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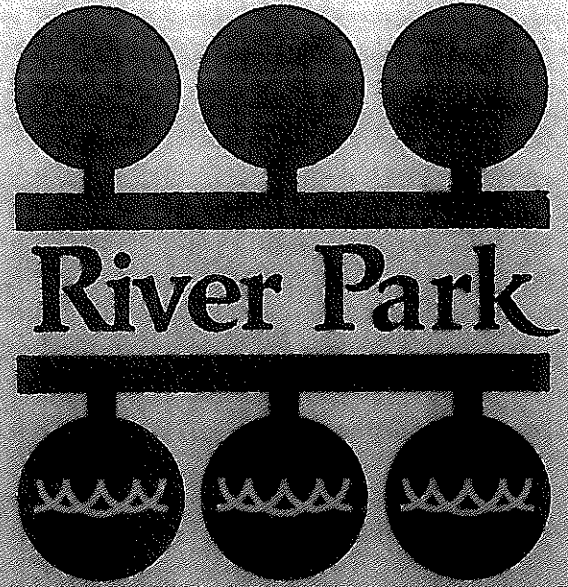
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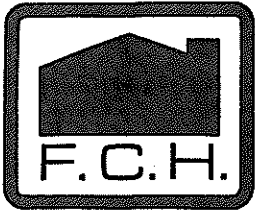
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THE
COOPERATIVE
PLAN



FOUNDATION FOR COOPERATIVE HOUSING

Dear Subscriber:

We take pleasure in welcoming you as a member of RIVER PARK TOWNHOUSES, INC. It is our earnest hope that your continuing occupancy in the Cooperative will be a long and happy one.

The Trustees of the Foundation for Cooperative Housing have joined in sponsoring RIVER PARK TOWNHOUSES, INC. because they believe that, through the cooperative approach, its residents will be able to maintain high standards for this community. Cooperatives make it possible for people to join together for their mutual benefit. The success of this common endeavor depends upon the interest and participation of the members. You will find your support will be definitely rewarding. We are certain that under cooperative ownership RIVER PARK TOWNHOUSES, INC. will be a community in which we may all take pride.

If you have any questions or desire further information, feel free to call upon us.

Sincerely,

Winslow Carlton
Chairman of the Board

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ABOUT THE FOUNDATION FOR COOPERATIVE HOUSING
and F. C. HOUSING COMPANY, INC.

The Foundation for Cooperative Housing is a nonprofit organization set up in 1950 to conduct research and demonstrations in the use of cooperative techniques to help meet our country's housing needs. The Foundation is especially interested in housing for lower- and middle-income groups. Its founders felt that properly developed cooperatives could do much to help provide better housing at lower costs. Its Trustees, who serve without any pay, include many well-known leaders in civic, housing and cooperative affairs, as listed below.

The Foundation has its principal office in Washington, D.C. Under the direction of Wallace J. Campbell, its President, it has undertaken research projects on the development and operation of cooperative housing both in the United States and overseas. It has also been a consultant to Government and nonprofit agencies.

The Foundation affiliates, FCH Services, Inc., and FCH International, have contracts with the Agency for International Development, the Inter-American Development Bank and other agencies to help in establishing cooperative housing programs in less-developed countries, principally in Latin America and Africa.

F. C. Housing Company, Inc. is a wholly-owned subsidiary of the non-profit Foundation and is an operating arm of the Foundation. FCH helps develop and manage housing cooperatives, particularly those demonstrating or applying new techniques and new methods of financing. It and its sister organization, FCH Services, Inc., are active in more than 20 states. FCH has no endowments - it is supported by fees received by service rendered to the cooperative it organizes.

Most of the housing cooperatives organized by FCH involve mortgage insurance by the Federal Housing Administration under the National Housing Act. FCH has a central office in Washington, D. C., and major regional offices in Stamford, Connecticut; Detroit, Michigan; Chicago, Illinois; Kansas City, Missouri, and San Francisco, California.

FCH maintains a complete nonidentity of interest at all times with builders, developers, architects, brokers and all others who may have a commercial interest in housing developments. FCH represents the interest of the housing consumers who will own and operate the cooperative it helps to organize. Both the Foundation and FCH are affiliated with the National Association of Housing Cooperatives and the Cooperative League of the U.S.A.

TRUSTEES OF THE FOUNDATION FOR COOPERATIVE HOUSING

The Trustees of the non-profit Foundation, together with their affiliations for purposes of identification, are listed below:

S. F. BODEN: President, Association for Middle Income Housing, Inc., New York City; Executive Director, Fund for Urban Improvement.

WALLACE J. CAMPBELL: President, Foundation for Cooperative Housing; Vice President, CARE; Member of the Board, National Housing Conference; former Director, Washington office of The Cooperative League; former Vice President, Nationwide Mutual Insurance Companies.

ERIC CARLSON: Chief of the Housing Section of the Housing, Building and Planning Branch of the United Nations; formerly Director, Inter-American Housing and Planning Center in Colombia (CINVA).

WINSLOW CARLTON: formerly Chairman of the Board, Group Health Insurance, Inc.; President, National Social Welfare Assembly; President, Henry Street Settlement; Chairman of the Board, Foundation for Cooperative Housing and Chairman of the Board of F. C. Housing Company, Inc., and FCH Services, Inc.

JACK T. CONWAY: Executive Director, Industrial Union Department, AFL-CIO; former Deputy Administrator of the Housing and Home Finance Agency; formerly Deputy Director of the Office of Economic Opportunity.

HOWARD A. COWDEN: President, International Cooperative Petroleum Association; Chairman of the Board, International Cooperative Development Association; formerly President and General Manager of Consumers Cooperative Association.

REV. DR. HENRY HITT CRANE: President, Michigan Housing Associates; Pastor Emeritus of the Central Methodist Church; formerly President, Michigan Council of Churches and former Director, National Council of Churches.

JOHN W. EDELMAN: Acting President, National Council of Senior Citizens, Inc.; Member, Board of Directors, National Housing Conference; formerly Washington Representative, Textile Workers of America, AFL-CIO.

RT. REV. MSGR. LEO A. GEARY: Former Chairman, Buffalo Municipal Housing Authority; Vice President, National Association of Housing and Redevelopment Officials; Pastor, St. Martin's Parish, Buffalo, New York.

LEE F. JOHNSON: Housing Consultant, Denver, Colorado; former Executive Vice President, National Housing Conference.

REGINALD A. JOHNSON: Administrative Director of the National Urban League; formerly Director of Housing Activities for the National Urban League.

JOSEPH D. KEENAN: International Secretary of the International Brotherhood of Electrical Workers; Vice President of the American Federation of Labor and Congress of Industrial Organizations; Advisory Committee, Local Development Services Division, Urban America, Inc.

NATHANIEL KEITH: President, National Housing Conference; former Commissioner, Urban Renewal Administration, Washington, D.C.; Consultant, Urban Renewal Housing, Washington, D.C.

JOHN D. LANGE: Executive Director, National Association of Housing and Redevelopment Officials, Washington, D. C.

LAWRENCE M. ORTON: Commissioner, New York City Planning Commission.

IRA S. ROBBINS: Member, New York City Housing Authority; President, National Association of Housing and Redevelopment Officials.

BORIS SHISHKIN: Secretary, Housing Committee, American Federation of Labor and Congress of Industrial Organizations.

CLARENCE S. STEIN: Internationally known community planner and author; former Planning Coordinator for Kitimat, B.C., new town for 50,000 people; author, "Towards New Towns for America."

DWIGHT D. TOWNSEND: Washington Director, The Cooperative League of the U.S.A.; formerly Assistant to the Commissioner of FHA for Cooperative Housing; Chairman of the Board, Nationwide Association of Housing Cooperatives.

REV. C. T. VIVIAN: Director, Urban Training Institute for Christian Mission.

JERRY VOORHIS: President and Executive Director, The Cooperative League of the U.S.A.; Secretary, Group Health Association of America, Inc.

EDWARD F. WAGNER: Vice President and General Manager, Nationwide Development Company, Columbus, Ohio.

JOHN O. WALKER: Formerly General Manager, Greenbelt Homes, Inc., Greenbelt, Maryland, and other large cooperative housing communities.

JULIAN WHITTLESEY, F.A.I.A.: Consulting Partner, Kelly & Gruzen; Advisory Committee, Local Development Services Division, Urban America, Inc.

ROGER WILLCOX: President, F. C. Housing Company, Inc.; Formerly Assistant to Clarence S. Stein, Planning Coordinator for Kitimat, B. C.; formerly Executive Secretary, Regional Planning Association of America; Treasurer, National Association of Housing Cooperatives, and President, FCH Services, Inc.

INTRODUCTION--THE COOPERATIVE HOUSING CORPORATION

RIVER PARK TOWNHOUSES, INC.

BACKGROUND OF COOPERATIVE OWNERSHIP

The increase in cooperative ownership of moderately priced dwellings in the United States during recent years has been phenomenal. There are now more than 130,000 cooperative home-owner families in the country as a whole, compared with scarcely 10,000 in 1950. More than 50,000 of this increase in cooperatively-owned units during the past decade has been attributed to cooperatives insured by the Federal Housing Administration under the National Housing Act in the same way as will be your Cooperative Housing Corporation.

The reasons for this sharp rise in popularity of cooperatives in the housing field are many and varied. But briefly, cooperatives have met the desires of the apartment dweller for home ownership and better control over his community environment. And this has been done at more reasonable cost through the cooperative approach of non-profit, non-speculative, democratic ownership and operation.

SPECIAL FINANCING FOR THE COOPERATIVE HOUSING CORPORATION

Your Cooperative Housing Corporation is receiving the benefit of special financing which Congress provided in Section 221(d)(3) of the National Housing Act to assist families of low and moderate income and displaced families in meeting their housing needs. The interest rate is 3% which is below the market rate, and there is a waiver by the Federal Housing Administration of the mortgage insurance premium. Because of these lower financing charges and the purposes of this program, certain income limitations are necessary, as described in the Information Bulletin.

WHAT THE CORPORATION IS -- AND WHAT IT DOES FOR ITS MEMBERS

Purpose: The Corporation is organized for the benefit of its resident-owners, or members. The Articles of Incorporation, which are its Charter, provide that the Corporation's primary function is to provide housing on a cooperative non-profit basis for the benefit of its members.

How the Corporation Operates: The By-Laws of the Corporation form the constitution for the membership group of owner-residents. They define how the Corporation shall function and they guarantee democratic control and define the structure of the Corporation and the rights and obligations of the members.

In these By-Laws you will find provisions for eligibility for membership and the manner in which membership may be terminated; provisions for regular meetings; the method for selecting the Board of Directors and the extent of their powers and duties, as well as the technical requirements for the fiscal management of the cooperative corporation.

THE MEMBER AND HIS RELATION TO THE COOPERATIVE

The most important part of the cooperative is the individual member. The cooperative has been created for his benefit in conjunction with that of his fellow members.

Prior to occupancy, each member indicated his intention to join by signing a Subscription Agreement. This Agreement sets forth the Corporation's promise to entitle the member to occupancy of a specific dwelling unit in the development and the member's agreement to purchase his proportionate membership by making his payments in certain prescribed installments. It also establishes the member's, as well as the Corporation's, right to cancel if that should be necessary.

When the dwelling unit is available for occupancy, the member enters into an Occupancy Agreement with his cooperative corporation. This Agreement specifically defines the member's right to occupancy of his dwelling unit. The Occupancy Agreement provides certain protections to a member as to his rights in the use of his dwelling unit. It also establishes certain limitations required for the benefit of the entire community or required by law.

The cooperative corporation has entered into a Cooperative Agency Agreement with the F.C. Housing Company, Inc., which is a subsidiary of the Foundation for Cooperative Housing. Under this contract, F.C. Housing Company, Inc., together with its associated counsel, Krooth & Altman, supply the staff and technical assistance necessary to organize the cooperative and build up its membership.

The cooperative's mortgage is insured by the Federal Housing Administration under Section 221(d) (3) of the National Housing Act. In return for insuring the mortgage, the Federal Housing Administration supervises the organization and operation of the development and retains a right to take over control of the property, temporarily, if for any reason the cooperative defaults on its obligations.

MATTERS AFFECTING CARRYING CHARGES

The carrying charges paid by the individual member together with those of his neighbors provide the funds necessary to meet the budget for the cooperative which has been submitted to and has been approved by the Federal Housing Administration. These monthly carrying charges will pay the mortgage charges, real estate and other taxes, the cost of administration, operation and maintenance of the development. Just as in any other business corporation, costs and expenses may change from time to time. You will note, therefore, that the Occupancy Agreement provides for a periodic review, at least annually, of the carrying charges which may change as conditions require. Excess funds may be returned to members in the form of patronage refunds or reduced monthly carrying charges.

In addition to normal expense items, your cooperative will also maintain reserve funds for your protection in the future. A Replacement Reserve and a General Operating Reserve will be among those to be accumulated to protect the cooperative and its members.

It is to be noted that as a resident-owner in the cooperative corporation, you may deduct from your annual taxable income your proportionate share of the real estate taxes and mortgage interest paid by the corporation. These are the same deductions allowed to individual homeowners and constitute one of the major financial advantages of cooperative ownership. Your cooperative corporation will give you the applicable information annually.

For those who may be selling a house in order to move into the cooperative housing community, we should like to point out that the tax on capital gains and its deferment provisions may also apply in the purchase of your cooperative membership.

* * * * *

On the accompanying pages you will find copies of the documents discussed above. In addition, you will find an Information Bulletin which is the only sales document which has been approved by the Federal Housing Administration. It will further help your understanding of the cooperative corporation, its organization, operation and aims.

INFORMATION BULLETIN

A Summary of Facts About
River Park Townhouses

TO APPLICANTS FOR MEMBERSHIP IN
RIVER PARK TOWNHOUSES, INC.

1. INTRODUCTION

A subscription for membership in a housing cooperative is more than an application for a place to live. It leads to your participation in the cooperative ownership and operation of a housing project. This bulletin is intended to provide general information concerning the above cooperative which will be found useful when read in conjunction with the Articles of Incorporation, Regulatory Agreement, By-Laws, Occupancy Agreement, Subscription Agreement, and Cooperative Agency Agreement, copies of which you have received or will receive at the time you sign a Subscription Agreement.

