

Pilsen Housing Cooperative (PIHCO) Occupancy Agreement

THIS AGREEMENT is made and entered into the _____ day of _____, 20_____, by and between THE PILSEN HOUSING COOPERATIVE (“Cooperative”), a not-for-profit corporation of Illinois (“Cooperative”), and

(“Member” or “Shareholder”).

This Agreement is made with reference to the following facts:

- The Pilsen Housing Cooperative has been formed for the purpose of acquiring, owning and operating real estate in the Pilsen neighborhood to provide its members (“shareholders”) with affordable, stable, limited-equity housing on a cooperative basis.
- The Cooperative owns and operates the Property located at 1903 W. 19th Street and 1910 S. Wolcott, Chicago, (“Property”);
- It is the intent that the members of the Cooperative shall have the right to occupy the Property’s dwelling units under the terms and conditions hereinafter set forth; and
- The Member is the owner and holder of a Certificate of Membership of the Cooperative and has a bona fide intention to reside in the Property; and
- The Member has certified to the accuracy of the statements made in the Member’s application; and
- Attachment A shows, for the Property, the square footage by unit and the unit proportion of total private living space; and
- Attachment B shows the Members and share values at the time of purchase of the Property.

Based on these facts, the Cooperative leases to and the Member takes from the Cooperative the dwelling unit located in the Property and referred to as Apt.# _____, _____, Chicago, Illinois (“Dwelling Unit”).

The Member shall HAVE AND HOLD said Dwelling Unit on the terms and conditions set forth herein and in the Cooperative's Articles of Incorporation and bylaws and any rules and

regulations of the Cooperative now or hereafter developed pursuant thereto, from the date of this Agreement until its termination.

EFFECTIVE DATE for taking occupancy of the Dwelling Unit: _____, 20_____.

TERM: The term granted by this Agreement is one year. The Agreement shall be automatically extended and renewed for further periods of one year each, under the same terms and conditions as contained in this Agreement, unless:

The Agreement is terminated by the Cooperative under Article 6 of this Agreement or under Article 10 of the Bylaws, or

The Member decides not to renew and provides notice to the Co-op under Article 5 of this Agreement

Article 1

Monthly Housing Charge and Down Payments

Beginning on _____, the Member agrees to pay to the Cooperative a monthly sum ("Monthly Housing Charge"), which shall initially be \$_____ per month, without claiming any setoff or deduction and without demand. The Cooperative's acceptance of any partial Monthly Housing Charge payment shall not constitute a satisfaction of the Member's obligation nor a waiver of the Cooperative's right to collect the full amount.

Article 2

When Payment of Monthly Housing Charge to Commence

After 30 days notice by the Cooperative to the effect that the Dwelling Unit is or will be available for occupancy, or upon acceptance of occupancy, whichever is earlier, the Member shall make a payment for Monthly Assessments covering the unexpired balance of the month. Thereafter, the Member shall pay Monthly Assessments on the first day of each month.

Article 3

Calculations and Changes in Monthly Housing Charge

The Cooperative's Board of Directors shall determine the amount of the Monthly Housing Charge annually, but may do so more frequently as necessary, to meet all annual expenses, including but not limited to the following items:

- a. The cost of all operating expenses of the Cooperative and services furnished.
- b. The cost of necessary management and administration.
- c. The amount of all applicable mortgage payments, taxes and assessments the Cooperative is required to pay.
- d. The cost of utilities, including water and trash collection, except for utilities billed directly to the Cooperative's members.

- e. The cost of all insurance, including but not limited to fire, casualty, liability and such other insurance as may be required by any mortgage on the Cooperative.
- f. Accounting, marketing and legal costs.
- g. All reserves set up by the Board, including the general operating reserve and the reserve for replacements.
- h. The assessed cost of repairs, replacements and general maintenance.

Article 4
Premises to be Used for Residential Purposes Only

The Member shall occupy the Dwelling Unit covered by this Agreement as a private dwelling unit for Member and for no other purpose, except as may be permitted by the Board of Directors, and may enjoy in common with other Members of the Cooperative the use of all community property and facilities of the Property so long as the Member continues to own a Certificate of Membership of the Cooperative, occupies his/her dwelling unit, and abides by the terms of this Agreement.

