be deemed equivalent to a notice of intention to withdraw and result in termination and forfeiture of the Shareholder's rights under this Agreement, giving rise to the Corporation's option to purchase under Article 7, clause (d).

ARTICLE 7. TRANSFERS

Neither this Agreement nor the Shareholder's right of occupancy shall be transferable or assignable, except as provided in clause (a), (b) and (c) and (d) of this Article 7.

a) **Transfers to Shareholder's Family.** Shareholder may transfer right of occupancy under this Agreement to another family member by gift, bequest, assignment or otherwise, provided such transferee shall in writing assume this Occupancy Agreement and become the legal holder of these shares of the Corporation's common stock. The transferee must also be approved by the Corporation's Board of Directors, and must meet all financial and other qualifications set forth by the Corporation's Board of Directors.

b) **Procedure Where Shareholder wishes To Sell Stock.** The Shareholder may transfer ownership of the shares of stock to any person, but such sale shall not entitle the purchaser to any right of occupancy unless they meet all financial and other qualifications set forth by the Board of Directors and the Corporation has duly approved that person. A Transferee/Buyer, as provided in the By-Laws, upon due execution and delivery of a new occupancy agreement, shall thereafter enjoy the privileges of and be subject to all the obligations of a Shareholder under this Agreement, and the current Shareholder shall thereupon be released by the Corporation of all obligations under this Agreement, provided that all amounts due the Corporation to date have been paid.

c) **Ownership by a Trust.** A Shareholder may, with the approval of the Corporation, transfer ownership of the herein designated unit to a revocable trust. The trust and name(s) of the beneficiary must be submitted to the Corporation for approval. When the trust takes ownership, the beneficiary must sell the shares in the Corporation, unless the beneficiary meets the membership qualifications of the Corporation to become a Shareholder.

d) **Options of Corporation to Purchase.** If the Shareholder desires to vacate his dwelling unit, he shall notify the Corporation, in writing, of such intention and the Corporation shall have an option for a period of thirty (3) days thereafter, but not the obligation, to purchase the Shareholder's shares of common stock and occupancy agreement, at an amount to be determined by the corporation as representing the book value thereof, less any amounts due by the Shareholder to the Corporation. The purchase by the Corporation of the Shareholder's stock and occupancy agreement will immediately terminate the Shareholder's rights hereunder and the shareholder shall forthwith vacate the premises.

ARTICLE 8. MANAGEMENT, TAXES AND INSURANCE.

The Corporation shall provide necessary management, operation and administration of University Square No. 2, Inc.; pay or provide for the payment of all taxes or assessments levied against University Square No. 2, Inc., procure and pay or provide for the payment of fire insurance and extended coverage, and other insurance as required by any mortgage on University Square No. 2, Inc., property, and such other insurance as the Corporation may deem advisable. The Corporation will not, however, provide insurance on the Shareholder's interest in the dwelling unit or the Shareholder's personal property. As to the effect of a fire loss on the interests of the Shareholder, see ARTICLE 14 below.

ARTICLE 9. UTILITIES

The Corporation shall provide necessary required services; water, electricity, heat, natural gas, elevator service and miscellaneous power in amounts, which it deems reasonable. The corporation is responsible for all sewage charges.

ARTICLE 10. MAINTENANCE RESPONSIBILITY

a) **By Shareholder.** The Shareholder shall be responsible and agrees to perform any repairs and decoration(s) to his dwelling unit, and further agrees to perform any repairs or maintenance to his dwelling unit necessitated by his own negligence or misuse at his own expense.

The shareholder shall be responsible to maintain and repair at his cost, all water supply lines to sinks, lavatories, bathtubs, shower stalls and toilets, and all wiring for electric plugs and switches, all kitchen appliances, except for the dishwasher and disposal, all electric light fixtures in the unit, all air conditioning units, all kitchen cabinets and bathroom vanity units, all painting, wallpaper, carpet and other decorating finishes.

b) **By Corporation.** The Corporation shall be responsible for and provide and pay for all necessary repairs, maintenance and replacement of the building and the Corporation's other property, including the Shareholder's dwelling unit, except as specified in clause (a) of this ARTICLE 10.

c) **Right of Corporation to Make Repairs at Shareholder's Expense.** In case the shareholder shall fail to effect the repairs and maintenance specified in clause (a) of this ARTICLE 10 in a manner satisfactory to the Corporation and pay for same, the Corporation may do so and add the cost thereof to the Shareholder's next month's Carrying Charge.

