

**BYLAWS of
Minquadale Village Homeowners Association, Inc**

- 1.1 The name of this Corporation shall be Minquadale Village Homeowners Association, herein after referred to as the "Corporation," located in New Castle, County of New Castle, State of Delaware.

PURPOSE

- 2.1 The purpose for which this Corporation is formed is to own and operate a manufactured housing community, herein after referred to as the "Community," as a corporation and be involved in other Corporation activities, on a non-profit, cooperative basis for the benefit of the residents.
- 2.2 The broad purpose is to gain control of the rental costs, preserve the Community for the current residents, and to keep it affordable long term for low and moderate-income individuals and families. In accordance with the purpose stated in the Corporation's Articles of Incorporation, the Corporation will conduct its business in a manner designed to preserve the affordability of the sites within the community for low to moderate income homeowners.
- 3.1 There shall be two classes of Members, Class A Members and Class B Members. Only one Class A Membership interest will be assigned to a home, and only one full vote may be exercised under a Class A Membership interest.
- 3.2 A "Member" is defined as the adult (18-years-or-older) individual(s), without regard to their social, political, racial, religious, age, sex, sexual orientation, disability, or marital status who
- (1) own and reside in a manufactured housing unit¹ (herein after referred to as the "Home") in the Community and any spouse or partner in civil union entitled to a homestead interest who have signed an Occupancy Agreement, being the "ultimate consumer(s)" of the housing opportunity provided by the Corporation. A person is seen as owning or co-owning a Home if he or she owns the Home directly, as evidenced by title, or through his or her "living" or "Grantor" trust. A "Grantor" or "living" trust is any trust that is established by an individual under such terms as: (1) appoint him or herself as the trustee during his or her lifetime (and or competency); (2) is revocable by him or her; and (3) designates him or herself as the beneficiary for his, her or their lifetime. The requirement of a title document does not apply to those individuals exempted from the requirement in 2009.
 - (2) is/are in good standing with the Corporation. A "Member in good standing" is a member who has paid the Membership Fee and whose lot rent and Membership Fees are current or has signed an agreement satisfactory to the Board of Directors to bring these costs and fees current and *does not have any outstanding rules violations.*
 - (3) Has signed a Membership Agreement *and Member Lease Agreement.*

¹ *All new residents must become members.*

- (4) is/are willing to accept Membership responsibilities, including, but not limited to, voluntary participation in the governance of the Corporation and in the operation of the community.
- 3.3 Upon continued payment of the lot rent and compliance with the other terms of the Occupancy agreement, the Bylaws of the Corporation and the Community Rules established by the Members, all as they may be amended from time to time, the Member shall have a perpetual right to occupy said lot provided that, if a Member is evicted from the Community or moves out of the Community, that Member will lose his or her right to occupy said lot.
- 3.4 Only one Membership interest will be assigned to a home, and only one full vote may be exercised under a Membership interest.
- 3.5 Buyers or owners of Homes seeking to reside in a Home and lease a lot in the Community must become Members of the Corporation. Buyers and owners seeking Membership shall: (1) apply for Membership on a form prescribed by the Membership Committee; (2) be approved for Membership by a majority vote of the Board of Directors; (3) pay in full the Membership fee; (4) execute an Occupancy Agreement (the rental agreement between homeowners and the corporation); (5) have a contract to buy and intent to occupy a Home in the Community; and (6) commit to the purposes and policies of the Corporation including the Community Rules and these Bylaws. A person is considered a buyer or owner if he or she seeks to or does own or co-own a Home directly or through his/her/their "living" or "Grantor" trust (see definition at paragraph 3.1 above) or becomes the subsequent beneficiary of a trust, previously existing as a living trust, upon death of the Grantor, or upon devise or distribution from a deceased Member's estate, or any other event. If an existing Member transfers title to a Home to his or her "living" or "Grantor" trust, the trust will not be considered a new owner or buyer under this paragraph. Members transferring their Membership into a permissible "living" or "grantor" trust must furnish the Corporation with either a copy of said trust document **or** a letter of opinion from an attorney stating that the trust to which the title has transferred is a revocable, grantor trust wherein the Member(s) is (are) the Trustee(s) during his/her/their lifetime, or competency, and with said Member(s) as the sole beneficiary during his/her/their lifetime.
- 3.6 The Membership Fee shall be one hundred dollars (\$100). This is par value. There is no book value. (Membership Fees accumulate no interest.) A Certificate of Membership shall be issued to any Member, or to trustee of any Member's "living" or "Grantor" trust, who has fully paid their Membership Fee. This certificate, or a fully executed and accepted Subscription Agreement, shall entitle the holder (or, in the case of a living or Grantor trust, the trust grantor only) to occupancy of their lot in accordance with the Occupancy Agreement, provided that the holder also abides by the Community Rules of the Corporation and does not interfere with the effective operation of the Corporation. The certificate is not transferable, except by will or trust distribution by a permissible trust, or the rules of law that apply if someone dies without a will, to someone that would otherwise be eligible for Membership. A Membership may not be transferred to someone or some trustee or beneficiary who does not plan to own the home and reside in the Community nor shall a "living" or "Grantor" trust continue to hold a Membership interest beyond the usual and customary time required for a wind up of a probate