Article 5
Termination of Membership (Voluntary)

The term granted by this Agreement shall remain valid until notice of Member's election to terminate occupancy has been given to the Cooperative in writing at least three (3) months prior to the expiration of the occupancy.

If after three months no new Member has been found, the Cooperative will allow the unit to be sublet on terms and conditions set by the Cooperative until a new member can be found. When unit is transferred to the new Member, the transferring Member shall be entitled to payment from the sale of the Membership in accordance with the By-Laws

Article 6
Involuntary Termination of Membership

It is mutually agreed as follows: At any time after the happening of any of the events specified in clauses (a) to (j) of this Article, the Cooperative may, at its option, give to the Member a Notice that this Agreement will expire at a date not less than thirty (30) days later. If the Cooperative gives such notice, all of the Member's rights under this Agreement will expire on the date fixed in such notice, unless in the meantime the default has been cured in a manner satisfactory to the Cooperative.

Upon expiration of the 30 day notice, it shall be lawful for the Cooperative to re-enter the Dwelling Unit and to remove all persons and personal property from the unit, by summary dispossession proceedings, or by a suitable action or proceeding, at law or in

equity or by any other proceedings which may apply to the eviction of tenants and to repossess the Dwelling Unit in its former state as if this Agreement had not been made:

- (a) In case at any time during the term of this Agreement the Member shall cease to be the owner and legal holder of a Membership of the Cooperative;
- (b) In case the Member attempts to transfer or assign this Agreement in a manner inconsistent with this Agreement or any provision of the By-Laws;
- (c) In case at any time during the continuance of this Agreement the Member shall be declared as bankrupt under the laws of the United States, or a receiver of the Member's property is appointed by a court, or the Member makes a general assignment for the benefit of creditors, or in case the Member fails to pay any sum due to a party other than the Cooperative, which, if not paid, could become a lien against the Cooperative's real estate with a balance being outstanding for longer than two (2) months.
- (d) In case the Member fails to effect and/or pay for repairs, maintenance, replacement or cleaning as provided for in Article 13, or any other additional Monthly Housing Charges allowed by this Agreement.
- (e) In case the Member fails to pay any sum due to the Cooperative pursuant to this Agreement or the By-Laws,
- (f) In case the Member shall default in the performance of any of the Member's other obligations under this Agreement, including compliance with Cooperative rules and regulations.
- (g) In case the Member allows people to live in the Dwelling Unit who are not listed as permitted occupants on Attachment C;
- (h) In case the Member shall move out of the Dwelling Unit;
- (i) In case the Member shall do any act or create any condition which would cause the Cooperative to be in violation of any environmental protection law or ordinance or applicable housing and/or building laws or ordinance or any other applicable laws.

The Member expressly waives any and all right of redemption in case he or she shall be dispossessed by judgment or warrant of any court or judge.

The Member agrees that there exists under this Occupancy Agreement a landlord-tenant relationship and that in the event of a breach or threatened breach by the Member of any provision of this Agreement, all recourse allowed under the law shall be available to the Cooperative for the breach or threatened breach under the law by a tenant of any provision of a lease agreement or rental agreement, including those pursuant to 735 ILCS 5/9-101 et seq., or any replacement legislation.

The failure on the part of the Cooperative to use any of the remedies given under this Agreement shall not waive nor destroy the right of the Cooperative to use such remedies for similar or other breaches on the part of the Member.

Article 7 Member's Additional Responsibilities

The Member shall not permit anything to be done or kept upon the premises which will increase the rate of insurance on the building, or on the contents thereof, or which will obstruct or interfere with the rights of other occupants, or annoy them, or endanger their health or safety. Nor will the Member commit or permit any nuisance on the premises or commit or permit any illegal act to be committed on the premises. If by reason of the occupancy or use of premises by the Member, the rate of insurance on the building shall be increased, the Member shall become personally liable for the additional insurance premiums.