ARTICLE 11. ALTERATIONS

The shareholder shall not, without written consent of the Corporation, make any structural alterations in the premises, to the common elements/facilities, or in the common water, gas or steampipes, electrical conduits, plumbing or other fixtures connected therewith; or remove any additions, improvements, or fixtures from the premises.

If the Shareholder for any reason shall cease to be an occupant of the premises, the Shareholder shall surrender to the Corporation possession thereof, including any alterations, additions, fixtures and/or improvements.

ARTICLE 12. SHAREHOLDER TO COMPLY WITH ALL CORPORATE REGULATIONS

The Shareholder covenants that he will preserve and promote the cooperative ownership principles on which the Corporation has been founded, abide by the Articles of Incorporation, By-Laws, House Rules and Regulations of the Corporation and any amendments thereto and by their acts of cooperation with other shareholders will promote a high standard in home and community conditions. The above stipulations also apply to shareholders' guests, workers, contractors, caretakers, nurses, relatives, etc.

ARTICLE 13. DEFINITION OF DEFAULT BY SHAREHOLDER AND EFFECT THEREOF

It is hereby mutually agreed as follows: if at any time after the happening of any of the events specified in clauses (a) to (j) of this ARTICLE 13, the Corporation shall give to the Shareholder a notice that this agreement will expire at a date not less than thirty (30) days thereafter, this Agreement and all of the Shareholder's rights under this Agreement will expire on the date so fixed in such notice, unless in the meantime the default has been resolved in a manner deemed satisfactory by the Corporation, it being the intention of the parties hereto to create hereby conditional limitations, and it shall thereupon be lawful for the Corporation to re-enter the dwelling unit and remove all persons and personal property there from, either by summary dispossession proceedings or by suitable action or

proceeding at law or in equity or by force or otherwise, and to repossess the dwelling unit in its former state as if this Agreement has not been made:

a) In case at any time during the term of this Agreement the Shareholder shall cease to be the owner and legal holder of such shares of stock of the Corporation.

b) In case the Shareholder attempts to transfer or assign this Agreement in a manner inconsistent with the provisions of ARTICLE 7 hereof.

c) In case at any time during the continuance of this Agreement the Shareholder shall be declared a bankrupt under the laws of the United States.

d) In case at any time during the continuance of this Agreement a receiver of the Shareholder's property shall be appointed under any laws of the United States or of any state.

e) In case at any time during the continuance of this Agreement any shareholder shall make a general assignment for the benefit of creditors.

f) In case at any time during the continuance 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) In case at any time during the continuance of this Agreement the Shareholder fails to effect and/or pay for repairs and maintenance as provided for in ARTICLE 10 hereof.

h) In case at any time during the continuance of this Agreement the Shareholder shall fail to pay any sum due pursuant to the provisions of ARTICLE 10 hereof.

i) In case at any time during the continuance of this Agreement the Shareholder shall default in the performance of any of his obligations under this Agreement.

j) In case at any time during the continuance of this Agreement the Shareholder shall lease, sublease or sublet the unit.

The Shareholder hereby expressly waives any and all right of redemption in case the Shareholder shall be dispossessed by judgment or warrant of any Court or judge; the words "enter", "re-enter" and "re-entry" as used in this Agreement are not restricted to their technical legal meaning, and in the event of a breach or threatened breach by the 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 at law or in equity, as if re-entry, summary proceedings and other remedies were not herein provided for.

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

ARTICLE 14. EFFECT OF FIRE AND OTHER LOSS ON INTERESTS OF SHAREHOLDER

In the event of loss or damage by fire or other casualty to the above mentioned dwelling unit without the fault or negligence of the Shareholder, the Corporation shall determine whether to restore the damaged premises and shall further determine, in the event such premises shall not be restored, the amount which shall be paid to the Shareholder to redeem the common stock of the Shareholder and to provide reimbursement for such loss as he may have sustained.