estate, should title have passed by that means and occupancy during such periods shall not extend to any other party not previously permitted Membership and occupancy.

- 3.7 The Board of Directors reserves the right to use all or part of a Member's Membership Fee to pay any debt due to the Corporation, or expenses incurred because of a member's actions or non-actions, in regard to the Corporation; such debts and expenses being legally the responsibility of the Member. The Member shall replenish a capital balance decreased on such account to remain in "good standing."
- 3.8 All Members and non-Members are required to pay their lot rent.
- 3.9 Any Member whose activity in the Corporation is contrary to basic cooperation principles (see copy of International Cooperative Principles attached hereto and incorporated herein by this reference) or who endangers the effective operation of the Corporation may be expelled from Membership in the Corporation by the Board of Directors. Loss of Membership carries with it loss of all Membership privileges, including lower lot rent. Written notice of the charges against each Member, and a reasonable opportunity for a hearing before the Board of Directors, shall be provided before any such expulsion. A reasonable opportunity is defined as fifteen (15)- day notice. The Member's certificate or subscription shall be repurchased at par value, less any debts owed, and expenses incurred by the Corporation on behalf of the Member, and if and when there is sufficient reserve funds as determined by the Board of Directors. An eviction of the Member shall automatically terminate his or her Membership.

The Member shall have the right to appeal to the next Membership meeting and will be given a reasonable opportunity to be heard, either in person or by their attorney. Members may request a Special Meeting of the Membership within a reasonable time and such a request will not be unreasonably denied. In the absence of a board call for a Special Meeting, the member may do so in accordance with Article 7.4 of these Bylaws. A Member need not be expelled before being evicted. Re-application for Membership will require Board review and Membership approval before re-issuance of Certificate of Membership. The reason for the expulsion shall be clearly stated, recorded, placed in the permanent files and a copy given to the Member.

- 3.10 Any Member who wishes to be represented by legal counsel as the result of a corporation action must notify the Board of this fact ten (10) days in advance of the meeting. The Members shall solely be responsible for the cost of his or her attorney. In no case should the Corporation be responsible for the legal fees of the Member.
- 3.11 The Class B Member shall be ROC USA LLC. No action may be taken by the Board of Directors or the Class A Members to sell the Corporation's real property or to amend the Articles of Incorporation without the affirmative vote of the Class B Member. Unless specifically stated otherwise, any reference herein to "members"

shall apply to Class A Members only.

