

ATCHISON VILLAGE MUTUAL HOMES CORPORATION
270 CURRY STREET
RICHMOND CALIF.94801
Tel: 510-234-9054 Fax: 510-234-9072

This Mutual Ownership Contract, entered into this _____ day of _____, by and between Atchison Village Mutual Homes Corporation, a California Corporation (hereinafter called the "Corporation") and _____ (hereinafter called the "Member"),

WITNESSETH:

That, in consideration of the terms, understandings and mutual covenants herein contained, it is agree as follows:

1. Certificate of Membership Fee

The Corporation hereby acknowledges the payment by the Member of the sum of One Dollar (\$1.00) and in consideration thereof extends all rights and privileges of membership to the Member.

2. Sale and Purpose of Perpetual Use

Subject to all provisions hereinafter contained in this contract, the Corporation hereby gives, sets over and transfers to the Member, and the Member hereby purchases and takes from the Corporation, a right of perpetual use and enjoyment (hereinafter called the "Perpetual Use") of that certain dwelling located at

_____, in the City of Richmond, County of Contra Costa, State of California.

3. Membership Certificate

The Perpetual Use of each particular dwelling shall be delivered by the Corporation to the Member in the form of a Membership Certificate, which shall be issued by the Corporation to the Member upon the Member's agreement to comply with all the terms and conditions of this agreement, with the Articles of Incorporation, Bylaws and Rules and Regulations of the Corporation, which are not inconsistent with this contract.

4. Original Purchase Price of Perpetual Use

The original purchase price in 1957 (hereinafter referred to as "the book equity") for said Perpetual Use of the described dwelling was _____ Dollars (\$_____).

5. Assessment Fees

The Member agrees to make monthly payments of Assessment Fees, payable in advance the first day of each and every month, it being understood that the monthly payment includes reserves and other costs as provided for in Paragraph 6 below. It is further understood the operating charges which are included and made a part of the monthly payment are subject to change as required by the Corporation to meet said operating payments, reserves, and other charges, and may be increased or decreased from time to time as required by the Corporation, thereby changing the monthly payment to be made by the Member. The operating payments applicable to Perpetual Use purchased by Member, and as established by the Corporation from time to time shall continue for the entire term of the said Perpetual Use of said dwelling. Late charges, interest and costs of collection and due dates for payments shall be governed by appropriate, applicable California law.

6. Operating Payments

The monthly payments include an operating payment to cover the estimated cost of operating services, garbage collection, water, real estate taxes, reserves and other charges established by the Corporation. Such payments by the Member for operating charges shall be subject to change from time to time as is required by the Corporation. At the time of the execution of this document, the monthly assessment fee for a _____-bedroom unit is _____.

7. Occupancy and Subletting

The Member(s) shall occupy the dwelling covered by this contract as the principal residence for Member(s) and immediate family, and may enjoy the use, in common with all other members of the Corporation, of all community property and facilities of the Corporation, so long as they remain a member of the Corporation, occupy the dwelling, and abide by all the terms of this contract, articles of incorporation, bylaws, and rules and regulations. The Member may, with the prior written consent and approval of the Corporation, sublease his/her dwelling during period temporary absence, provided that in no event may the total period exceed six (6) months in any calendar year. Violations of this paragraph are grounds for termination of this contract. But the Corporation must repay the Member as set forth in Paragraph 10 herein, before any termination is effective. Any exceptions are to be reviewed by the Board on an individual basis, and may be approved or denied depending on the circumstances.

8. Corporation to Provide for Operating Services, Utilities and Reserve

The Corporation shall:

- a) provide the necessary management and administration of the Corporation;
- b) collect and pay all real property taxes and assessments levied against the Corporation;
- c) procure and pay for insurance on the Corporation, including insurance on the Members' dwellings, but not on personal property within the dwellings;
- d) provide for water, and for garbage collection to each unit, and gas and electricity to the Corporation main office building/maintenance shop, so long as service remains on master meters;
- e) set up reserves to cover vacancy and collection losses and further costs of replacements;
- f) provide and pay for all necessary repairs, maintenance and replacements on the interior of exterior surfaces of community buildings and grounds in said Corporation;
- g) provide each Member with a hot water heater and heating unit, with the express understanding that any repairs or replacements shall be made at the Member's expense. The Corporation shall maintain/repair original plumbing and electrical equipment only.
- h) provide and pay for the repair and maintenance of the exterior surfaces of all buildings in said Corporation, with the exception of fences, sheds and other accessory buildings.

The word "dwelling," as used in this contract, shall include, among other things, the items mentioned in Subdivision g, of Section 8.