The Subscription Agreement is the document in which you apply for membership in the cooperative; the Occupancy Agreement describes the terms and conditions under which you will occupy one of the dwelling units therein; the Articles of Incorporation and By-Laws set forth the authority and methods of operation of the cooperative; and the Regulatory Agreement is the agreement by the cooperative to be regulated and restricted in certain aspects by the FHA as provided by law; and the Cooperative Agency Agreement provides that the F.C. Housing Company, Inc., for the considerations and under the terms recited therein, shall furnish the cooperative with certain necessary services in the organization and development of the cooperative program. It is strongly urged that you read these documents.

2. COOPERATIVE METHOD OF OPERATION

The cooperative has been incorporated as a nonprofit cooperative housing corporation for the purpose of acquiring, owning, and operating a housing project consisting of individual family dwelling units, the permanent occupancy of which will be restricted to members of the cooperative. If your subscription is accepted by the cooperative and approved as to credit by the FHA, you will become a member of the cooperative. The cooperative will deliver to you the membership certificate representing your interest in the cooperative not later than the time of initial mortgage closing, provided your cash equity investment has been paid in full in accordance with the terms of the Subscription Agreement. Each member of the cooperative, regardless of the dollar amount of his investment, will have one vote.

The affairs of the corporation will be conducted by a Board of Directors elected by the membership as provided in the By-Laws. Until their successors have been elected, the Board of Directors will consist of the following named individuals:

Winslow Carlton

Formerly Chairman of the Board, Group Health Insurance, Inc.; President, National Social Welfare Assembly; President, Henry Street Settlement; Chairman of the Board, Foundation for Cooperative Housing and Chairman of the Board of F.C. Housing Company, and FCH Services, Inc.

S. F. Boden

President, Middle Income Housing Corporation; Executive Director, the Fund for Urban Improvement.

John O. Walker

Formerly General Manager, Greenbelt Homes, Inc., Greenbelt, Maryland; Past Vice President, National Association of Housing Cooperatives.

John D. Lange

Executive Director, National Association of Housing and Redevelopment Officials, Washington, D. C.

Dwight D. Townsend

Washington Director, The Cooperative League of the U.S.A.; formerly Assistant to the Commissioner of FHA for Cooperative Housing; Chairman of the Board, National Association of Housing Cooperatives.

The first annual membership meeting will be held within 60 days after final FHA endorsement of the mortgage note of the corporation pertaining to the last of the mortgage areas of which the development is comprised; provided that in any event such meeting shall be held not later than one (1) year after final FHA endorsement of the mortgage note of the corporation pertaining to the first of the mortgage areas of which the development is comprised (or such later date as may be established by resolution of the Board of Directors of the corporation with the prior written approval of the Federal Housing Administration).

One of the most important functions the members will be called upon from time to time to perform is the selection of qualified Directors. The cooperative functions through its Board of Directors, which acts on behalf of the members. The Board performs important duties such as engaging a management agent acceptable to the mortgagee and to the FHA for the operation of the project; establishing eligibility standards for admission to membership; determining the degree and type of maintenance and services; promulgating rules and regulations pertaining to use and occupancy of the premises; and adopting an operating budget subject to the approval of the FHA which must reflect carrying charges adequate to meet the costs of operation. Thus the voting right means that the member participates through his elected representatives in the management of the project's affairs. Each member should bear in mind that the management agent takes its assignments from the President of the Board of Directors, speaking for the Board, and not from individual members. A cooperative that harbors irresponsible factions which are at odds creates an undesirable image. Property values could be adversely affected in a project known for its irresponsible actions. The elected Board of Directors should receive the full support of all the members. Full support does not preclude constructive criticism. If necessary, any Board member who is not properly fulfilling his duties may be removed by a vote of the members as prescribed in the By-Laws.

3. FINANCING THE COOPERATIVE HOUSING COMMUNITY

The Cooperative Housing Community is being developed in four sections, each of which will be separately financed through an FHA-insured mortgage. This Information Bulletin relates to all four sections. It is contemplated that as each section is constructed, title will vest in the cooperative corporation. The management and operation of all sections will be combined; one Board of Directors will be elected by the members to govern the entire cooperative housing community; and the mortgage notes and mortgages will become the obligations of the single cooperative corporation. Of course, the carrying charges under Occupancy Agreements will assure that the residents of each section will pay an amount at least sufficient to retire the mortgage indebtedness covering that section, including principal, interest, and required deposits into the Reserve for Replacements and General Operating Reserve. The cooperative will be responsible for its notes and mortgages on all sections owned by it and will collect sufficient carrying charges to meet all of its obligations.

The funds provided by your subscription and downpayment under the Occupancy Agreement and those of other members will constitute the equity investment and are intended to furnish the cost, if any, of acquiring the land and constructing the housing development over and above mortgage proceeds, and to provide working capital funds in the amount of 2% of the mortgage as required by the FHA. It is anticipated that mortgage loans in the estimated amounts shown in the table below will be obtained by the corporation providing for amortization over a period of forty years with interest at 3%. The estimated cost of each section as indicated by the anticipated mortgage amount plus the amount scheduled to be collected from the members (exclusive of working capital requirements) equals the amount listed in the table below. The FHA for its own purposes in determining the maximum insurable mortgage amounts has estimated the replacement cost of each section as shown in the table below.

Section	Estimated Mortgage Amount	Estimated Cost	FHA Estimated Replacement Cost
One	\$ 815,700.00	\$ 815,700.00	\$ 815,700.00
Two	721,000.00	721,000.00	721,000.00
Three	848,100.00	848,100.00	848,100.00
Four	876,000.00	876,000.00	876,000.00

4. FUNCTION OF FHA IN CONNECTION WITH THIS PROJECT

If the terms of the FHA Insurance Commitment are complied with, the FHA under Section 221(d) (3) of Title II of the National Housing Act will insure the lending institution against loss by reason of any default of the cooperative in its obligations under the mortgage. The FHA as insurer of such mortgage loan does not insure a member of the cooperative against loss. It is contemplated that the amounts paid by an applicant for his membership subscription will be handled in accordance with the provisions of the By-Laws. Such funds will not be deposited with or be otherwise under the control or responsibility of the FHA.

While the FHA is authorized to furnish technical advice and assistance to sponsoring groups in the organization of cooperatives, such advice and assistance are of an advisory nature only. The FHA does not select the contractor, is not a party to the construction contract, and does not act as the architect of the cooperative. During the construction period the FHA will assign inspectors for the purpose of determining that the project is an acceptable security for the insurance liability assumed under the insurance contract with the lending institution.

5. CONSTRUCTION AND OTHER CONTRACTS FOR PROJECT DEVELOPMENT

The construction of the project will be performed by Warner Construction, Incorporated, a general contractor. The performance of the contract by the general contractor will be assured in such manner as is acceptable to the cooperative, the mortgagee and the FHA. All construction must meet local building code requirements and be acceptable to the cooperative, the mortgagee and the FHA. It is impossible to predict at this time with any degree of certainty when the development will be completed. While it is in the interest of all concerned to complete the development as speedily as possible, in any construction operation there are many factors which may bring about delays. You will be given a thirty (30) day notice when your dwelling unit is available for occupancy.

The Directors of the cooperative will authorize, and its officers will execute and perform, such agreements and documents as they find necessary or deem advisable for: the construction of the project and related facilities at a price which does not exceed FHA's estimate of the cost of such work; purchase of the land at a price which does not exceed FHA's appraisal thereof; architectural supervision; development of project and services therefor; Secured Notes; Deeds of Trust; Building Loan Agreements; Regulatory Agreements; Cost Certification Agreements; acceptance or granting of easements; and other instruments required to enable the cooperative to obtain FHA-insured mortgage loans, complete the project and otherwise carry out the purposes of the cooperative. The cooperative will also enter into a Management Agreement with F.C. Housing Company, Inc. This Agreement will be on a form approved by the FHA and will provide that the F.C. Housing Company, Inc., for the consideration and under the terms recited therein, shall furnish the cooperative with certain necessary managerial services for a period terminating three (3) years from the date of the final endorsement by FHA of the mortgage note of the cooperative pertaining to the first of the mortgage sections of which the housing community is comprised; or such later date as may be approved by FHA.

6. GENERAL ADVISORS TO THE COOPERATIVE

Cooperative Advisors: The cooperative has signed a Cooperative Agency Agreement with the F.C. Housing Company, Inc., 210 Puritan Building, Kansas City, Missouri subsidiary of the nonprofit Foundation for Cooperative Housing. This Agreement provides that the F.C. Housing Company, Inc, for the considerations and under the terms recited therein, shall furnish the cooperative with certain necessary services in the organization and development of the cooperative program.

Independent Legal Counsel: Krooth & Altman, 1001 Fifteenth Street, N.W., Washington, D.C., 20005, will act as general counsel for the cooperative; Gordon, Adams, Niewald & Risjord, 1100 Traders Bank Building, Kansas City, Missouri, 64106, will act as local counsel for the cooperative.

7. LOCATION OF THE COOPERATIVE HOUSING COMMUNITY

River Park Townhouses are located on a site East of Topping Street and South of 39th Street.

Community facilities serving the development include:

SCHOOLS

Public: Elementary George Melcher, 3958 Chelsea - Martin Luther King Junior High School, 41st Street and Indiana - Central High School, 3221 Indiana.

Catholic: Blessed Sacrament School, 3901 Agnes - Lillis High School, 3470 Forest.

CHURCHES

Bethesda Missionary Baptist Church, 5800 East 35th Street; Pilgrim's Rest Baptist Church, 3350 Hardesty; Blessed Sacrament Catholic Church, 3911 Agnes; Central Christian Church, 3801 Linwood; Church of God in Christ, 5516 East 35th; New Arlington Methodist Church, 4930 East 39th; St. Paul's Church of the Nazarene, 3808 East Brush Creek Drive; Hollywood Presbyterian Church, 4115 East 43rd Street.

RECREATION

Blue Valley Park, 23rd and Topping (2 miles) Swope Park 63rd and Swope Parkway (3-1/2 miles)

8. DESCRIPTION OF STRUCTURES TO BE ERECTED

There will be a total of 41 buildings with 200 two-story frame and brick vander townhouses located in sections one, two, three and four and a combinations community, administrative and maintenance building. Each townhouse will have individual front and rear entrances, grass and landscape area and near-by off-street parking. All townhouses will have full basements, some with walk-out basements. Features include aluminum windows, sliding doors, formica counter tops, oak flooring, ceramic tile and showers in baths. Equipment provided includes gas ranges, refrigerator, garbage disposer, gas-fired hot water heater, central air conditioning and forced air furnace.

<u>Section</u>	<u>Captain Afton 2BR, 1-1/2 Bath</u>	<u>Delta Queen 3BR, 1-1/2 Bath</u>	<u>Total</u>
One	30	20	50
Two	26	18	44
Three	32	20	52
Four	32	22	54
<u>Total</u>	<u>120</u>	<u>80</u>	<u>200</u>

9. OWNERSHIP OF REAL ESTATE

The land upon which the structures in each section will be built consists of an area of approximately the number of square feet shown in the table below, in which the corporation will own a fee simple estate, subject to mortgages as hereinabove mentioned. Inasmuch as this is a cooperative community, the title to the property will be held by the corporation and not by the individuals who are members of the corporation.

Section One	--	301,415.94 square feet
Section Two	--	286,704.20 square feet
Section Three	--	433,937.36 square feet
Section Four	--	373,963.47 square feet

10. SCHEDULE OF DOWNPAYMENTS AND MONTHLY CHARGES FOR EACH TYPE DWELLING UNIT
 (Charges Shown Are Estimates Based On Full Occupancy And Are Subject to Change)

Type of Dwelling Unit	Value Allocated to Unit by Sponsorship	Member's Cash Investment	Estimated Monthly Carrying Charge to Be Paid to Cooperative*	Estimated Monthly Personal Benefit Expense	Estimated Total Monthly Housing Expense
A- Captain Afton 2 BR, 1-1/2 Bath	\$15,600	\$175.00	\$ 92.00	\$24.00	\$116.00
B- Delta Queen 3 BR, 1-1/2 Bath	\$17,100	\$175.00	\$102.00	\$26.00	\$128.00

* End Units have an additional charge of \$2.00 per month.
 Walk out units have an additional charge of \$3.00 per month.

F.C. Housing Company, Inc., the Management Agent retained by the Cooperative, which is independent of the general contractor and landowner, has made a study of the foregoing projections and has submitted its written opinion to the effect that the estimated carrying charges set forth above will be adequate to meet all expenses for the first and subsequent years of operation based on costs reasonably foreseeable as of June 24, 1968 the date of its opinion.

Column 5 above does not represent any money to be paid to the Cooperative. It represents an estimate of the monthly amount a member will need to pay to maintain his own unit in proper state of repair and includes estimates for monthly payment of individually billed housing expense items including heating, electricity, gas, interior decorating and repair and replacement of household appliances that are not furnished by the Cooperative.

The amount required to maintain his unit depends to a degree upon the care and attention given by the member to his unit.

Replacement of the kitchen range and refrigerator is a responsibility of the Cooperative and the monthly carrying charge paid to the Cooperative includes an allocation for this purpose which will be deposited by the Cooperative in a replacement reserve account.

The carrying charges include an estimate for annual real estate taxes in the amount of \$31,929.00, or approximately 13.6% of the total carrying charges. This estimate is based upon the current tax rate on the estimated assessed valuation, both of which are subject to change.

Carrying charges are estimated on the basis of full occupancy, with a 2% allowance for vacancy and collection losses. Any greater vacancy or collection losses may require an increase in such charges. An increase may also be necessary in cases where taxes are raised, the costs of utilities furnished by the Cooperative are increased or where supplies and labor costs rise. The Cooperative will operate on a nonprofit basis and will collect monthly carrying charges in an amount sufficient to meet all operating costs including payments on its mortgage. The cost of amortizing the mortgage will normally remain constant since the payments to principal and interest have been computed in equal monthly installments covering the full term of the mortgage.

Part of the monthly carrying charge payment is deposited by the Cooperative in the Reserve Fund for Replacements for the purpose of defraying at least in part the cost of replacement, when it becomes necessary, of structural components and mechanical equipment.

Three per cent of the monthly carrying charge payment is deposited in another reserve known as the General Operating Reserve, which is intended to be available for unforeseen contingencies and to finance resales of memberships, etc.

By paying the monthly carrying charges promptly as they become due, the member will save the penalty for the late payment of his charges which will otherwise be assessed against him.

In computing his over-all housing cost, the member may wish to consider the benefit of the income tax deductions allowed to tenant members of cooperative housing corporations under the present provisions of Section 216 of the Internal Revenue Code. Under this provision, provided 80 per cent of the income of the Cooperative consists of carrying charges received from its members, such members are entitled to deduct from their gross income their proportionate share of real estate taxes and mortgage interest paid by the Cooperative.