HOME SALES AND RENTALS OF HOMES

- 4.1 Notice to the Board of Directors stating the intention to sell a Home in place shall contain the estimated date of sale, and the name, address, and phone number of the selling agent, if any. It is the responsibility of the seller to supply potential buyers with information regarding the requirement that all buyers become Members of the Corporation. The seller shall supply the Corporation with the names and telephone numbers of any buyers who have signed a Purchase and Sales Agreement. See the exception for certain trust transfers contained in paragraph 3.2, which applies here as well.
- 4.2 For a period of thirty (30) days following the notice of sale, the Member shall exercise a preference for a buyer that is a lower-income family or individual. During this 30-day period, if the Member receives more than one offer for the same price upon the same terms and conditions, and one of said offers is from a lower-income family or individual, the Member shall accept the offer from the lower-income family or individual. The Board may authorize the sale to someone other than a lower-income family or individual at the request of the selling Member in the case of a sale to a family Member or where the delay in selling would pose an unreasonable hardship for the selling Member.
- 4.3 A lower-income family or individual shall be defined as a family or individual whose total income does not exceed 80% of the median income in the county as determined by the U.S. Dept. of Housing and Urban Development and published in the Federal Register.
- 4.4 Any lot in the Community that becomes vacant (other than a temporary vacancy when a Member of the Corporation replaces his or her existing manufactured home with a new or different one), shall be leased by the Board of Directors to a lower-income household approved for Corporation Membership; provided, however, that if after advertising the lot for thirty (30) days, the Board does not receive an offer to lease from a lower-income household reasonably capable of affording the Home and living in the Community, the Board of Directors may lease the lot to any suitable household. The Board will keep a waiting list for these purposes.
- 4.5 The following shall apply in all situations where Fannie Mae *and other approved chattel lenders* holds an Eligible Loan on a home in this Corporation:

Notwithstanding rights of the Corporation under state law, any holder of an Eligible Loan, which is actively pursuing the right to foreclose or which has acquired title to the Manufactured Home by purchase itself at a foreclosure sale or by deed in lieu of foreclosure, and which has paid or is paying the Corporation Rent and Other Charges owing by a Member under an Occupancy Agreement, shall not be required to advance more than six (6) months of Rent and Other Charges, and the Corporation's lien rights, as to amounts owing to it by the Member under the

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Occupancy Agreement or otherwise, shall be subordinate to the rights of the holder of an Eligible Loan, and amounts owing to the Corporation shall only be paid out of the excess proceeds, if any, available after transfer of the Manufactured Home to a third party, and after all amounts outstanding under the Eligible Loan, including repayment of advances of monthly Rent and Other Charges, have been paid in full.

- 4.6 The Board of Directors shall purchase the Membership interest from a Member who has forfeited or otherwise relinquished membership by paying them the interest's par sum, equal to the Member's total payment toward their Membership Fee, without interest, less any debt owed by the Member to the Corporation, within sixty (60) days of the removal or sale of the home, or at such later date when the purchase can be made without jeopardizing the solvency of the Corporation.
- 4.7 To unify the Members and make the Corporation stronger, all homes within the Community must be owner-occupied. Failure to comply with this article shall result in an eviction from the Community.
- 4.8 Rental or leasing of homes in the Community shall not be allowed unless approved by the Board of Directors. The Board of Directors shall not approve a rental or lease unless (1) A written request is submitted by the Member alleging hardship and (2) the Board of Directors determines that a hardship exists. If an approval is granted, the decision shall specify the hardship circumstance(s) and the condition(s) of approval. The vote of the Board of Directors shall be maintained in the official records of the Corporation.