The Member shall not permit anything to be done on the premise that causes damage to another Member's unit or possessions or Cooperative-owned property or possessions. If it is determined that damage to another Member's unit or possessions or Cooperative-owned property or possessions is due to negligence of a Member, that Member shall become personally liable for the cost to repair/replace the damaged property/possessions.

Unlawful activities including but not limited to acts of violence that damage or destroy a dwelling unit or other Cooperative property or that disturb or injure other residents or anyone else, whether in a dwelling unit, in common areas, or otherwise on the Property; drug-related criminal activity (the illegal manufacture, sale, distribution, or possession with intent to manufacture, sell, distribute or use a controlled substance) are grounds for termination of Membership.

Each Member shall maintain his or her unit in a clean condition at all times to prevent insect and rodent infestations.

The Member shall be responsible for Co-op approved special assessments issued during membership.

Any violation of the prohibitions contained in this Article, inclusive, shall be considered a material breach of the terms of this Occupancy Agreement and the Cooperative shall have the right to terminate the Member's right of occupancy as provided in Article 6.

Article 8 Subletting and Additional Occupants

No subletting without consent of Cooperative. The Member shall not assign this Agreement nor sublease his/her Dwelling Unit without the prior written consent of the Cooperative. All rental income from subleasing shall be paid to the Cooperative. The liability of the Member under this Occupancy Agreement shall continue notwithstanding the fact that he/she may have

subleased the Dwelling Unit with the approval of the Cooperative. The Member shall be responsible to the Cooperative for the conduct of the sublessee. Any unauthorized subleasing shall, at the option of the Cooperative, result in the termination and forfeiture of the Member's rights under this Occupancy Agreement.

All longer-term occupants may be screened by the Cooperative. Non-paying guests of any Member, i.e. those not subletting the Dwelling Unit, may occupy the Member's unit under such conditions as may be prescribed by the Cooperative. Any person who moves into the Member's Dwelling Unit for an extended or indefinite period of time may be screened by the Cooperative, and each such adult must be added to this Agreement as a named occupant under Attachment C.

Article 9

Member's Right to Peaceable Possession

All members have the right to peaceably enjoy their units and common property and facilities. In return for the Member's continued fulfillment of the terms and conditions of this Agreement, the Cooperative promises that the Member may at all times while this Agreement remains in effect, enjoy for his or her sole benefit the Dwelling Unit described above, after obtaining occupancy, and may enjoy in common with all other members of the Cooperative the use of all community property and facilities of the Property.

The Member hereby agrees not to commit or permit anything to be done upon said premises which will obstruct or interfere with the rights of other members of the Cooperative or annoy or harass them by unreasonable noises or actions, or deprive them of their right to privacy and peaceable possession.

Article 10

Transfers

Neither this Agreement nor the Member's right of occupancy shall be transferable except in the same manner as may now or later be provided for the transfer of membership in the Bylaws of the Cooperative.

Article 11

Management, Taxes, and Insurance

The Cooperative shall provide necessary management, operation and administration of the Property; pay or provide for the payment of all taxes or assessments levied against the Property, procure and pay or provide for the payment of fire insurance and extended coverage, and other insurance as required on Property, and such other insurance as the Cooperative may deem advisable.

The Cooperative will not, however, provide insurance on the Member's interest in the Dwelling Unit or on the Member's personal property. The Member agrees the Cooperative has no responsibility for the Member's interest in the Dwelling Unit or personal property.

Article 12 Utilities

The Member shall pay directly to the supplier all amounts owed for utilities not supplied by the Cooperative.

Article 13 Repairs

Repairs by Member. The Member agrees to repair and maintain the Dwelling Unit at his or her own expense as follows:

- (a) Any repairs or maintenance necessitated by Member's own negligence or misuse, whether intentional or unintentional;
- (b) Any redecoration of Member's own dwelling unit except as may be provided by the Cooperative; and
- (c) Any repairs, maintenance or replacements required on the personal property not furnished by the Cooperative.