You will be given a thirty (30) day notice when your unit is available for occupancy on a cooperative basis.

11. RIGHT OF APPLICANT TO WITHDRAW AFTER SIGNING SUBSCRIPTION AGREEMENT

For a period of five (5) days after signing the Subscription Agreement, an applicant may withdraw and obtain a return of his deposit, provided he notifies the Cooperative in writing to this effect. (See Subscription Agreement.)

12. MEMBER'S SUBSCRIPTION SUBJECT TO ACCEPTANCE BY CORPORATION AND CREDIT APPROVAL BY FHA

Your membership is not assured unless and until your application and subscription have been accepted by the Cooperative and approved as to credit by the FHA. (See Subscription Agreement.)

13. FAMILY INCOME LIMITATIONS AND DEFINITION

In enacting Section 221(d)(3) of the National Housing Act, Congress provided a means of assisting families of low and moderate income and displaced families to meet their housing needs. For this reason, certain income limitations are necessary. The assistance afforded includes the provision by the Federal National Mortgage Association of mortgage financing at a rate of interest below the market rate and the waiver by the FHA of the mortgage insurance premium. For the purpose of this program, a family is defined as (a) two or more persons related by blood, marriage or operation of law, who occupy the same unit; (b) a handicapped person who has a physical impairment which is expected to be of long-continued and indefinite duration, which substantially impedes his ability to live independently, and is of such nature that his ability to live independently could be improved by more suitable housing conditions; (c) a single person 62 years of age or older; or (d) low or moderate income persons who are less than 62 years of age, but not more than 10% of the dwelling units in the project shall be occupied by such persons. Family income means all gross income, before taxes and other deductions received by all members of the family except a dependent child or children, as the latter is defined by the Internal Revenue Service. You will note that the Occupancy Agreement provides that in case your total family income at any time exceeds the limitations established by the FHA, it is optional with the cooperative corporation whether you will (1) be required to vacate or (2) be required to pay additional monthly carrying charges. Such additional charges would be in proportion to the increase in family income, but would not cause the total amount of carrying charges to exceed economic rents.

The current income limitations of the FHA are set forth below:

Eligible Single Persons	Families of 2 Persons	Families of 3 and 4 Persons	Families of 5 and 6 Persons	Families of 7 or More Persons
\$ 5,200.00	\$ 6,300.00	\$ 7,400.00	\$8,500.00	\$ 9,600.00

14. TRANSFERS FROM THE PROJECT

If after taking occupancy you wish to move from the project, you may sell your interest, giving the cooperative the first option to purchase your membership and Occupancy Agreement in accordance with the terms of the By-Laws. If the Cooperative fails to exercise its option, you may sell your membership and right of occupancy to a purchaser approved by the Cooperative. A more detailed and authoritative statement of this procedure will be found in the By-Laws. Where the sale is accomplished by a member, a certificate in form approved by the FHA as to the price paid shall be executed by the seller and purchaser and delivered to the Cooperative.

15. THIS BULLETIN IS THE ONLY INFORMATIONAL LITERATURE WHICH HAS BEEN APPROVED BY THE FHA

The other documents listed in paragraph 1, above, have also been approved as to form by the FHA. However, these forms of documents, until the loan is endorsed for insurance, are subject to change to reflect policies and requirements adopted or approved by the FHA. The FHA has not examined nor approved any advertising or other informational material in connection with this project.

16. COMMUNITY BUILDING

A community building will be constructed in conjunction with the development of River Park Townhouses. It will be owned and operated by the corporation and will serve all of its members. The cost of operating and maintaining the building is included in the budget of the corporation, on which the carrying charges are predicated. The community building will be furnished and equipped from the corporation's working capital deposits or from other available funds.

17. ADDITIONAL INFORMATION

In this Bulletin the Corporation has endeavored to summarize pertinent facts concerning its undertaking. There may be other points which have not been covered here. If you wish to obtain further information, please feel free to communicate with:

FC-Housing Company, Inc.
210 Puritan Building
13th and Oak Street
Kansas City, Missouri
Telephone: HA 1-1356

RIVER PARK TOWNHOUSES, INC.

Winslow Carlton
President



Corporation Department

Certificate of Incorporation
A General Not For Profit Corporation

WHEREAS, duplicate originals of Articles of Incorporation of _____
RIVER PARK TOWNHOUSES, INC.

have been received and filed in the office of the Secretary of State and which Articles, in all respects, comply with the requirements of The General Not For Profit Corporation Law of Missouri:

NOW, THEREFORE, I, JAMES C. KIRKPATRICK, Secretary of State of the State of Missouri, by virtue of the authority vested in me, do hereby certify and declare _____
RIVER PARK TOWNHOUSES, INC.

a body corporate, duly organized this day, that it is entitled to all rights and privileges granted corporations organized under The General Not For Profit Corporation Law of Missouri; that the address of its initial Registered Office in Missouri is _____
210 Puritan Building, 13th & Oak St., Kansas City

and that its period of existence is _____ PERPETUAL

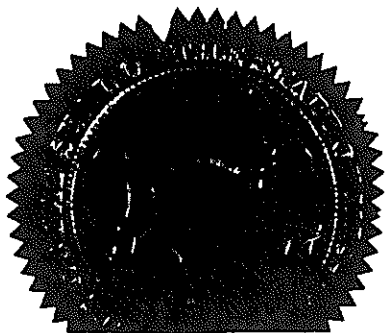
IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the GREAT SEAL of the State of Missouri, at the City of Jefferson, this 19th day of FEBRUARY, 1968

James C. Kirkpatrick
Secretary of State
T R Cloud
Deputy Secretary of State

I, JAMES C. KIRKPATRICK, Secretary of State of the State of Missouri, hereby certify that the copy of the Certificate of Incorporation above set forth, is full, true, and complete, and that to the first issued certified copy thereof I have attached a copy of the Articles of Incorporation referred to therein.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the GREAT SEAL of the State of Missouri, at the City of Jefferson, this 19th day of February, 1968

James C. Kirkpatrick
Secretary of State
T R Cloud
Deputy Secretary of State



ARTICLES OF INCORPORATION
UNDER THE
GENERAL NOT FOR PROFIT CORPORATION ACT

We, the undersigned,

B. Douglas Varner,	9933 Foster,	Overland Park, Kansas
Charles A. Erickson,	5436 N. Lydia	Kansas City, Missouri
William H. Leedy,	814 Westover Road,	Kansas City, Missouri

being natural persons of the age of twenty-one (21) years or more and citizens of the United States, for the purposes of forming a corporation under the "General Not For Profit Corporation Act", Chapter 355 of the 1953 Supplement of the Revised Statutes of Missouri of 1949, as amended, do hereby adopt the following Articles of Incorporation:

ARTICLE I

The name of the corporation is: River Park Townhouses, Inc.

ARTICLE II

The period of duration of the corporation is perpetual.

ARTICLE III

The address of its initial Registered Office in the State of Missouri is 210 Puritan Building, 13th and Oak Streets, in the City of Kansas City, County of Jackson, and the name of its initial Registered Agent at said address is Ernest Salvas.

ARTICLE IV

The first Board of Directors shall be five in number, their names and addresses being as follows:

<u>Name</u>	<u>Address</u>
Winslow Carlton	221 Park Avenue South, New York 3, New York
S. F. Boden	217 Park Row, New York 38, New York
Dwight D. Townsend	1012 - 14th Street, N.W., Washington, D.C..
John O. Walker	3200 Circle Hill Road, Alexandria, Virginia
John D. Lange	2600 Virginia Avenue, N.W., Ste. 400, Wash.

ARTICLE V

The purposes or purpose for which the corporation is organized are:

1. To provide dwelling accommodations on a non-profit basis for families displaced from urban renewal areas or as a result of governmental action and

to assist further the provision of housing for moderate and low income families.

2. To construct, operate, maintain and improve, and to buy, own, sell, convey, assign, mortgage or lease any real estate and any personal property necessary or incident to the provision of such housing.

3. To borrow money and issue evidences of indebtedness in furtherance of any or all of the objects of its business; to secure the same by mortgage, pledge or other lien.

4. To apply for and obtain or cause to be obtained from the Federal Housing Commissioner, hereinafter called the "Commissioner", a contract or contracts of mortgage insurance.

5. To enter into any kind of activity, and to perform and carry out contracts of any kind necessary to, or in connection with, or incidental to the accomplishment of the non-profit purposes of the corporation.

ARTICLE VI

Notwithstanding any other provision contained herein the corporation formed hereby is authorized to enter into a contract (Regulatory Agreement) with the Federal Housing Commissioner and shall be bound by the terms thereof to enable the Commissioner to carry out the provisions of the National Housing Act, as amended. Upon execution, the contract (Regulatory Agreement) shall be binding upon the corporation, its successors and assigns, so long as a mortgage is outstanding, unpaid and insured or held by the Federal Housing Commissioner.

ARTICLE VII

No contract or other transaction between this Corporation and any other corporation, and no act of this Corporation, shall in any way be affected or invalidated by the fact that any of the directors or officers of this Corporation are pecuniarily or otherwise interested in, or are directors or officers of, such other corporation; any directors individually, or any firm of which any director may be a member, may be a party to, or may be pecuniarily or otherwise interested in, any contractor or transaction of this Corporation,

provided the fact that he or such firm is so interested, shall be disclosed on the minutes of this Corporation; and any director of this Corporation who is also a director or officer of such other corporation or who is so interested may be counted in determining the existence of a quorum at any meeting of the board of directors of this Corporation, which shall authorize any such contract or transaction, provided, however, such director may not vote thereat to authorize any such contract or transaction.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this 5th day of January, 1968.

~~B. Douglas Varner~~
~~Charles A. Erickson~~
William H. Leedy

STATE OF MISSOURI)
) ss:
COUNTY OF JACKSON)

I, Helma Jay Hagot, a Notary Public, do hereby certify that on the 5th day of January, 1968, B. Douglas Varner, Charles A. Erickson, and William H. Leedy personally appeared before me and being first duly sworn by me severally acknowledged that they signed as their free act and deed the foregoing document in the respective capacities therein set forth and declared that the statements therein contained are true, to their best knowledge and belief.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year above written.

Helma Jay Hagot
Notary Public

My commission expires:

March 27, 1971

or accounts (savings or checking) of the Corporation as escrowee or trustee for the Subscribers to Membership, which monies shall not be general corporate funds, but shall be held solely for the benefit of the Subscribers until transferred to the account of the Corporation as hereinafter provided. Such special account or accounts shall be established with such bank or banks or savings and loan association or associations (whose deposits are insured by an agency of the Federal Government) as may be approved by the Administration. Such account or accounts may be interest bearing, with the interest earned to be retained and owned by the Corporation. Such funds shall be subject to withdrawal, or transfer to the account of the Corporation or disbursed in a manner directed by the Corporation only upon certification (which certification shall appear on the face of any check, if such funds have been deposited in a checking account) by the President or Vice President and Secretary or any Assistant Secretary of the Corporation to the above-named institution or institutions that:

- (a) The Subscription Agreement of a named applicant has been terminated pursuant to its terms and such withdrawal is required to repay the amount paid by him under such agreement; or
- (b) Applicants for at least 90% of the dwelling units to be covered by the mortgage have not been procured within the effective period of the FHA Commitment, or any extension thereof, and such withdrawal is required to repay to the applicants the amount paid by them; or
- (c) Applicants for at least 90% of the dwelling units to be covered by the mortgage (or such lesser number as may be approved by the Administration) have signed Subscription Agreements, have been approved as to their credit by the Administration, and have paid the subscription price in full. If these requirements have been met and the mortgage loan has been scheduled for closing with the approval of the Administration, the entire amount of the funds in the subscription escrow account may be transferred to the corporation, at which time the corporation shall issue and deliver membership certificates to all members.

If more than one mortgage is to be executed by the corporation, this section shall be deemed to be applicable to the specific subscription fund received from applicants with respect to the specific dwelling units to be covered by each mortgage and to require the creation of separate and specific escrow accounts with respect to each mortgage.

Section 4. Members, Authorized Memberships, and Occupancy Agreements

- (a) The members shall consist of the individuals comprising the first Board of Directors, as identified in the Articles of Incorporation, or their successors and such subscribers as have been approved for membership by the Board of Directors and who have paid for their membership and received membership certificates. The status of the Directors named in the Articles of Incorporation (or their successors elected by them) as members shall terminate at the first annual membership meeting, unless they have executed Subscription Agreements and, where required by the Administration, Occupancy Agreements.
- (b) The authorized membership of the Corporation shall consist of 200 memberships, all of one class, with a par value of \$75.00 each.
- (c) The Corporation will offer Occupancy Agreements on the dwellings in the housing project, which Occupancy Agreements shall all be of one class. The downpayment under an Occupancy Agreement (which downpayment is hereinafter sometimes referred to as "Value of Occupancy Agreement") shall be in the amount established by the Corporation and approved by FHA to be paid by the first occupant of the unit involved as shown on the books of the Corporation.

Section 5. Membership Certificates. Each membership certificate shall state that the Corporation is organized under the laws of the State of Missouri, the name of the registered holder of the membership represented thereby, the Corporation lien rights as against such membership as set forth in this Article, and the preferences and restrictions applicable thereto, and shall be in such form as shall be approved

by the Board of Directors. Membership certificates shall be consecutively numbered, bound in one or more books, and shall be issued therefrom upon certification as to full payment. Every membership certificate shall be signed by the President or Vice President, and the Secretary or Assistant Secretary, and shall be sealed with the corporate seal.

Section 6. Lost Certificates. The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates previously issued by the Corporation and alleged to have been destroyed or lost, upon the making of an affidavit of that fact by the person claiming the certificate to be lost or destroyed. When authorizing such issuance of a new certificate or certificates, the Board of Directors may, in its discretion, and as a condition precedent to the issuance thereof, require the registered owner of such lost or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as the Board of Directors shall require and to give the Corporation a bond in such sum as the Board of Directors may require as indemnity against any claim that may be made against the Corporation.

Section 7. Lien. The Corporation shall have a lien on the outstanding regular memberships in order to secure payment of any sums which shall be due or become due from the holders thereof for any reason whatsoever, including any sums due under any occupancy agreements.

Section 8. Transfer of Membership. Except as provided herein, membership shall not be transferable and, in any event, no transfer of membership shall be made upon the books of the Corporation within ten (10) days next preceding the annual meeting of the members.