VOTING

- 5.1 One third of the current Membership shall constitute a quorum at a Membership meeting. *There shall be no voting by Proxy.* The existence of a quorum shall be established at the beginning of each meeting and shall remain valid until the meeting is adjourned. If a quorum has been achieved, any motions for consideration that are proper before the meeting shall be approved by a majority vote of Members present except for motions affecting the Bylaws and Community Rules. *A member who is not in good standing (as defined by 3.2.2 of these bylaws) will be ineligible to vote on any matters and shall not be counted towards a quorum.*
- 5.2 A ballot provided on a form approved by the Board of Directors shall be used for the election of Directors. It shall clearly state the slate of nominees and be identifiable by either a lot number or other means. The Board of Directors may allow for an absentee ballot for the following reasons: hospitalization, shift work, infirmity, out of state, or a family emergency. A request for an absentee ballot must be made in writing at least three (3) days before the meeting, if not the result of emergency circumstances. If the ballot is to be mailed, the Member must request it ten (10) days before the meeting. Absentee ballots may not be counted towards a quorum. The *Absentee* ballots shall be sealed and opened at the Membership meeting.
- 5.3 No member may seek election to more than one (1) office on any ballot.

- 5.4 Any business required or permitted to be taken at a Membership meeting may be taken without a meeting, by means of a ballot clearly stating a Board-approved motion. To be passed, the motion must be approved by a majority of the entire Membership. A copy of the motion and vote must be kept on file with the Corporation's Membership meeting minutes.
- 5.5 The Bylaws of the Corporation and the Community Rules shall be adopted or repealed by a majority vote of the Membership.
- 5.6 The Bylaws and the Community Rules may be amended by a majority vote of the Members present at any regular or special meetings at which a quorum is present, provided that notice of the proposed amendment shall be given in writing to all Members not less than ten (10) days prior to such meetings. After the ten (10) day notice, technical changes in wording or detail of the proposed amendment that do not alter the subject matter shall not require additional notice.
- 5.7 Any decisions that may commit expenditures of two thousand dollars (\$2000.00), or more of Corporation resources per Fiscal year, that does **not** appear in the approved annual budget, shall be made by the Membership at an Annual, special, or regular meeting of the Members. Capital Improvement and Replacement Reserve expenditures that exceed three thousand dollars (\$3,000.00) per Fiscal year, require the approval of the Membership except in cases of emergency repairs. The Board shall notify the Membership of such an emergency action at the next regular or special meetings of the Membership.

FISCAL YEAR

- 6.1 The fiscal year of the Corporation shall be the twelve (12) month period ending on the last day of September. The Corporation shall cause its books to be examined within a reasonable time after the end of each fiscal year in accordance with the audit/review requirements of state law.

ANNUAL AND SPECIAL MEETINGS

- 7.1 The Annual Meeting of the Members shall be held in the month of September each year in a place designated by the Board of Directors within 5 miles of the Community. An Annual Meeting of Members is to be held at least once a year.
- 7.2 Notice of the time and place of the Annual Meeting and the agenda items or subject matter to come before it, shall be given in writing to each Member at his/her address, and posted and maintained at a common area not less than ten (10) days prior to the date of the meeting. The Annual Report to the Secretary of State, the report of the examination of the prior year's finances, and the proposed annual budget of the Corporation shall be made available to each Member no later than ten (10) days before the Annual Meeting for approval by the Membership at the Annual Meeting.
- 7.3 The Board shall recommend for the approval by Membership the annual budget with proposed future rents. If Members, after meeting held or ballot conducted for

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said purposes, shall fail to approve a budget that meets all contractual obligations, the Board may approve such a budget without further vote of the Members.

- 7.4 Special meetings of the Membership may be called by the Board of Directors or by petition of at least one tenth (1/10) of the Members. Such Member petition may be delivered to any Board Member. The Board shall set the date, place and time of the Special Meeting to be held within 30 days after receipt of such a demand. The Secretary of the Corporation shall deliver, or mail written notice stating the place, day, hour and purpose of the Special Meeting to each Member and post the notice in a common area not less than 10 days in advance of the meeting date.
- 7.5 In case of any question not covered in these Bylaws or adopted Board policies, the guidelines in **“Parliamentary Procedure for Manufactured Housing Community Corporations” as published by the *Management Guide* © 2003, 2007 ROC USA, LLC** shall prevail. When the issue is not addressed by the **Management Guide 2003, 2007 ROC USA, LLC**, the foundation document, ***The Standard Code of Parliamentary Procedure, Fourth Edition, by Alice Sturgis, 2001, or Robert’s Rules of Order, Newly Revised*** shall prevail.