Repairs by the Cooperative. The Cooperative shall provide all necessary repairs, maintenance and replacements to the building systems, including in-wall plumbing, in-wall gas, heating systems, in-wall electrical repairs, structural components of the building, and repairs to the roof, gutters, downspouts, basement, common areas, tuckpointing/brickwork, chimneys, and exterior apartment doors and windows. If the Cooperative has to make such repairs because of the Member's negligence or misuse, whether intentional or unintentional, then the Cooperative may add the cost of the repairs to the Member's next Monthly Housing Charge Payment.

Right of Cooperative To Make Repairs At Member's Expense. In case the Member fails to effect and pay for the repairs, maintenance or replacements specified in this Article as the Member's responsibility in a manner satisfactory to the Cooperative, the Cooperative may do so and add the cost thereof to the Member's next Monthly Housing Charge payment.

Access. The officers and employees of the Cooperative shall have the right to enter the Dwelling Unit of the Member in order to effect necessary repairs, maintenance, and replacements, and to authorize entrance for such purposes by employees of any contractor, utility company, municipal agency, or others, at any reasonable hour of the day after giving

notice required by applicable law, and, in the event of an emergency, at any time without notice.

Article 14

Alterations and Additions

No structural alterations allowed. The Member shall not, without the prior written consent of the Cooperative, make any structural alterations in the premises or in the water, gas or steam pipes, electric conduits, plumbing, masonry or other fixtures connected to the premises, or remove any walls, additions, improvements, or fixtures, including kitchen hutches, from the premises.

Surrender of alterations. If the Member for any reason shall cease to be an occupant of the premises, without written consent of the Board, he/she shall surrender to the Cooperative possession thereof, including any alterations, additions, fixtures, and improvements.

Use of heavy electrical equipment. The Member agrees not to overburden the building's electrical systems by using in his or her Dwelling Unit heavy equipment such as kilns, industrial power tools or machines, or by using so many electrical devices so as to overload or strain electrical systems. The Member agrees that the Cooperative may require the prompt removal of any such equipment at any time, and that Member's failure to remove such equipment upon request shall constitute a default within the meaning of Article 6 of this Agreement.

Impact of Member-paid improvements on Transfer Value. In order for improvements to a unit to result in an increase in Transfer Value, that increase in Transfer Value must be approved by the Cooperative in advance of the improvements to be made. The Cooperative-approved value of the improvement(s) will be assessed and agreed upon by the Cooperative no more than three months after completion of the improvement(s). It should be the exception rather than the rule that improvements are accompanied by an increase in Transfer Value, guided by the Cooperative's principle of valuing the maintenance of affordability.

Article 15

Member to Comply with All Cooperative Regulations

The Member covenants that he/she will preserve and promote the cooperative ownership principles on which the Cooperative has been founded, abide by the Articles of Incorporation, Bylaws, rules and regulations of the Cooperative and any amendments thereto, and by his/her acts of cooperation with its other Members, bring about for himself/herself and his/her co-Members and co-residents, a high standard in home and community conditions. The Cooperative agrees to make its rules and regulations known to the Member by delivery of same to him/her or by promulgating them in such other manner as to constitute adequate notice.

Article 16
Effect of Casualty Loss on Interests of Member

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 Member, the Cooperative shall determine whether to restore the damaged unit and shall further determine, in the event the unit shall not be restored, the amount which shall be paid to the Member to redeem the Membership of the Member.

If the Cooperative determines to restore the unit, Monthly Housing Charges shall abate wholly or partially as determined by the Cooperative until the unit has been restored. If on the other hand the Cooperative determines not to restore the unit, the Monthly Housing Charges shall cease from the date of such loss or damage.

Article 17
Inspection of Dwelling Unit

The Member agrees the representatives of any mortgagee holding a mortgage on the property of the Cooperative, the officers and employees of the Cooperative, and, with the approval of the Cooperative, the employees of any contractor, utility company, or municipal agency or others, shall have the right to enter the Dwelling Unit of the Member and make inspections therein at any reasonable hour of the day, with 24 hours prior notice to the Member, and in the event of an emergency at any time. The purpose of the inspection must be stated and entry must be used only for the stated purpose.