- (a) Death of Member. If, upon death of a member, his membership in the Corporation passes by will or intestate distribution to a member of his immediate family, such legatee or distributee may, by assuming in writing the terms of the Subscription Agreement and Occupancy Agreement, where required by the Administration, within sixty (60) days after member's death, and paying all amounts due thereunder, become a member of the Corporation. If member dies and an obligation is not assumed in accordance with the foregoing, then the Corporation shall have an option to purchase the membership from the deceased member's estate in the manner provided in paragraph (b) of this Section, written notice of the death being equivalent to notice of intention to withdraw. If the Corporation does not exercise such option, the provisions of paragraph (c) of this Section shall be applicable, the references to "member" therein to be construed as references to the legal representative of the deceased member.
- (b) Option of Corporation to Purchase. If the member desires to leave the project, he shall notify the Corporation in writing of such intention and the Corporation shall have an option for a period of thirty (30) days thereafter, but not the obligation, to purchase the membership, together with all of the member's rights with respect to the dwelling unit, at an amount to be determined by the Corporation as representing the transfer value thereof, less any amounts due by the member to the Corporation under the Occupancy Agreement, and less the cost or estimated cost of all deferred maintenance, including painting, redecorating, floor finishing, and such repairs and replacements as are deemed necessary by the Corporation to place the dwelling unit in suitable condition for another occupant. The purchase by the corporation of the membership will immediately terminate the member's rights and the member shall forthwith vacate the premises.
- (c) Procedure Where Corporation Does Not Exercise Option. If the Corporation waives in writing its right to purchase the membership under the foregoing option, or if the Corporation fails to exercise such option within the thirty (30) day period, the member may sell his membership to any person
- who has been duly approved by the Corporation as a member and occupant. If the Corporation agrees, at the request of the member, to assist the member in finding a purchaser, the Corporation shall be entitled to charge the member a fee it deems reasonable for this service. When the transferee has been approved for membership and has executed the prescribed Occupancy Agreement, the retiring member shall be released of his obligations under his Occupancy Agreement, provided he has paid all amounts due the Corporation to date.

Transfer Value. Whenever the Board of Directors elects to purchase a membership, the term "transfer value" shall mean the sum of the following:

- (1) The consideration (i.e. downpayment) paid for the membership by the first occupant of the unit involved as shown on the books of the Corporation; plus
- (2) The Value of Occupancy Agreement; plus
- (3) The value, as determined by the Directors, of any improvements installed at the expense of the member with the prior approval of the Directors, under a valuation formula which does not provide for reimbursement in an amount in excess of the typical initial cost of the improvements; plus
- (4) The amount computed in accordance with the following table of increases applicable to the membership and to the Occupancy Agreement appurtenant to such membership. Such increase is shown for each full year commencing after the Corporation has made its first principal payment on the applicable section mortgage as follows:

Membership and Designation of Occupancy Agreement and Unit	Increase Per Year from the 1st Through 3rd Year	Increase Per Year from the 4th Through 20th Year	Increase Per Year from the 21st Through 40th Year
A - Captain Afton, 2BR	NONE	\$ 156.00	\$ 234.00
B - Delta Queen, 3 BR		\$ 171.00	\$ 257.00

Section 9. Termination of Membership for Cause. In the event the Corporation has terminated the rights of a member under the Occupancy Agreement, the member shall be required to deliver promptly to the Corporation his membership certificate and his Occupancy Agreement, both endorsed in such manner as may be required by the Corporation. The Corporation shall thereupon at its election either (1) repurchase said membership at its transfer value (as hereinabove defined) or the amount the retiring member originally paid for the acquisition of his membership certificate, whichever is the lesser, or (2) proceed with reasonable diligence to effect a sale of the membership to a purchaser, and at a sales price acceptable to the Corporation. The retiring member shall be entitled to receive the amount so determined, less the following amounts (the determination of such amounts by the Corporation to be conclusive):

- (a) any amounts due to the Corporation from the member under the Occupancy Agreement;
- (b) the cost or estimated cost of all deferred maintenance, including painting, re-decorating, floor finishing, and such repairs and replacements as are deemed necessary by the Corporation to place the dwelling unit in suitable condition for another occupant; and
- (c) legal and other expenses incurred by the Corporation in connection with the default of such member and the resale of his membership. In the event the retiring member for any reason should fail for a period of 10 days after demand to deliver to the Corporation his endorsed membership certificate, said membership certificate shall forthwith be deemed to be cancelled and may be reissued by the Corporation to a new purchaser.

Section 10. Sales Price. Memberships may be sold by the Corporation or the member only to a person approved by the Board of Directors in accordance with the requirements of the Regulatory Agreement, and the sales price shall not exceed the transfer value as provided in this Article, except that in sales effected by the Corporation a service charge not in excess of \$100 may be charged by the Corporation. Where the sale is accomplished by a member, a certificate in form approved by the FHA as to the price paid shall be executed by the seller and purchaser and delivered to the Corporation.

ARTICLE IV. MEETINGS OF MEMBERS

Section 1. Place of Meetings. Meetings of the membership shall be held at the principal office or place of business of the Corporation or at such other suitable place convenient to the membership as may be designated by the Board of Directors.

Section 2. Annual Meetings. The first annual meeting of the Corporation shall be held within 60 days after the final FHA endorsement of the mortgage note of the Corporation pertaining to the last of the several mortgage areas; provided that in any event such meeting shall be held not later than 1 year after the final FHA endorsement of the mortgage note of the Corporation pertaining to the first of the mortgage areas of which the development is comprised (or such later date as may be established by resolution of the Board of Directors of the Corporation with the prior written approval of the Federal Housing Administration). Thereafter the annual meeting of the Corporation shall be held on the 4th Tuesday of April of each succeeding year. At such meeting there shall be elected by ballot of the members a Board of Directors in accordance with the requirements of Section 3 of Article V of these By-Laws. The members may also transact such other business of the Corporation as may properly come before them.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the members as directed by resolution of the Board of Directors or upon a petition signed by twenty (20) percent of the members having been presented to the Secretary, or at the request of the Federal Housing Commissioner or his duly authorized representative. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of four-fifths of the members present, either in person or by proxy. Special meetings may not be called by the members until a time subsequent to the date of the first annual meeting except as directed by resolution of the Board of Directors, or by the Federal Housing Commissioner or his duly authorized representative.

Section 4. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each member of record, at his address as it appears on the membership book of the Corporation, or if no such address appears, at his last known place of address, at least ten (10) but not more than sixty (60) days prior to such meeting. Service may also be accomplished by the delivery of any such notice to the member at his dwelling unit or last known address. Notice by either such method shall be considered as notice served. Notices of all meetings shall be mailed to the Director of the local insuring office of the Federal Housing Administration.

Section 5. Quorum. The presence, either in person or by proxy, of at least twenty (20) percent of the members of record of the Corporation shall be requisite for, and shall constitute a quorum for the transaction of business at all meetings of members. If the number of members at a meeting drops below the quorum and the question of a lack of quorum is raised, no business may thereafter be transacted.

Section 6. Adjourned Meetings. If any meeting of members cannot be organized because a quorum has not attended, or a meeting has been ended because the number of members at said meeting has dropped below the quorum, the members who are present, either in person or by proxy, may, except as otherwise provided by law, adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called, at which subsequent meeting the quorum requirement shall be ten (10) percent.

Section 7. Voting. At every meeting of the regular members, each member present, either in person or by proxy, shall have the right to cast one vote on each question and never more than one vote. The vote of the majority of those present, in person or by proxy, shall decide any question brought before such meeting, unless the question is one upon which, by express provision of statute or of the Articles of Incorporation or of these By-Laws, a different vote is required, in which case such express provision shall govern and control. No member shall be eligible to vote or to be elected to the Board of Directors who is shown on the books or management accounts of the Corporation to be more than 30 days delinquent in payments due the Corporation under his Occupancy Agreement.

Section 8. Proxies. A member may appoint as his proxy only a member of his immediate family (as defined by the Board of Directors) except that an unmarried member may appoint any other member as his proxy. In no case may a member cast more than one vote by proxy in addition to his own vote. Any proxy must be filed with the Secretary before the appointed time of each meeting.

Section 9. Order of Business. The order of business at all regularly scheduled meetings of the regular members shall be as follows:

- (a) Roll call.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers.
- (e) Reports of committees.
- (f) Report of manager or managing agent.
- (g) Election of inspectors of election.
- (h) Election of directors.
- (i) Unfinished business.
- (j) New business.

In the case of special meetings, items (a) through (d) shall be applicable and thereafter the agenda shall consist of the items specified in the notice of meeting.

If present, a representative of the Administration will be given an opportunity to address any regular or special meeting.

ARTICLE V. DIRECTORS

Section 1. Number and qualification. The affairs of the Corporation shall be governed by a Board of Directors composed of five (5) persons, a majority of whom shall be members of the Corporation.

Section 2. Powers and Duties. The Board of Directors shall have all the powers and duties necessary for the administration of the affairs of the Corporation and may do all such acts and things as are not by law or by these By-Laws directed to be exercised and done by the members. The powers of the Board of Directors shall include, but not be limited;

- (a) To accept or reject all applications for membership and admission to occupancy of a dwelling unit in the cooperative housing project, either directly or through an authorized representative;
- (b) Subject to the approval of the Administration, to establish monthly carrying charges as provided for in the Occupancy Agreement, based on an operating budget formally adopted by such Board;
- (c) Subject to the approval of the Administration, to engage an agent or employees for the management of the project under such terms as the Board may determine;
- (d) To authorize in their discretion patronage refunds from residual receipts when and as reflected in the annual report;
- (e) To terminate membership and occupancy rights for cause;
- (f) To promulgate such rules and regulations pertaining to use and occupancy of the premises as may be deemed proper and which are consistent with these By-Laws, the Articles of Incorporation, and the Regulatory Agreement; and
- (g) Pursuant to a plan approved by the Administration, to prescribe additional monthly carrying charges to be paid by eligible individual members and families whose incomes exceed the limitations for continuing occupancy established from time to time by the Administration; or, at the Board's option, to terminate the membership and occupancy of such individual members or families.

Section 3. Election and Term of Office. The term of the Directors named in the Articles of Incorporation shall expire when their successors have been elected at the first annual meeting or any special meeting called for that purpose: Provided, that any such special meetings to be held prior to the first annual meeting shall be called only as directed by resolution of the Board of Directors or by the Federal Housing Commissioner or his duly authorized representative. At the first annual meeting of the members the term of office of two Directors shall be fixed for three (3) years. The term of office of two Directors shall be fixed at two (2) years, and the term of office of one Director shall be fixed at one (1) year. At the expiration of the initial

term of office of each respective Director, his successor shall be elected to serve a term of three (3) years. The Directors shall hold office until their successors have been elected and hold their first meeting.

Section 4. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the membership shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected by the members at the next annual meeting to serve out the unexpired portion of the term.

Section 5. Removal of Directors. At any regular or special meeting duly called, any Director elected by the members may be removed with or without cause by the affirmative vote of the majority of the entire regular membership of record and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting. The term of any Director who becomes more than 30 days delinquent in payment of his carrying charges shall be automatically terminated and the remaining Directors shall appoint his successor as provided in Section 4, above.

Section 6. Compensation. No compensation shall be paid to Directors for their services as Directors. No remuneration shall be paid to a Director for services performed by him for the Corporation in any other capacity, unless a resolution authorizing such remuneration shall be unanimously adopted by the Board of Directors before the services are undertaken. No remuneration or compensation shall in any case be paid to a Director without the approval of the Administration. A Director may not be an employee of the Corporation.

Section 7. Organization Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

Section 8. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least four such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

Section 9. Special Meetings. Special meetings of the Board of Directors may be called by the President on three days notice to each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least three Directors.

Section 10. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting. Where all of the Directors unanimously approve and sign a corporate resolution or authorization (which is to be included in the minute book), this shall be recognized as proper corporate action taken at a duly authorized meeting, without proceeding under the provisions hereof that would otherwise be applicable for calling and holding Directors meetings.

Section 11. Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 12. Fidelity Bonds. The Board of Directors shall require that all officers and employees of the Corporation handling or responsible for corporate or trust funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Corporation.

Section 13. Safeguarding Subscription Funds. It shall be the duty of the Board of Directors to see to it that all sums received in connection with membership subscriptions prior to the closing of the mortgage transaction covering the housing project of the Corporation, are deposited and withdrawn only in the manner provided for in Article III, Section 3 of these By-Laws.

ARTICLE VI. OFFICERS

Section 1. Designation. The principal officers of the Corporation shall be a President, one or more Vice Presidents, a Secretary, and a Treasurer, all of whom shall be elected by and from the Board of Directors. The Directors may appoint assistant treasurers and assistant secretaries, and such other officers as in their judgment may be necessary.

Section 2. Election of Officers. The officers of the Corporation shall be elected annually by the Board of Directors at the organization meeting of each new board and shall hold office at the pleasure of the board.

Section 3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.

Section 4. President. The President shall be the chief executive officer of the Corporation. He shall preside at all meetings of the members and of the Board of Directors. He shall have all the general powers and duties which are usually vested in the office of president of a corporation, including but not limited to the power to appoint committees from among the membership from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Corporation.

Section 5. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Corporation; he shall have the custody of the seal of the Corporation; he shall have charge of the membership transfer books and of such other books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of secretary.

Section 7. Treasurer. The Treasurer shall have responsibility for corporate funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Corporation. He shall be responsible for the deposit of all moneys and other valuable effects in the name, and to the credit, of the Corporation in such depositories as may from time to time be designated by the Board of Directors.

ARTICLE VII. REGULATORY AGREEMENT OF FHA

Rights of Federal Housing Administration. The management, operation and control of the affairs of the Corporation shall be subject to the rights, powers, and privileges of the Federal Housing Administration pursuant to a Regulatory Agreement between the Corporation and the Federal Housing Administration. The Corporation is bound by the provisions of the Regulatory Agreement which is a condition precedent to the insurance of a mortgage of the Corporation on the project.

ARTICLE VIII. AMENDMENTS

These By-Laws may be amended by the affirmative vote of the majority of the entire regular membership of record at any regular or special meeting, provided that no amendment shall become effective unless and until it has received the written approval of the Administration. Amendments may be proposed by the Board of Directors or by petition signed by at least twenty (20) percent of the members. A description

of any proposed amendment shall accompany the notice of any regular or special meeting at which such proposed amendment is to be voted upon.