BOARD OF DIRECTORS

- 8.1 The Board of Directors shall consist of *five* Members who are residents and owners of a manufactured housing unit in the Community and are in good standing with the Corporation. The Board of Directors shall be elected by Membership at an Annual or Special Meeting of the Corporation, or at a special meeting held in place thereof. All newly elected Directors will take office thirty (30) days after elections or at the next Board of Directors meeting, whichever is first.
- 8.2 At each election for Directors, every Member entitled to vote shall have the right to vote for as many persons as there are Directors to be elected.
- 8.3 All Directors shall serve for a term of two years, except that at the first election, the Treasurer and Vice President will be elected for one-year terms. No Director may serve for more than three consecutive two-year terms, unless no successor is duly chosen. *Directors may be eligible for re-election to the board after a minimum period of one year of not serving on the board of directors.*
- 8.4 Vacancies that result from resignation or other means may be *filled by a majority vote of the Directors present at any Regular or Special meetings of the Board of Directors.* The Director so elected shall serve the remainder of the term, which shall not be counted as a consecutive term for the purposes of Article 8.3 of these Bylaws.
- 8.5 Two *Board* signatures are required on checks. No more than one (1) individual from each Member household may have signing authority.
- 8.6 The Board of Directors shall be responsible for the day-to-day management and control of the Corporation operations. The Board of Directors may from time to time set up committees and/or ad-hoc groups to work on specific responsibilities, with the committee Members serving at the pleasure of the Board of Directors.

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These committees will report to the Board of Directors and operate with only as much authority as granted by the Board. Further explanation of these committees may be found in the policies of the Board of Directors.

- 8.7 Regular meetings of the Directors shall be held monthly. Notice of the time and place together with the agenda of the Board of Directors' meeting shall be posted in a public place in the Community. The Board shall have the sole discretion to establish the agenda for all regular meetings, and members are prohibited from public drinking or other violations of the agreed upon community rules.
- 8.8 Special meetings of the Directors may be held at the call of the President or any two Directors. Written notice stating the place, day, and hour of any special meeting shall be posted at the office and communicated personally to each Board Member not less than three days before the date of the meeting. In an emergency, a shorter notice may be given, provided that the agenda for that meeting is limited to dealing with the emergency at hand and that all actions taken are ratified at a subsequent properly noticed meeting.
- 8.9 Regular and Special Meetings of the Board of Directors shall be open to the Membership except when the Board moves to an Executive Session. Executive Sessions are used only for purposes of protecting a person's reputation and confidentiality, or to receive or discuss advice from legal counsel. A decision may not be made in the Executive Session, where minutes are not kept. Decisions must be made in the form of a motion at a public meeting.
- 8.10 At any meeting of the Board of Directors, a simple majority of the number of Directors then in office shall constitute a quorum for the transaction of business. A majority of those present must vote in the affirmative to pass a motion, once a quorum has been established.
- 8.11 Any action required or permitted to be taken by the Board of Directors at a meeting may be taken without a meeting if the written motion is approved and signed by all Board Members or if a written motion distributed to all Directors by email is affirmatively approved by email. Authority for such action commences when the last Director signs. A copy of the written motion with all signatures must be kept with the Board minutes. *A copy of an email decision with all directors votes will be kept on file as a written record.*
- 8.12 Directors shall serve without compensation but shall be entitled to reasonable compensation for expenses paid while conducting legitimate Corporation business provided that acceptable receipts are submitted. Any expenses incurred must have prior approval by the Board of Directors. Receipts must accompany all requests for reimbursement. Directors may receive compensation for their freely executed contracts approved by the Board or Membership as the case may require, so long as the contract does not create a conflict of interest.
- 8.13 Any Director whose actions are determined to negatively affect the operation of the Corporation may be removed by a majority vote of the Members present at any regularly scheduled or special meetings of the Membership where a quorum is present, provided that a 10-day notice of the impending vote has been given to the Director who may be removed. Said notice of a vote to remove shall only be made