Article 18
Late Charges and Other Costs in Case of Default

The Member agrees that, in addition to the other sums that have become or will become due pursuant to the terms of this Agreement, the Member shall pay to the Cooperative a late charge in an amount to be determined from time to time by its Members for each payment of any part of any Monthly Housing Charge more than five (5) days late or otherwise in violation of the Cooperative's Late Payment Policy, if any.

If a Member defaults in making a payment of Monthly Housing Charges or in the performance or observation of any provisions of this Agreement and the Cooperative has hired any attorney with respect to the defaults involved, the Member promises to pay to the Cooperative any costs or fees involved, including reasonable attorneys' fees, notwithstanding the fact that a suit has not yet been instituted. In case a suit is instituted, the Member shall pay the costs of the suit in addition to all other costs and fees.

Article 19
Subordination Clause

It is specifically understood and agreed by the Member and the Cooperative that this Agreement and all rights, privileges and benefits hereunder are and shall be at all times subject to and subordinate to the liens of such mortgages applicable to the building in which the Dwelling Unit is located.

Article 20
Savings Clause

If any clause, provision or portion of this Agreement or its application to any person or circumstance shall be invalid or unenforceable under applicable law, such event shall not affect, impair or render invalid or unenforceable the remainder of this Agreement nor any other clause, phrase, provision or portion of this Agreement as it applies to other persons or circumstances.

Article 21
Notices

All notices given between the Member and Cooperative shall be in writing. If the Membership is owned by a married couple, notice to either spouse is sufficient. The address for notices to the Member is the Member's unit or the Member's last known address as shown in the books of the Cooperative. The address for notices to the Cooperative is 1910 S. Wolcott Avenue Chicago, IL 60608, attention: President.

Notice can be given by:

- a. personal delivery;
- b. certified U.S. Mail, return receipt requested (the date served shall be the postmark date);
or
- c. overnight delivery (e.g. FedEx) (with notice effective on the next business day following deposit with the delivery company).

Article 22
Amendment Process

This Agreement may be amended only by following the same process outlined in the Cooperative's Bylaws for amending the Cooperative's Bylaws. If Amendments are appropriately approved, the Member shall sign a new occupancy agreement reflecting those changes. If the Member elects not to sign a new occupancy agreement, the new amendments shall still apply to them.

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

Member Signature Printed Name

Member Signature Printed Name

Phone: _____ E-mail: _____

For PILSEN HOUSING COOPERATIVE:

Authorized Signatory #1 Signature Printed Name

Authorized Signatory #2 Signature Printed Name

**Attachment A:
 Square Footage by Unit,
 Unit Proportion of Total Private Living Space**

Unit	Square Footage	Percent of Building's Total Private Living Space
[REDACTED]	597	10.18%
[REDACTED]	1,259	21.49%
[REDACTED]	1,034	17.65%
[REDACTED]	1,131	19.31%
[REDACTED]	997	17.02%
[REDACTED]	840	14.34%
TOTALS	5,858	100.00%

**Attachment B:
Members and Share Values at Time of Building Purchase,
Amount Financed Through the Cooperative**

Name	Unit	Total Share Price	Purchase Fee (Down Payment)	Amount Financed Through the Co-op	Percent of Total Financed Through the Co-op
██████████	██████████	\$72,868	\$20,000	\$52,868.16	9.9961%
██████████	██████████	\$153,470	\$40,000	\$113,470.49	21.4546%
██████████	██████████	\$126,075	\$15,000	\$111,074.70	21.0016%
██████████	██████████	\$152,908	\$15,000	\$137,908.38	26.0752%
██████████	██████████	\$115,565 (includes a PIHCO subsidy of \$6,000)	\$2,000	\$113,565.30	21.475%
██████████	██████████	\$101,613	\$101,613	0	0
Totals				\$528,887.03	100%

**Attachment C
Household Occupants**

The following named occupants are the only people permitted to reside in and occupy the Dwelling Unit, in addition to the Member(s) signing this Agreement:

This Attachment C may be updated from time to time (without undergoing the amendment process described in Article 22). The Member must notify the Board of Directors in writing of any change in household composition, and all adult household members may be screened as outlined in Article 8. The Board of Directors will maintain the updated Attachment C in its written records.

Name	Date Added