ARTICLE IX. CORPORATE SEAL

The Board of Directors shall provide a suitable corporate seal containing the name of the Corporation, which seal shall be in charge of the Secretary. If so directed by the Board of Directors, a duplicate of the seal may be kept and used by the Treasurer or any assistant secretary or assistant treasurer.

ARTICLE X. FISCAL MANAGEMENT

Section 1. Fiscal Year. The fiscal year of the Corporation shall begin on the 1st day of February of each year, except that the first fiscal year of the Corporation shall begin at the date of incorporation. The commencement date of the fiscal year herein established shall be subject to change by the Board of Directors should corporate practice subsequently dictate, but not without the prior written approval of the Administration.

Section 2. Books and Accounts. Books and accounts of the Corporation shall be kept under the direction of the Treasurer and in accordance with the Uniform System of Accounts prescribed by the FHA Commissioner. That amount of the carrying charges required for payment on the principal of the mortgage of the Corporation or any other capital expenditures shall be credited upon the books of the Corporation to the "Paid-In-Surplus" account as a capital contribution by the members.

Section 3. Auditing. At the closing of each fiscal year, the books and records of the Corporation shall be audited by a Certified Public Accountant or other person acceptable to the Administration, whose report will be prepared and certified in accordance with the requirements of the Administration. Based on such reports, the Corporation will furnish its members with an annual financial statement including the income and disbursements of the Corporation. The Corporation will also supply the members, as soon as practicable after the end of each calendar year, with a statement showing each member's pro rata share of the real estate taxes and mortgage interest paid by the Corporation during the preceding calendar year.

Section 4. Inspection of Books. Financial reports such as are required to be furnished to the Administration and the membership records of the Corporation shall be available at the principal office of the Corporation for inspection at reasonable times by any member.

Section 5. Execution of Corporate Documents. With the prior authorization of the Board of Directors, all notes and contracts, including Occupancy Agreements, shall be executed on behalf of the Corporation by any officer of the Corporation, and all checks shall be executed on behalf of the Corporation by any two officers of the Corporation.

Section 6. Association with Other Cooperatives. The Corporation may become a member of an association of cooperatives who join together for purposes of mutual aid and of advancing the cooperative movement as a means of providing housing for consumers.

REGULATORY AGREEMENT

FHA Project No.

AGREEMENT dated this _____ day of _____, 196 , by and between RIVER PARK TOWNHOUSES, INC. ----- (hereinafter called the "Mortgagor") whose address is 39th and Topping, Kansas City, Missouri ----- party of the first part, and PHILIP N. BROWNSTEIN, as Federal Housing Commissioner (hereinafter called the "Commissioner") acting pursuant to authority granted him by the National Housing Act, as amended (hereinafter referred to as the "Act"), party of the second part.

WHEREAS, the Mortgagor is the owner of certain premises upon which is to be erected, or has been erected, Section * of a cooperative housing development, which Section * is designated as FHA Project No. * (hereinafter called the "Project") and has requested Merriman Mortgage Company (hereinafter referred to as the "Mortgagee") to lend the sum of \$ * to be secured by a certain note and mortgage (hereinafter referred to as the "Mortgage"); and

WHEREAS, the premises encumbered (or to be encumbered) by the above-referred-to Mortgage are located in the City of Kansas City, Missouri, and are more particularly described in Exhibit "A" attached hereto and made a part hereof; and

WHEREAS, the Mortgagor and Mortgagee have requested the Commissioner to endorse said Note for mortgage insurance pursuant to Section 221 of Title II of the Act; and

WHEREAS, the Mortgagee is unwilling to lend said sum to the Mortgagor without a Contract of Mortgage Insurance evidenced by such endorsement, and the Commissioner is unwilling to endorse the Note for mortgage insurance unless and until the Mortgagor shall, by entering into the covenants and agreements set forth below, consent to be regulated and restricted by the Commissioner as provided in the Act.

NOW, THEREFORE, in consideration of the sum of one dollar (\$1.00) in hand paid, and other good and valuable considerations by each party to the other, the receipt of which is hereby acknowledged, and in order to induce the Commissioner to endorse for mortgage insurance the Note secured by said Mortgage, and in order that the Mortgagor may be regulated and restricted by the Commissioner as provided in said Section 221 and the applicable Rules, the parties hereto agree as follows: that as long as the Contract of Mortgage Insurance continues in effect, and during such further period of time as the Commissioner shall be the owner, holder, or reinsurer of the Mortgage, or during any time the Commissioner is obligated to insure a mortgage on the mortgaged property:

1. The Mortgagor shall promptly make all payments due under the Note and Mortgage.
2. The Mortgagor shall establish and maintain a reserve fund for replacements for the Project by the allocation to such reserve fund in a separate account with the Mortgagee or in a safe and responsible depository designated by the Mortgagee, commencing on the date of the first payment towards amortization of the principal of the mortgage insured by the Commissioner, of an amount equal to \$ **, and a like amount monthly thereafter. Such fund may be in the form of a cash deposit or invested in obligations of, or fully guaranteed as to principal by the United States of America, and shall at all times be under the control of the Mortgagee. Such fund is for the purpose of effecting replacement of structural elements and mechanical equipment of the Project and for such other purposes as may be agreed to in writing by the Commissioner. Disbursements from such fund may be made only after receiving the consent in writing of the Commissioner.
3. Commencing with occupancy, the Mortgagor shall establish and maintain a general operating reserve for the Project by allocation and payment thereto monthly of a sum equivalent to not less than 3 percent of the monthly amount otherwise chargeable to the members residing in the Project (hereinafter referred to as "Members") pursuant to their occupancy agreements.

*Section	FHA Project No.	Amount of Loan	**
One	084-55011-MAN	\$815,700.00	\$227.92
Two	084-55019-MAN	721,000.00	200.67
Three	084-55020-MAN	848,100.00	238.34
Four	084-55021-MAN	876,000.00	246.42

Upon accrual in said General Operating Reserve Account of an amount equal to 15 percent of the current annual amount, otherwise chargeable to the members pursuant to their Occupancy Agreements, the rate of such monthly allocations may, by appropriate action of the Mortgagor, be reduced from 3 percent to 2 percent, provided, however, that in the event withdrawals from such account reduce it below said 15 percent accrual, the rate of such monthly deposits shall immediately be restored to 3 percent; at any time thereafter upon accrual in said General Operating Reserve Account of an amount equal to 25 percent of the current annual amount otherwise chargeable to the Members pursuant to their Occupancy Agreement, such monthly deposits may, by appropriate action of the Mortgagor, be discontinued and no further deposits need be made into such General Operating Reserve so long as said 25 percent level is maintained and provided, further, that upon any reduction of such reserve below said 25 percent level, monthly deposits shall forthwith be made at the 3 percent rate until the 25 percent level is restored. (This reserve shall remain in a special account and may be in the form of a cash deposit or invested in obligations of, or fully guaranteed as to principal by, the United States of America, and shall at all times be under the control of the Mortgagor. This cumulative reserve is intended to provide a measure of financial stability to the Project during the periods of special stress and may be used to meet deficiencies from time to time as a result of delinquent payments by individual cooperators in the Project to provide funds for the re-purchase of stock of withdrawing Members, and other contingencies. Disbursements totaling in excess of 20 percent of the total balance in the reserve as of the close of the preceding annual period may not be made during any annual period without the consent of the Commissioner. Reimbursement shall be made to the account upon payment of delinquencies or sale of stock for which funds were withdrawn from the reserve.)

4. The Mortgagor shall establish and collect monthly carrying charges for the Project pursuant to the conditions set forth hereinafter. Monthly carrying charges charged to Members during the initial occupancy period shall be made by the Mortgagor in accordance with a schedule of charges filed with and approved in writing by the Commissioner prior to the opening of the Project for occupancy. Such charges shall be in an amount sufficient to meet the FHA estimate of cooperative management expense, operating expense, and maintenance expense, debt service, taxes, special assessments and ground rents, if any, reserves, and all other expenses of the Mortgagor for the Project. Subsequent to the initial occupancy period, charges made by the Mortgagor for its accommodations shall be in accordance with a schedule of charges filed with and approved in writing by the Commissioner and shall be in an amount sufficient to meet the Mortgagor's estimate of expenses set forth in an operating budget which shall be prepared and submitted to the FHA 60 days prior to the beginning of each fiscal year. The operating budget shall set forth the anticipated income of the Project and a sufficiently detailed estimate of expenses which will include separate estimates for administration expenses, operating expense, maintenance expense, utilities, hazard insurance, taxes and assessments, ground rent, interest and amortization, mortgage insurance premium, replacement reserve and operating reserve. The Mortgagor shall not permit occupancy of its accommodations except in accordance with a schedule of charges approved by the Commissioner and such schedule shall not be changed except with the written approval of the Commissioner; nor shall occupancy be permitted by the Mortgagor except upon the execution of an Occupancy Agreement in a form approved by the Commissioner. The Project shall not be rented as an entirety. Commercial accommodations and non-dwelling facilities, if any, shall be rented only according to a schedule of charges fixed by the directors and approved in writing by the Commissioner, and the form of lease shall be subject to the written approval of the Commissioner. Mortgagor shall provide for the management of the project in a manner satisfactory to the Commissioner. Any management contract entered into by the Mortgagor involving the Project shall contain a provision that it shall be subject to termination, without penalty and with or without cause, upon written request by the Commissioner addressed to the

Mortgagor and the management agent. Upon receipt of such request the Mortgagor shall immediately terminate the contract within a period of not more than thirty (30) days and shall make arrangements satisfactory to the Commissioner for continuing proper management of the Project.

5. The Mortgagor shall not without prior approval of the Commissioner, given in writing:
- (a) Sell, assign, transfer, dispose of or encumber any real or personal property of the Project, except as specifically permitted by the terms of the Mortgage;
 - (b) remodel, reconstruct, demolish, or subtract from the premises constituting the Project and subject to the Mortgage;
 - (c) permit the occupancy of any of the dwelling accommodations of the Project except at the charges fixed by the schedule of charges provided herein;
 - (d) permit occupancy of any of the dwelling accommodations of the Project except by Members;
 - (e) consolidate or merge the Corporation into or with any other Corporation; go into voluntary liquidation; carry into effect any plan of reorganization of the Corporation; effect any changes whatsoever in its capital structure; alter or amend its Certificate of Incorporation; or amend its by-laws;
 - (f) fail to establish and maintain the Fund for Replacements and general operating reserve as set forth herein;
 - (g) incur liabilities pertaining to the Project (direct or contingent) which will at any time exceed in the aggregate \$ * , except the indebtedness secured by the Mortgage or necessarily incidental to the execution and delivery thereof;
 - (h) enter into any contract or contracts for supervisory or managerial services;
 - (i) invest any funds of the Corporation in any property, real, personal, or mixed, except obligations of, or fully guaranteed as to principal by, the United States of America;
 - (j) encumber or dispose of in any manner whatsoever any funds derived from the proceeds of its insured mortgage on the Project in excess of sums required to pay the applicable statutory percentage of the actual cost of legitimate obligations incurred in the construction of the physical improvements on the mortgaged property and for which mortgage funds were made available, nor fail to apply such excess funds to the reduction of the principal due under such insured Mortgage.
6. During the period between initial and final endorsement for mortgage insurance by the Federal Housing Administration, no compensation or fee pertaining to the Project shall be paid nor obligation therefor incurred by the Mortgagor except with the prior written approval of the Commissioner. Thereafter no compensation or fee pertaining to the Project shall be paid by the Mortgagor except for necessary services and except at such rate as is fair and reasonable in the locality for similar services, nor, except with the prior written approval of the Commissioner, shall any compensation be paid by the Mortgagor to its officers, directors or stockholders, or to any person, or corporation, for supervisory or managerial services; nor shall any compensation be paid by the Corporation to any employee in excess of \$5,000 per annum, except with such prior written approval. No officer, director, stockholder, agent, or employee of the Mortgagor shall in any manner become indebted to the Mortgagor, except on account of approved occupancy charges.

* Section One -- \$8,157.00
Section Two -- \$7,210.00
Section Three -- \$8,481.00
Section Four -- \$8,760.00

7. The Mortgagor shall maintain the Project, the grounds, buildings, and equipment appurtenant thereto, in good repair and in such condition as will preserve the health and safety of its occupants.
8. The Mortgagor, its property, equipment, buildings, plans, office, apparatus, devices, books, contracts, records, documents and papers shall be subject to inspection and examination by the Commissioner or his duly authorized agent at all reasonable times.
9. The books and accounts of the Mortgagor shall be kept in accordance with the Uniform System of Accounting prescribed by the Commissioner. The Mortgagor shall file with the Commissioner and the Mortgagee the following reports verified by the signature of such officers of the Mortgagor as may be designated and in such form as may be prescribed by the Commissioner:
 - (a) monthly or quarterly operating reports, when required by the Commissioner;
 - (b) semi-annual financial statement within sixty days after the semi-annual period when required by the Commissioner;
 - (c) annual reports prepared by a certified public accountant or other person acceptable to the Commissioner, within sixty days after the end of each fiscal year;
 - (d) specific answers to questions upon which information is desired from time to time relative to the operation and condition of the property and the status of the Mortgage;
 - (e) copies of minutes of all stockholders' meetings certified to by the secretary of the Mortgagor within thirty days after such meetings, and when required by the Commissioner, copies of minutes of directors' meetings.
10. The Mortgagor shall not execute or file for record any instrument which imposes a restriction upon the sale, leasing, or occupancy of the property subject to the insured mortgage, or any part thereof, on the basis of race, color or creed.
11. No litigation seeking the recovery of a sum in excess of \$3,000 nor any action for specific performance or other equitable relief shall be instituted nor shall any claim for a sum in excess of \$3,000 be settled or compromised by the Mortgagor unless prior written consent thereto has been obtained from the Commissioner. Such consent may be subject to such terms and conditions as the Commissioner may prescribe.
12. The Mortgagor agrees to observe and perform each and every one of the covenants, and provisions required to be observed and performed under or pursuant to the terms of the Mortgage, or of the Building Loan Agreement referred to in said Mortgage, or of the Construction Contract for the construction of the Project or of any modifications thereof.
13. The Mortgagor agrees that any membership shall be sold by the Mortgagor or by a Member only in the manner and for the amount as provided in the By-Laws, and that to this end a sale by a member shall be supported by a certification by the seller and the purchaser as to the amount of the sales price not in excess of that permitted by the By-Laws.
14. The Mortgagor agrees that if during the term of any occupancy agreement, lease, or rental agreement, the total current family income exceeds a maximum for occupancy, which may from time to time be established by the Commissioner, it will at its option either (a) cause the over-income family to vacate in favor of a family whose income does not exceed the prevailing established maximum; or (b) collect additional monthly carrying charges from the over-income family commensurate with the increased family income, pursuant to a plan previously developed by the cooperative and approved by the FHA for the collection and use of such overages.