If, under such circumstances, the Corporation determines to restore the premises, Carrying Charges shall abate wholly or partially as determined by the Corporation until the premises have been restored. If, on the other hand, the Corporation determines not to restore the premises, the Carrying Charges shall cease from the date of such loss or damage.

ARTICLE 15. INSURANCE REQUIREMENTS BY SHAREHOLDER

a) The Corporation shall have the power to require that all Shareholders carry such types of insurance on their units as the Corporation may require, including, without limitation, insurance on all portions of the Shareholder's unit. All insurance carried by the Shareholder shall comply with all clauses of this Article and shall be carried with insurance companies satisfying the requirements of this Article.

b) All additional insurance obtained by any Shareholder shall be at the expense of the Shareholder provided, however, that the waive of subrogation shall not invalidate such policies contained in this Article and no shareholder shall be entitled to exercise the right to maintain insurance coverage in such a way as to decrease the amount which the Corporation may realize under any insurance policy which the Corporation may have in force on the Corporation property at any particular time.

c) Any Shareholder who obtains an individual insurance policy covering any portion of the Corporation property other than the individual Unit of such Shareholder, shall be required to file a copy of the individual policy with the Corporation within thirty (30) days after purchase of such insurance.

d) The insurance may not be canceled or substantially modified (except for increases in amount of property coverage) without at least thirty (30) days prior written notice to the named insured to all shareholders.

e) All policies shall be written with a company licensed to do business in the Commonwealth of Pennsylvania and holding a rating equivalent "A", or better, of A.M. Best & Co.

f) All Shareholders shall provide to the Corporation proof of renewal of insurance on the expiration date of the Shareholder's policy.

ARTICLE 16. INSPECTION OF DWELLING UNIT

The Shareholder agrees that the representatives of the Corporation, and the officers, directors, employees and managing agent of the Corporation, shall have a right to enter the dwelling unit of the Shareholder and make inspections thereof at any reasonable hour of the day.

ARTICLE 17. NOTICES

Whenever the provisions of law or the By-Laws of the Corporation or this Agreement require notice to be given to either party hereto, such notice may be given in writing by depositing the same in a post office or letter box, in a postpaid, sealed wrapper addressed to the person to whom the notice is to be given, at their address as the same appears in the books of the Corporation, and the time when the same shall be mailed shall be deemed to be the time of the giving of such notice.

ARTICLE 18. FISCAL REPORTS

Each year the Corporation shall furnish to the Shareholder a statement of the income and disbursement of the Corporation.

ARTICLE 19. ORAL REPRESENTATIONS NOT BINDING

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

ARTICLE 20. MISCELLANEOUS

Severability. In the event that any of the provisions of this Occupancy Agreement are found to be invalid or otherwise ineffective, the remaining provisions of this Occupancy Agreement will remain in full force and effect.

Indemnification. The Shareholder will at all times during the term of this Occupancy Agreement defend, indemnify and save harmless the Corporation from every and all loss, costs and liability whatsoever which may arise or may be claimed against the Corporation by any person or persons or any claimant for any injuries to person or property or damage of whatsoever kind or character where the injury or damage arises from the use and occupancy of the dwelling unit by the Shareholder or those holding under the Shareholder or arising either wholly or in part from the act or omission of the Shareholder or any member of the family of the Shareholder, guest, servant or other persons claiming through or under the Shareholder, and any sums so expended or incurred by the Corporation together with all its costs, expenses and reasonable attorney fees in connection therewith.

ARTICLE 21. STOCK AS COLLATERAL

The Corporation recognizes that any Shareholder who has a share loan with a licensed Pennsylvania banking institution is given the approval of the Board of Directors to pledge his/her shares of stock with the Corporation as collateral with the licensed Pennsylvania banking institution as stated in the Recognition Agreement by and between the Corporation and said banking institution.

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

ATTEST:

UNIVERSITY SQUARE NO. 2, INC.

Secretary

By: _____
President

Witness

Shareholder

Witness

Shareholder

October 23, 2006