9. Obligation of Members

The Members shall:

- a) comply with the terms of this contract, the Articles of Incorporation, the Bylaws, and regulations of the Corporation;
- b) maintain lawns, shrubs and any trees planted by Members in the vicinity of their dwelling in a manner satisfactory to the Corporation;
- c) maintain the interior of their premises in a condition satisfactory to the Corporation, assuming responsibility, among other things, for all interior decorating and painting, and for all repairs and maintenance to the interior of the unit, except those deemed the responsibility of the Corporation;
- d) on leaving the Corporation, to surrender the heating unit and hot water tank to the Corporation in as good a state of repair as received by Member, reasonable use, wear and tear thereof excepted;
- e) refrain from altering or changing the building erected on the premises or any part thereof, in any manner whatever, without first obtaining the Corporation's written consent and all proper City permits. Proof of final satisfactory inspection is to be filed with Corporation office when work is completed;
- f) permit the Corporation to make periodical inspection of the premises as to their fitness and repair, and to permit the Corporation to make repairs that the Member neglects or refuses to make in accordance with this contract, the Articles of Incorporation, the Bylaws, and rules and regulations of the Corporation;
- g) refrain from making any contract that may be the basis of any lien upon the above premises;
- h) agree that, in the event the Member does not fulfill any obligation to the satisfaction of the Corporation, the Corporation may have any work or labor performed which in its judgment is necessary, or discharge any lien, and charge the cost to the Member if such a charge is not paid when it accrues;
- i) apply for all reduction and expenses available to Corporation Members, such as the Homeowners Tax Exemption available to Members, and the reduced garbage rate available to all seniors.

10. Corporation Right to Purchase

In the event the Member wishes to leave the Corporation, the Member must sell his/her Perpetual Use. The Member shall give written notice thereof to the Corporation. The Corporation shall then have an option to purchase the Member's Perpetual Use for an amount equal to the then fair market value of the Perpetual Use of the Member. If the Corporation desires to exercise said option, it must so notify the Member in writing within thirty days from the date of the notice given by the Member, as above provided. If the Corporation does not exercise its option to purchase the Member's Perpetual Use, the Member shall be free to sell such Perpetual Use to any person who is accepted as a Member by the Corporation.

11. Death of Member

In the event of the death of the Member, his/her Perpetual Use or any interest therein is subject to the following: Membership automatically ceases at death and shall not be transferable. A surviving adult relative or partner, not already accepted onto the membership contract before a member's death, will be entitled to membership by complying with the requirements of Article 1, Section 5 of the Bylaws. Surviving minors who are to continue residing in the unit must have a legally appointed guardian who meets all the requirements for membership, who shall hold title on behalf of said minor during said period of minority, and who shall permanently reside with said minor in the residence provided. If, after a period of one year following a member's death, no surviving member or partner has complied with the membership or residence requirements stated above, the unit must be vacated and remain empty until the estate is settled and the unit is sold to an appropriate buyer. In the event the Corporation refuses membership to such successor in interest, the successor in interest shall be required to sell such Perpetual Use to any person who is acceptable as a member of the Corporation. The sale of the Perpetual Use shall take place within twenty-four months of the death of a member.

12. Termination of Contract

In the event of default by the Member of any payments or charges required under this contract, or continuous material violation of any other provisions thereof, the Corporation may terminate this contract, upon ten (10) days' written notice mailed to the Member. The Corporation may also terminate this contract in accordance with Article 1, Section 9 of the Bylaws, which are hereby made a part of this contract. In the event of termination under this paragraph, or in accordance with Article 1, Section 9 of the Bylaws, the Corporation may purchase the Perpetual Use for the book equity value as described in paragraph 4 above. The Member must be given an opportunity to correct any violation within 30 days, and if so, no forfeiture will be in order.

13. Surrender of Dwelling

The Member agrees, upon termination of this contract for any reason whatsoever, to quit and surrender the dwelling occupied by him to the Corporation in as good repair, order and condition as when delivered to member, ordinary use, wear and tear excepted.

14. Observance of Mutual Ownership Principles

The Member covenants that he/she shall preserve and promote the mutual ownership principles upon which the Corporation has been founded, abide by the Articles of Incorporation, the Bylaws, and rules and regulations of the Corporation, and by his/her active cooperation with its other members bring about for the Member and co-members a high standard in home and community conditions.

15. Legal Expenses and Attorneys' Fees

If legal proceedings must be instituted to enforce any provision of this agreement, or for the possession of the premises, the party found to be at fault shall pay all expenses of the prevailing party, including reasonable attorneys' fees and costs actually incurred.

16. Peaceable Possession

If the Member makes the payments herein required and performs all the conditions and agreements of this contract, the Articles of Incorporation, the Bylaws, and rules and regulations of the Corporation, the Corporation covenants that at all times while this contract remains in full force and effect, the Member may peaceably have and enjoy for his/her sole use and benefit the property herein described, and may enjoy, in common with all other members of the Corporation, the use of the community property and facilities of the Corporation.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be signed and sealed on the date first mentioned above.

Member (signature) (Printed name)

Member (signature) (Printed name)

Atchison Village Mutual Homes Corporation:

By _____
President

By _____
Secretary-Treasurer

Retyped, February 20, 2008, WA:bw