15. The Mortgagor agrees that occupancy by a Member, or subleasing or renting of a unit in the Project (where approved by the Commissioner) shall be permitted only upon the execution of an Occupancy Agreement in the case of a Member and a lease or rental agreement in the case of a non-member which must contain provisions, among others, that the Member-occupant or non-member lessee:
- (a) certifies the accuracy of the statements made in the application and income survey;
 - (b) agrees that the family income, family composition and other eligibility requirements shall be deemed substantial and material requirements of his initial and continuing occupancy or tenancy; that he will comply promptly with all requests for information and certifications with respect thereto from the Mortgagor or the Commissioner, and that his failure or refusal to comply with a request for information and certifications with respect thereto shall be deemed a violation of a substantial requirement of his occupancy or tenancy;
 - (c) agrees that if the total current family income limitations for occupancy or tenancy which may be established from time to time by the Commissioner are exceeded, upon receiving a thirty (30) day notice in writing from the Mortgagor, he will either (a) quit and deliver up possession of the premises, or (b) pay such additional monthly carrying charges as have been agreed upon pursuant to a plan previously developed by the Mortgagor and approved by FHA for the collection and use of such additional carrying charges.
16. The Mortgagor agrees that no person has been approved or shall be approved for membership or tenancy without the following conditions having been met at the time of such approval:
- (a) The person is a member of a low or moderate income family as defined by the Commissioner, and certifies that the membership or tenancy is for the purpose of providing housing for such family in the Project;
 - (b) The total current income of such person's family shall not exceed the limits established by the Commissioner then in effect, and such person has certified to the Mortgagor the total current family income; and
 - (c) The Mortgagor has extended a preference or priority of occupancy to persons whose families qualify as low or moderate income families as defined by the Commissioner and whose families have certificates of eligibility as displaced families; and persons from such preferred or priority families have been given priority in initial occupancy in the Project and in their placement on a waiting list maintained by the Mortgagor.
17. The Mortgagor agrees to pursue diligently to completion the termination of membership, the eviction and removal of members or tenants who no longer meet the eligibility requirements for occupancy or tenancy, or at the Mortgagor's option, to collect additional monthly carrying charges from said over-income members or tenants pursuant to a plan previously developed by the Mortgagor and approved by FHA for the collection and use of such additional carrying charges.
18. The Mortgagor shall not file any petition in bankruptcy, or for a receiver, or in insolvency, or for reorganization or composition, or make any assignment for the benefit of creditors or to a trustee for creditors, or permit an adjudication in bankruptcy, or the taking of possession of the mortgaged property or any part thereof by a receiver, or the seizure and sale of the mortgaged property or any part thereof under judicial process or pursuant to any power of sale.

19. Upon a violation of any of the above provisions of this Agreement by the Mortgagor, the Commissioner may give written notice thereof to the Mortgagor, by registered or certified mail, addressed to the addresses stated in this Agreement. If such violation is not corrected to the satisfaction of the Commissioner within 15 days after the date such notice is mailed, or within such additional period of time as is set forth in the notice, or where the Mortgagor proceeds immediately and diligently, within such further time as the Commissioner determines is necessary to correct the violation, without further notice the Commissioner may declare a default under this Agreement and upon such default the Commissioner may:
- (a) (i) If the Commissioner holds the Note - declare the whole of said indebtedness immediately due and payable and then proceed with the foreclosure of the Mortgage;
 - (ii) If said Note is not held by the Commissioner - notify the holder of the Note of such default, and the holder, with the prior written consent of the Commissioner, may declare the whole indebtedness due, and thereupon proceed with foreclosure of the Mortgage; or assign the Note and Mortgage to the Commissioner as provided in the Regulations;
 - (b) Collect all rents and charges in connection with the operation of the Project and use such collections to pay the Mortgagor's obligations under this Agreement and under the note and Mortgage and the necessary expenses of preserving the property and operating the Project;
 - (c) Take possession of the mortgaged property, bring any action necessary to enforce any rights of the Mortgagor of the Project, and any rights of the Commissioner, arising by reason of the Agreement, and operate the Project in accordance with the terms of this Agreement until such time as the Commissioner in his discretion determines that the Mortgagor is again in a position to operate the Project in accordance with the terms of this Agreement and in compliance with the requirements of the note and Mortgage;
 - (d) Apply to any court, State or Federal, for specific performance of this Agreement, for an injunction against any violation of the Agreement, for the appointment of a receiver to take over and operate the Project in accordance with the terms of the Agreement, or for such other relief as may be appropriate, since the injury to the Commissioner arising from a default under any of the terms of this Agreement would be irreparable and the amount of the damage would be difficult to ascertain.
20. As security for the payment due under this Agreement for the Reserve Fund for Replacements, and to secure the Commissioner because of his liability under the endorsement of the Note for insurance, and as security for the other obligations under this Agreement, the Mortgagor assigns, pledges and mortgages to the Commissioner its rights to the rents, profits, income and charges of whatever sort which it may receive or be entitled to receive from the operation of the mortgaged property, subject, however, to any assignment of rents in the insured Mortgage referred to herein: Provided, however, that permission is granted to the Mortgagor to collect and retain under the provisions of this Agreement the rents, profits, income and charges, during any such period or periods of time for which the Commissioner has not declared a default. Upon declaration by the Commissioner of a default, the said permission is terminated and shall not be deemed to be reinstated until the Commissioner has declared this default to be cured.
21. The Mortgagor agrees that there shall be full compliance with the provisions of (1) any state or local laws prohibiting discrimination in housing on the basis of race, color, creed, or national origin, and (2) with the Regulations of the Federal Housing Administration providing for non-discrimination and equal

opportunity in housing. It is understood and agreed that failure or refusal to comply with any such provisions shall be a proper basis for the Commissioner to take any corrective action he may deem necessary including, but not limited to, the rejection of future applications for FIA mortgage insurance and the refusal to enter into future contracts of any kind with which the Mortgagor is identified, and further if the Mortgagor is a corporation or any other type of business association or organization which may fail to refuse to comply with the aforementioned provisions, the Commissioner shall have a similar right of corrective action (1) with respect to any individuals who are officers, directors, trustees, managers, partners, associates, or stockholders of the Mortgagor, and (2) with respect to any corporation or any other type of business association or organization with which the officers, directors, trustees, managers, partners, associates or stockholders of the Mortgagor may be identified.

22. The covenants and agreements herein set out shall be deemed to run with the land herein described so long as there is a mortgage on said property insured or owned by the Commissioner and to bind any future purchasers of the real property or any part thereof.
23. As used in this Agreement the term:
 - (a) "Mortgage" shall include "Deed of Trust";
 - (b) "Note" shall include "Bond";
 - (c) "Mortgagor" shall include "Grantor" under any Deed of Trust;
 - (d) "Mortgagee" shall include the "Beneficiary" under Mortgage or Deed of Trust however designated;
 - (e) "Default" means a default declared by the Commissioner when a violation of this Agreement is not corrected to his satisfaction within the time allowed by this Agreement or such further time as may be allowed by the Commissioner after written notice;
 - (f) "Stock" shall include Membership Certificates or other forms designating member ownership;
 - (g) "Family" means (1) not less than two persons related by blood, marriage or operation of law who occupy the same unit; (2) a handicapped person who has a physical impairment which is expected to be of long-continued and indefinite duration, which substantially impedes his ability to live independently, and is of such nature that his ability to live independently could be improved by more suitable housing conditions; and (3) a single person 62 years of age or older. The term "Family" as used herein shall also include low or moderate income persons who are less than 62 years of age, but not more than 10% of the dwelling units in the project shall be occupied by such persons;
 - (h) "Total current family income" means all gross income, before taxes and other deductions, received by all members of the family, except a dependent child or children, as the latter is defined by the Internal Revenue Service.

(The use of the plural shall include the singular; the singular the plural; and the use of any gender shall be deemed to include all genders.)
24. This instrument shall bind, and the benefits shall inure to, the respective parties hereto, their legal representatives, executors, administrators, successors in office or interest, and assigns.
25. The invalidity of any clause, part or provisions of this Agreement shall not affect the validity of the remaining portions thereof.
26. The Mortgagor agrees and assumes the obligation to have this Agreement recorded in the appropriate land records in the jurisdiction in which the real property herein described is situated; and in the event of failure to do so, it is agreed that the Commissioner may have the same recorded at the expense of the Mortgagor.

27. (a) This Regulatory Agreement relates to Section * of a larger development comprising four proposed sections of housing to be undertaken by the Mortgagor which will involve a total of 200 dwelling units. To the extent that any additional section is undertaken by the Mortgagor and FHA endorses for insurance the mortgage covering the additional section, a Regulatory Agreement will be entered into by the Mortgagor covering that section and such Regulatory Agreement will be recorded in the land records of the County of Jackson, State of Missouri.

* One, Two, Three or Four

(b) The Mortgagor agrees that all utilities, streets, playgrounds, community structures, and other facilities designed to serve the entire housing development, including but not limited to the following, are intended for the joint use and enjoyment of all of the members of the Mortgagor who are residents of the several sections of the development, and that the Mortgagor, its legal representatives, successors in interest or assigns shall permit and provide for the joint use, access and maintenance of the following by such members who are residents of all sections of the development:

- (i) on-site and off-site interconnecting sanitary sewers;
- (ii) on-site and off-site interconnecting water lines;
- (iii) on-site and off-site interconnecting storm sewers, structures, and outlets;
- (iv) on-site and off-site interconnecting telephone, gas and electric lines;
- (v) on-site and off-site interconnecting streets, sidewalks and parking lots; and
- (vi) all common areas, play areas and meeting hall or maintenance buildings.

The Mortgagor, its legal representatives, successors in interest or assigns shall also permit and shall not unreasonably interfere with the use by each mortgage section of the development (including such use by any successor in interest to the Mortgagor who acquires title to or takes possession of any such mortgage section pursuant to the provisions of the mortgage on such section or otherwise) of all such utilities, streets, playgrounds, community structures, and other facilities which are necessary for the independent operation of each mortgage section, should the need therefor arise. The Mortgagor further agrees that, so long as the Contract of Mortgage Insurance continues in effect on any section of the housing development, and during such further period of time as the Commissioner shall be the owner, holder, or reinsurer of a mortgage on any section of the housing development, or during any time the Commissioner is obligated to insure a mortgage on any section of the housing development, the Commissioner may take any and all action necessary to enforce the foregoing covenants and agreements, including but not limited to the establishment of easements, use covenants and maintenance obligations; and all such actions by the Commissioner shall be binding upon the Mortgagor, its legal representatives, successors in interest or assigns.

(c) The Mortgagor agrees that upon the occurrence of a default under this Regulatory Agreement, the Commissioner may exercise any of the rights set forth in this Agreement, not only with respect to the mortgage area described in this Regulatory Agreement, but also with respect to the other mortgaged areas described in such other Regulatory Agreements of the Mortgagor as have been recorded as aforesaid.

28. It is specifically agreed between the parties hereto that the breach of any of the terms of this Agreement by the Mortgagor will substantially damage and injure the Commissioner in the proper performance of his duties under the provisions of the Act, and will impede and injure the proper operations intended under such Act; that such damage will be irrespective of and in addition to any damages to the security of the mortgaged premises or to any financial damage the Commissioner may suffer as insurer; that except for the

COOPERATIVE AGENCY AGREEMENT

THIS AGREEMENT made this 12th day of July, 1968, by and between
-----RIVER PARK TOWNHOUSES, INC.-----
(hereinafter referred to as the "Cooperative") and the F.G. Housing Company, Inc., a corporation
organized under the laws of the State of Delaware (hereinafter referred to as "FCH").

WITNESSETH THAT:

1. The Cooperative desires to construct and operate on a cooperative basis the housing project of * units located in Kansas City, Missouri ----- known as Section *, River Park Townhouses, ----- which project is identified among the records of FHA as FHA Project No. * (hereinafter referred to as the "Project") which has been processed through the Federal Housing Administration (hereinafter referred to as "FHA") for a mortgage commitment under Section 221(d)(3) of the National Housing Act, as amended (hereinafter referred to as the "Act", with Section 221(d)(3) thereof being referred to as Section 221(d)(3)). To help in accomplishing this objective, the Cooperative desires the services and assistance of FCH and Krooth & Altman (sometimes hereinafter referred to as "Associated Counsel").

2. FCH has heretofore rendered services on behalf of the Cooperative which included assistance in connection with the program for the project and its development and sales. The compensation to be made in accordance with the provisions hereinafter set forth covers such work and the services described below.

3. FCH agrees to provide the following services, which may include services of consultants retained by FCH (at its own expense) for such work as is necessary, subject to the general provisions of paragraph 4 below:

- (a) Provide such staff and assistance as are necessary in the organization of the Cooperative and the cooperative sales program, including:
 - (1) preparation and securing of necessary approvals of sales documents;
 - (2) sales of memberships for all dwelling units in the Project and processing of documents relating to such purchases for the purpose of securing FHA credit approvals; and
 - (3) furnishing of a sales force which will act on behalf and in the name of the Cooperative in the sale of memberships and accompanying Occupancy Agreements and in such publicity and advertising (if any) as FCH may find necessary.
 - (b) Account for funds collected, keep adequate records, and secure fidelity bond coverage on all FCH staff who handle downpayments in the sales program. The Cooperative shall be the obligee under such bond.
 - (c) Assist in negotiations with FHA, the Federal National Mortgage Association (hereinafter referred to as "FNMA") and a lending institution (hereinafter referred to as "Mortgagee") in securing FHA-insured financing for the Cooperative.
 - (d) Prepare or arrange for all necessary submissions to FHA, FNMA, or the Mortgagee, which are the responsibility of the Cooperative.
 - (e) Advise and assist the Cooperative in organizing its membership, including the preparation of such educational and informational material as FCH deems necessary for distribution to members.
 - (f) Assist the Cooperative in negotiating with: (i) a builder to secure a Construction Contract; (ii) the owners of the land for the purchase of the land by the Cooperative; and (iii) a builder or landowner for the completion of off-site work;
 - (g) Advise and assist the Cooperative in the performance of the obligations of the Cooperative under its contracts, commitments, or other documents.
- | | | | | |
|---------------|---|-------------------------------|---|----------|
| * Section One | - | FHA Project No. 084-55011-MAN | - | 50 units |
| Two | - | FHA Project No. 084-55019-MAN | - | 44 units |
| Three | - | FHA Project No. 084-55020-MAN | - | 52 units |
| Four | - | FHA Project No. 084-55021-MAN | - | 54 units |

- (h) Provide the foregoing services until memberships are sold for all dwelling units in the Project, and use its best efforts to accomplish this objective, but such services are not to continue beyond one year after the date of FHA final endorsement for mortgage insurance of the Cooperative's Mortgage Note (hereinafter referred to as "FHA Final Endorsement Date"): Provided, that, notwithstanding the fact that memberships have been sold for all dwelling units in the Project, FCH shall in any event provide consulting services (with respect to the foregoing) for a period of 90 days after the FHA Final Endorsement Date.

4. Krooth & Altman will render such legal services hereunder as are necessary up to a time ninety (90) days after FHA Final Endorsement Date, but excluding the handling of litigation or individual transactions with members. Such legal services shall include:

- (a) Preparation of the legal documents involved in the organization and sales program, including but not limited to the By-Laws and the forms of Subscription Agreement, Occupancy Agreement, and Certificate evidencing membership.
- (b) Preparation of the legal documents involved in the program for the Cooperative's acquisition of title to the land, construction of the project, and for financing by the Cooperative through an FHA-insured mortgage.
- (c) Consultations, when requested, on legal problems or the aforesaid financing; and
- (d) Participations, when requested, in negotiations with the FHA, FNMA, and the Mortgagee.

5. The Cooperative recognizes and agrees that while FCH advised and consulted with the developer, builder and architects concerning the design and construction of the Project, and in the future will continue to do so, FCH (including Associated Counsel and the Trustees of The Foundation for Cooperative Housing) so long as it acts in good faith, does not accept, nor will the Cooperative charge it with, any liability or responsibility whatsoever for the design or construction of the Project, the land or construction price or the performance of the developer, builder, or architects, or for the performance of others who contract directly with the Cooperative for services work, facilities or other matters.

6. As compensation for the above work, FCH and Associated Counsel will be entitled to receive and the Cooperative hereby agrees to cause the following amounts to be paid:

(a) The sum \$ ** _____ for the services and expenses (hereinafter referred to as the "Service Fee") of FCH and of Krooth & Altman shall be paid at the time of the FHA initial endorsement for mortgage insurance of the Cooperative's mortgage note (hereinafter referred to as the "FHA Initial Endorsement Date") less an amount (hereinafter referred to as the "Hold-Back") equal to 10% of the Service Fee. The Service Fee shall be disbursed by checks payable jointly to FCH and Krooth & Altman. The Hold-Back shall be deposited in an escrow account (hereinafter referred to as "Hold-Back Escrow") and distributed as follows:

- (1) If on the FHA Initial Endorsement Date memberships have been sold on 100% of the dwelling units in the Project, the Hold-Back Escrow shall be retained until the FHA Final Endorsement Date, at which time such Hold-Back shall be paid to FCH and Krooth & Altman jointly.
- (2) If on the FHA Initial Endorsement Date memberships have not been sold for 100% of the dwelling units in the Project, an amount equal to the downpayments on the unsold memberships (hereinafter referred to as "Unsold Memberships"), shall (if not advanced to the Cooperative from other sources and on terms which are acceptable to FHA) be paid from the Hold-Back Escrow to the Cooperative (for its use towards payment of its working capital) subject to the

** Section One	-	\$30,622.00
Two	-	27,032.00
Three	-	31,818.00
Four	-	33,682.00

continuing obligation on the part of the Cooperative or its agents to deposit immediately into the Hold-Back Escrow all monies collected in connection with the subsequent sale of Unsold Memberships. If all of the Unsold Memberships have been sold on or before the FHA Final Endorsement Date, the Hold-Back shall be paid to FCH and Krooth & Altman jointly at the FHA Final Endorsement Date. If all of the Unsold Memberships are not sold on or before the FHA Final Endorsement Date, the Hold-Back shall be paid to FCH and Krooth & Altman jointly immediately following the sale of the last Unsold Membership except that if such sale of the last Unsold Membership occurs more than one year following the FHA Final Endorsement Date, FCH and Krooth & Altman shall have no right to receive payment of the Hold-Back and such funds shall be applied as directed by FHA.

(b) The amount of any service charge established by Resolution of the Cooperative to cover the estimated expenses resulting from withdrawing subscribers of Cooperative, pursuant to the applicable Subscription Agreements; Provided, however, that all payments made pursuant to this subparagraph (b) are to be from funds collected from such withdrawing subscribers pursuant to such Resolution.

It is further understood and agreed that the terms and conditions of this Cooperative Agency Agreement shall not preclude FCH from also acting as the Management Agent of Cooperative under an FHA-approved Management Agreement and from receiving, as such Management Agent, the service fees and charges authorized for handling withdrawals or transfers of memberships of Cooperative.

7. (a) FCH shall use its best efforts to achieve sales of memberships for at least the minimum number of approved cooperative members required by the FHA Commitment within twelve months from the date hereof (unless said period is extended with the written consent of the parties hereto and the FHA).

(b). If FCH fails to achieve the minimum number of approved cooperative members required by the FHA Commitment by the date applicable under subparagraph (a) hereof, the Cooperative shall have the right to terminate this Agreement by ten (10) days' written notice to FCH. If the FHA or the Mortgagee makes a written request that the Cooperative terminate this Agreement in the event of the failure of FCH to achieve the minimum number of approved cooperative members required by the FHA Commitment by the aforesaid date applicable under subparagraph (a) hereof, the Cooperative shall promptly comply with such request and terminate this Agreement by ten (10) days' written notice to FCH.

(c) If this Agreement is terminated pursuant to this paragraph 7, neither the Cooperative nor FCH shall have any claim or right of action against the other for any losses, damages, or liabilities sustained, nor shall FCH have any right to any payments under this Agreement; such termination of this Agreement shall constitute a full and complete mutual release and mutual discharge of the Cooperative and FCH, respectively, of all liabilities and obligations of each party to the other party, respectively. The foregoing release by and of FCH shall include Krooth & Altman.

8. Krooth & Altman have joined in the execution of this Cooperative Agency Agreement to evidence their agreement to perform the legal services set forth in paragraph 4 hereof (subject to the limitations in paragraph 5 hereof) their compensation being included in the amount to be paid hereunder under paragraph 6.

9. The foregoing provisions of this Agreement are not in any way intended to limit, restrict, or bind the FHA in any way in its functions and determinations in connection with the Project.

10. Any other provisions of this Agreement to the contrary notwithstanding, the following modifications in and additions to, the foregoing provisions are hereby made:

NONE

11. Wherever FHA approval or consent is called for in this Agreement, such must be obtained in writing prior to the act or condition to which it pertains.

The Project described in this Cooperative Agency Agreement is one section of a larger development, comprising -----three----- additional sections, with a total of 200 dwelling units in all of the sections. Each of the sections is to be covered by a separate FHA Commitment for mortgage insurance. The parties hereto recognize that it will be advantageous and economical for the Cooperative to undertake, own, and operate all sections of the housing development instead of having a different cooperative for each section. The parties hereto agree that a separate Cooperative Agency Agreement (similar to this Agreement) will be entered into by them with respect to the other sections of the housing development covered by FHA Commitments.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first above written.

ATTEST:

/s/ Kenneth E. Thomas
Kenneth E. Thomas, Assistant Secretary

ATTEST:

/s/ Ponchetta Newman
Ponchetta Newman, Assistant Secretary

RIVER PARK TOWNHOUSES, INC.

By: /s/ Dwight D. Townsend
Dwight D. Townsend, Vice Pres.
F.C. HOUSING COMPANY, INC.

By: /s/ Ernest Salvas
Ernest Salvas, Vice President
We agree to provide the legal services as provided above.

KROOTH & ALTMAN

By: /s/ David L. Krooth
David L. Krooth

SUBSCRIPTION AGREEMENT

RIVER PARK TOWNHOUSES, INC.

Application No. _____

Dwelling Unit No. _____

Date _____

1. Subscription Amount

I/We _____, a legal resident of the State of Missouri _____, hereinafter called the "Subscriber," in consideration of the mutual promises of other subscribers and other good and valuable considerations, hereby subscribe for membership in River Park Townhouses, Inc. a cooperative housing corporation hereinafter called the "Corporation," and hereby subscribe for membership in said corporation having a subscription price of \$ 75.00. I/We hereby agree to pay the subscription price as follows:

\$ _____ upon signing this Agreement;
\$ _____ on written demand by the Corporation. (Such demand will constitute notification of Subscriber's acceptability for membership: Provided that, if full payment is made of the subscription price, without a written demand therefor, the Subscriber's acceptability for membership shall not occur until written notification thereof is sent to the Subscriber.)

I/We hereby ratify the provisions contained in the Articles of Incorporation, By-Laws, Information Bulletin, Cooperative Agency Agreement, Regulatory Agreement and Occupancy Agreement, copies of which are attached hereto and receipt of which is hereby acknowledged.

2. Priority of Mortgage Lien

This Agreement and all rights hereunder are and at all times shall be subject and subordinate to the lien of the mortgage and accompanying documents to be executed by the Corporation to a lending institution and to be insured under Section 221(d) (3) of the National Housing Act; and to any and all modifications, extensions, and renewals thereof; and to any mortgage or deed of trust made in place thereof; and to any mortgage or deed of trust which may at any time thereafter be placed on the property of the Corporation or any part thereof.

3. Occupancy Agreement

The Subscriber, if approved for membership, will be entitled to occupancy of the above numbered dwelling unit under provisions of the above-mentioned Occupancy Agreement. It is estimated that the initial carrying charge per month for said unit will not exceed \$ _____, but it is to be emphasized that this is only an estimate, subject to fluctuations as provided for in the Occupancy Agreement. I/We agree to execute the Occupancy Agreement on demand and to comply with all the terms thereof. I/We agree to make a payment hereunder of \$ 298.00 to be credited to the downpayment under the Occupancy Agreement.

4. Cancellation Rights

The Corporation reserves the right at any time before it has notified the Subscriber of his acceptability for membership, for reasons deemed sufficient by the Corporation, to return the amount paid by the Subscriber under this Agreement, or in the event the Subscriber shall have died prior to becoming a member, the Corporation reserves the right to return same to Subscriber's estate or legal representative, and thereupon all rights of the Subscriber shall cease and terminate without further liability on the part of the Corporation.

It is understood that the Subscriber's credit is subject to approval by the Federal Housing Administration and that said Subscriber's total family income must not exceed the limitations for initial occupancy established by the FHA. In the event the FHA determines that the Subscriber does not meet FHA credit and/or income limitation requirements for participation in this project, thereupon, upon return to the Subscriber of the sums paid hereunder, this Agreement shall be deemed null and void and all of the Subscriber's rights shall cease and terminate without further liability on the part of the Corporation.

If the Subscriber within five (5) days after the execution of this Subscription Agreement notifies the Corporation in writing that he wishes to withdraw from the Agreement, the amounts theretofore paid by him under this Agreement will be returned to him and thereupon all rights and liabilities of the Subscriber hereunder shall cease and terminate. The right of the Subscriber to so withdraw shall, however, terminate unless exercised within such five (5) day period, except that if membership is not fully achieved and construction of the project has not commenced within one year from the date of execution of this Agreement, Subscriber shall again have the right to withdraw and obtain such refund.

If the Subscriber shall default in any of the obligations called for in this Agreement, and such default shall continue for fifteen (15) days after notice sent by registered mail by the Corporation to the Subscriber at the address given below, then, forthwith at the option of the Corporation, the Subscriber shall lose any and all rights under this Agreement, and any amount paid toward the subscription price may be retained by the Corporation as liquidated damages, or may at the option of the Corporation be returned less the Subscriber's proportionate share of expenses incurred by the Corporation, such proportionate share of expenses to be determined solely by the Corporation. The Corporation may, at its option, release the obligations of the Subscriber under this Agreement in the event the Subscriber shall secure an assignee of this Agreement who has assumed the obligations herein contained and is satisfactory to the Corporation and the Federal Housing Administration. This Agreement is not otherwise assignable.

5. Income Limitations

It is understood that, as provided in the By-Laws and Occupany Agreement, if Subscriber's total family income exceeds the income limitations for continuing occupancy which may be established from time to time by the FHA, at the election of the Corporation, the Subscriber will either (a) quit and deliver up the premises or (b) pay such additional monthly carrying charges as have been established by the Corporation and approved by FHA.

6. Oral Representations Not to be Relied Upon

This Agreement will supersede any prior understandings and agreements and constitutes the entire agreement between us, and no oral representations or statements shall be considered a part hereof.

WITNESS:

Subscriber

Subscriber

Address

Telephone

OCCUPANCY AGREEMENT

RIVER PARK TOWNHOUSES, INC.

THIS AGREEMENT, made and entered into this _____ day of _____, 19____, by and between RIVER PARK TOWNHOUSES, INC.----- (hereinafter referred to as the Corporation), a corporation having its principal office and place of business at 39th and Topping, Kansas City, Missouri, and _____ (hereinafter referred to as Member);

WHEREAS, the Corporation has been formed for the purpose of acquiring, owning and operating a cooperative housing project to be located at 39th and Topping, Kansas City, Missouri, with the intent that its members shall have the right to occupy the dwelling units thereof under the terms and conditions hereinafter set forth; and

WHEREAS, the Member is the owner and holder of a certificate of membership of the Corporation and has a bona fide intention to reside in the project;

WHEREAS, the Corporation proposes to develop River Park Townhouses, Inc. in four sections (all of which sections are hereinafter collectively referred to as the "entire cooperative community"), which will involve a total of approximately 260 dwelling units, with Section * thereof involving * of such dwelling units (Section * is hereinafter referred to as the "Project"); and

WHEREAS, the Member has certified to the accuracy of the statements made in his application and family income survey and agrees and understands that family income, family composition and other eligibility requirements are substantial and material requirements of his initial and of his continuing occupancy;

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 Member, and the Member hereby hires and takes from the Corporation, dwelling unit number _____, located at _____;

TO HAVE AND TO HOLD said dwelling unit unto the Member, his executors, administrators and authorized assigns, on the terms and conditions set forth herein and in the corporate Charter and 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, for a term terminating on _____, 19____, renewable thereafter for successive three-year periods under the conditions provided for herein.

ARTICLE 1. MONTHLY CARRYING CHARGES AND DOWNPAYMENTS

On or before the date of execution of this Occupancy Agreement the Member has paid to the Corporation: (1) a downpayment in the amount of \$ 298.00 (which downpayment is referred to in the ByLaws of the Corporation as the "Value of Occupancy Agreement"); and (2) the subscription price for his membership in the amount of \$ 75.00.

Commencing at the time indicated in ARTICLE 2 hereof, the Member agrees to pay to the Corporation a monthly sum referred to herein as "Carrying Charges", equal to one-twelfth of the Member's proportionate share of the sum required by the Corporation, as estimated by its Board of Directors to meet its annual expenses, pertaining to the project and to the community or other facilities which the Member is entitled to utilize including but not limited to the following items:

* Section One -- 50 units	Section Three - 52 units
Section Two -- 44 units	Section Four - 54 units

- (a) The cost of all operating expenses of the project and services furnished.
- (b) The cost of necessary management and administration.
- (c) The amount of all taxes and assessments levied against the project of the Corporation or which it is required to pay, and ground rent, if any.
- (d) The cost of fire and extended coverage insurance on the project and such other insurance as the Corporation may effect or as may be required by any mortgage on the Project.
- (e) The cost of furnishing all utilities, if such utilities are furnished by the Corporation. (See Article 10 for a listing of those utilities which are to be furnished by the Corporation.)
- (f) All reserves set up by the Board of Directors pertaining to the Project.
- (g) The estimated cost of repairs, maintenance and replacements of the Project property to be made by the Corporation.
- (h) The amount of principal, interest, and other required payments on the hereinafter-mentioned insured mortgage.
- (i) Any other expenses of the Corporation approved by the Board of Directors including operating deficiencies, if any, for prior periods.

The Board of Directors shall determine the amount of the Carrying Charges annually, but may do so at more frequent intervals, should circumstances so require. No member shall be charged with more than his proportionate share thereof as determined by the Board of Directors. That amount of the Carrying Charges required for payment on the principal of the mortgage of the Corporation or any other capital expenditures shall be credited upon the books of the Corporation to the "Paid-In Surplus" account as a capital contribution by the members. Until further notice from the Corporation, the Monthly Carrying Charges for the above-mentioned dwelling unit shall be \$_____.

The Member agrees, however, that if during the term of this agreement the total income of his family exceeds the limitations for occupancy which may be established from time to time by the Federal Housing Administration, he will pay to the Corporation, at the option of the Corporation and upon 30 days' written notice, additional Monthly Carrying Charges in an amount commensurate with the amount of his family income in excess of the FHA income limitations, pursuant to a plan previously developed by the Corporation and approved by the Federal Housing Administration. In no event shall the total Monthly Carrying Charge, including such additional charges for excess income, exceed that which would have been applicable had the mortgage of the Corporation borne interest at the rate of 6 3/4* percent per annum and a mortgage insurance premium of 1/2 of 1 percent been required. *or such lesser rate as may be approved by FHA

ARTICLE 2. WHEN PAYMENT OF CARRYING CHARGES TO COMMENCE

After thirty days' notice by the Corporation to the effect that the dwelling unit is available for occupancy, or upon acceptance of occupancy, whichever is earlier, the Member shall make a payment for Carrying Charges covering the unexpired balance of the month. Thereafter, the Member shall pay Carrying Charges in advance on the first day of each month.

ARTICLE 3. PATRONAGE REFUNDS

The Corporation agrees on its part that it will refund or credit to the Member within ninety (90) days after the end of each fiscal year, his proportionate share of such sums as have been collected in anticipation of expenses which are in excess of the amounts needed for expenses of all kinds, including reserves, in the discretion of the Board of Directors.

ARTICLE 4. MEMBER'S OPTION TO RENEW

It is covenanted and agreed that the term herein granted shall be extended and renewed from time to time by and against the parties hereto for further periods of three years each from the expiration of the term herein granted, upon the same covenants and agreements as herein contained unless: (1) notice of the Member's election not to renew shall have been given to the Corporation in writing at least four months prior to the expiration of the then current term, and (2) the Member shall have on or before the expiration of said term (a) endorsed his membership certificate for transfer in blank and deposited same with the Corporation, and (b) met all his obligations and paid all amounts due under this agreement up to the time of said expiration, and (c) vacated the premises, leaving same in good state of repair.

Upon compliance with provisions (1) and (2) of this Article, the Member shall have no further liability under this agreement and shall be entitled to no payment from the Corporation.

ARTICLE 5. 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 himself and/or his immediate family and for no other purpose, and may enjoy the use in common with other members of the corporation of all community property and facilities of the entire cooperative community so long as he continues to own a membership of the Corporation, occupies his dwelling unit, and abides by the terms of this agreement. Any sublessee of the Member, if approved pursuant to Article 7 hereof, may enjoy the rights to which the Member is entitled under this Article 5.

The Member shall not permit or suffer anything to be done or kept upon said 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 by unreasonable noises or otherwise, nor will he commit or permit any nuisance on the premises or commit or suffer any immoral or illegal act to be committed thereon. The Member 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 Member the rate of insurance on the building shall be increased, the Member shall become personally liable for the additional insurance premiums.

ARTICLE 6. MEMBER'S RIGHT TO PEACEABLE POSSESSION

In return for the Member's continued fulfillment of the terms and conditions of this agreement, the Corporation covenants that the Member may at all times while this agreement remains in effect, have and enjoy for his sole use and benefit the dwelling unit hereinabove described, after obtaining occupancy, and may enjoy in common with all other members of the Corporation the use of all community property and facilities of the entire cooperative community.

ARTICLE 7. NO SUBLETTING WITHOUT CONSENT OF CORPORATION

The Member hereby agrees not to assign this agreement nor to sublet his dwelling unit without the written consent of the Corporation on a form approved by the Federal Housing Administration. The liability of the Member under this Occupancy Agreement shall continue notwithstanding the fact that he may sublet the dwelling unit with the approval of the Corporation and the Member shall be responsible to the Corporation for the conduct of his sublessee. Any unauthorized subleasing shall, at the option of the Corporation, result in the termination and forfeiture of the member's rights under this Occupancy Agreement.

ARTICLE 8. TRANSFERS

Neither this agreement nor the Member's right of occupancy shall be transferrable or assignable except in the same manner as may now or hereafter be provided for the transfer of memberships in the By-Laws of the Corporation.

ARTICLE 9. MANAGEMENT, TAXES AND INSURANCE

The Corporation shall provide necessary management, operation and administration of the Project; pay or provide for the payment of all taxes or assessments levied against the Project; procure and pay or provide for the payment of fire insurance and extended coverage, and other insurance as required by any mortgage on property in the Project, and such other insurance as the Corporation may deem advisable on the property in the Project. The Corporation will not, however, provide insurance on the Member's interest in the dwelling unit or on his personal property

ARTICLE 10. UTILITIES

The Corporation shall provide water in amounts which it deems reasonable. The Member shall pay directly to the supplier for all other utilities.

ARTICLE 11. REPAIRS

(a) By Member. The Member agrees to repair and maintain his dwelling unit at his own expense as follows:

- (1) Any repairs or maintenance necessitated by his own negligence or misuse;
- (2) Any redecoration of his own dwelling unit; and
- (3) Any repairs, maintenance or replacements required on items not furnished by the Corporation.

(b) By Corporation. The Corporation shall provide and pay for all necessary repairs, maintenance and replacements, except as specified in clause (a) of this Article. The officers and employees of the Corporation 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 and in the event of emergency at any time.

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

ARTICLE 12. ALTERATIONS AND ADDITIONS

The Member shall not, without the written consent of the Corporation, make any structural alterations in 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.

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

The Member shall not, without the prior written consent of the Corporation, install or use in his dwelling unit any air conditioning equipment, washing machine, clothes dryer, electric heater, or power tools. The Member agrees that the Corporation may require the prompt removal of any such equipment at any time, and that his failure to remove such equipment upon request shall constitute a default within the meaning of Article 13 of this agreement.

ARTICLE 13. DEFINITION OF DEFAULT BY MEMBER 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 (1) of this Article the Corporation shall give to the Member a notice that this agreement will expire at a date not less than ten (10) days thereafter, this agreement and all of the Member's rights under this agreement will expire on the date so fixed in such notice, unless in the meantime the default has been cured 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 to remove all persons and personal property therefrom, either by summary dispossession proceedings or by suitable action or proceeding at law or in equity or by any other proceedings which may apply to the eviction of tenants or by force or otherwise, 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 Corporation.

- (b) In case the Member attempts to transfer or assign this agreement in a manner inconsistent with the provisions of the By-Laws.
- (c) In case at any time during the continuance of this agreement the Member 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 Member's property shall be appointed under any of the laws of the United States or of any State.
- (e) In case at any time during the continuance of this agreement the Member shall make a general assignment for the benefit of creditors.
- (f) In case at any time during the continuance of this agreement the membership rights of a Member in the Corporation shall be duly levied upon and sold under the process of any Court.
- (g) In case the Member fails to effect and/or pay for repairs and maintenance as provided for in Article 11 hereof.
- (h) In case the Member shall fail to pay any sum due pursuant to the provisions of Article 1 or Article 10 hereof.
- (i) In case the Member shall default in the performance of any of his obligations under this agreement.
- (j) In case the Member shall fail to pay any charge which if not paid, could become a lien against the Project.
- (k) In case at any time during the term of this agreement the limitations for occupancy which may be established from time to time by the Federal Housing Administration are exceeded and the Corporation has elected to terminate this agreement.
- (l) In case at any time during the term of this agreement, the Member fails to comply promptly with all requests by the Corporation or the Federal Housing Commissioner for information and certifications concerning the total current income of the Member and his family, the composition of the Member's family and other eligibility requirements for occupancy in the Project.

The Member hereby expressly waives any and all right of redemption in case he 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 Member 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 Member expressly 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 covenant or provision of this Agreement, there shall be available to the Corporation such legal remedy or remedies as are available to a landlord for the breach or threatened breach under the law by a tenant of any provision of a lease or rental agreement.

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 Member.

ARTICLE 14. MEMBER TO COMPLY WITH ALL CORPORATE REGULATIONS

The Member covenants that he will preserve and promote the cooperative ownership principles on which the Corporation has been founded, abide by the Charter, By-Laws, rules and regulations of the Corporation and any amendments thereto, and by his acts of cooperation with its other members bring about for himself and his co-members a high standard in home and community conditions. The Corporation agrees to make its rules and regulations known to the Member by delivery of same to him or by promulgating them in such other manner as to constitute adequate notice. The member hereby ratifies all agreements executed by the cooperative corporation on or before the date hereof.

ARTICLE 15. EFFECT OF FIRE 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 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 Member to redeem the membership of the Member and to reimburse him 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 16. INSPECTION OF DWELLING UNIT

The Member agrees that the representatives of any mortgagee holding a mortgage on the property of the Corporation, the officers and employees of the Corporation, and with the approval of the Corporation the employees of any contractor, utility company, municipal agency or others, shall have the right to enter the dwelling unit of the Member and make inspections thereof at any reasonable hour of the day and at any time in the event of an emergency.

ARTICLE 17. SUBORDINATION CLAUSE

The Project, of which the above-mentioned dwelling unit is a part, was or is to be constructed by the Corporation with the assistance of a mortgage loan advanced to the Corporation by a private lending institution with the understanding between the Corporation and the lender that the latter would apply for mortgage insurance under the provisions of the National Housing Act. Therefore, it is specifically understood and agreed by the parties hereto that this agreement and all rights, privileges and benefits hereunder are and shall be at all times subject to and subordinate to the lien of a first mortgage and the accompanying documents executed by the Corporation under date of _____, (or to be executed by the Corporation) payable to Merriman Mortgage Company in the principal sum of \$ * with interest at three (3) per centum, and insured or to be insured under the provisions of the National Housing Act, and to any and all modifications, extensions and renewals thereof and to any mortgage or deed of trust made in replacement thereof and to any mortgage or deed of trust which may at any time hereafter be placed on the Project or any part thereof. The Member hereby agrees to execute, at the Corporation's request and expense, any instrument which the Corporation or any lender may deem necessary or desirable to effect the subordination of this agreement to any such mortgage, or deed of trust, and the Member hereby appoints the Corporation and each and every officer thereof, and any future officer, his irrevocable attorney-in-fact during the term hereof to execute any such instrument on behalf of the Member. The Member does hereby expressly waive any and all notices of default and notices of foreclosure of said mortgage which may be required by law.

In the event a waiver of such notices is not legally valid, the Member does hereby constitute the Corporation his agent to receive and accept such notices on the Member's behalf.

ARTICLE 18. LATE CHARGES AND OTHER COSTS IN CASE OF DEFAULT

The Member covenants and 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 Corporation a late charge in an amount to be determined from time to time by the Board of Directors for each payment of Carrying Charges, or part thereof, more than 10 days in arrears.

If a Member defaults in making a payment of Carrying Charges or in the performance or observance of any provision of this Agreement, and the Corporation has obtained the services of any attorney with respect to the defaults involved, the Member covenants and agrees to pay to the Corporation any costs or fees involved, including reasonable attorney's fees, notwithstanding the fact that a suit has not yet been instituted. In case a suit is instituted, the Member shall also pay the costs of the suit, in addition to other aforesaid costs and fees.

* Section: One - \$815,700.00; Two - \$721,000.00; Three - \$848,100.00; Four-\$876,000.00

ARTICLE 19. 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, any notice by the Corporation to the Member shall be deemed to have been duly given, and any demand by the Corporation upon the Member shall be deemed to have been duly made if the same is delivered to the Member at his unit or to the Member's last known address; and any notice or demand by the Member to the Corporation shall be deemed to have been duly given if delivered to an officer of the Corporation. Such notice may also be given by depositing same in the United States mails addressed to the Member as shown in the books of the Corporation, or to the President of the Cooperative, as the case may be, and the time of mailing shall be deemed to be the time of giving of such notice.

ARTICLE 20. ORAL REPRESENTATION NOT BINDING

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

ARTICLE 21. REMEDIES

The exercise of any of the rights or remedies as herein provided with respect to any default shall not preclude or affect the subsequent exercise of such rights or remedies at different times for different defaults.

The respective rights or remedies, whether provided by this agreement or by law, or available in equity, shall be cumulative and the exercise of any one or more of such rights or remedies shall not preclude or affect the exercise, at the same or at different times, of any other such rights or remedies for the same or different defaults, or for the same or different failures of the Member to perform or observe any provision of this Agreement.

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

WITNESS:

RIVER PARK TOWNHOUSES, INC.

By _____ (SEAL)

Member

Member