after a majority vote of the Board of Directors or after the Board of Directors receives a written petition requesting the proposed removal, signed by at least 10% of the Membership. Said resolution shall clearly state that once a quorum is established, a majority vote of the Members present will be needed to remove the Director. The notice shall state the date, time and place of the meeting where said vote will be taken. Vacancies on the Board of Directors, which result from a removal vote of the Membership, shall be filled in accordance with Article 8.4 of these Bylaws. This section does not restrict any Directors' voluntary resignation from the Board of Directors or from office. Furthermore, three consecutive absences of a Board meeting without special permission shall be grounds for dismissal from the Board.

- 8.14 The Membership of the Corporation shall adopt a Conflict-of-Interest policy and procedure.

OFFICERS

- 9.1 The Officers of the Corporation shall consist of a President, Vice-President, Secretary, Treasurer, Operations Manager. All Officers are Directors of the Corporation and must meet the requirements for being a director set forth in paragraph.
- 9.2 Officers shall be elected by the Membership.
- 9.3 The President shall serve as chair and preside at all meetings of the Directors and Membership. He or she shall be responsible for general administration according to the guidelines established by the Board and the Membership. The President shall perform such duties prescribed by the Board or as necessary to accomplish the objectives of the Corporation.
- 9.4 The Vice-President shall preside at all meetings in the absence of the President and shall perform such duties delegated to him/her by either the Board or the President. He/she shall report on the activities of the President to the Board in the absence of the President.
- 9.5 The Secretary shall keep the records of the Corporation and these Bylaws. Amendments to these Bylaws shall be printed, noted, dated and maintained with these Bylaws, and copies distributed to the Membership. He or she shall keep a true record of the proceedings of all meetings of the Directors and Members. If the Secretary is absent from any such meetings, the chair may request that some person act as a recording secretary to take the minutes. The Secretary shall also be responsible for posting meeting notices, typing correspondence and maintaining and updating Membership and resident lists. The signature of the Secretary, or acting secretary, in the minutes and actions of the Board shall serve as evidence of their authenticity.
- 9.6 The Treasurer shall be in charge of all the funds of the Corporation and shall be responsible for membership dues and fees and for working with Property Management on all other disbursements and collections. The Treasurer shall be

responsible for maintaining all financial records of the Corporation including previous fiscal years; financial reports, bank statements and returned checks, invoices, records and all other financial records. The Treasurer will see that all checks drawn on Corporation accounts shall bear the signature of at least two of these three Officers: President, Treasurer, or Secretary. As a standard fiscal control, a Member of the Corporation other than the Treasurer and the Property Manager shall reconcile the Corporation accounts each month. The Treasurer shall be responsible for having the books prepared for examination. The Treasurer may delegate any tasks to any Member of the Finance Committee or a contracted bookkeeping service.

- 9.7 The Operations Manager sits on the Maintenance Committee and is responsible for ensuring that Property Management provides effective upkeep of grounds and systems; developing services, standards, emergency and general repair procedures; maintaining a list of qualified trades people; obtaining bids, maximizing volunteer contributions, submitting a capital improvements plan; annual projected maintenance budgets; and any other duties as assigned.
- 9.8 All Officers of the Corporation shall, subject to these Bylaws and to any vote of the Directors, have such powers and duties as the Directors shall from time to time designate, in addition to the specific powers and duties set forth above.
- 9.9 Each Officer, Director, employee, and agent handling funds or securities amounting to \$1,000 or more in any one year shall be covered by adequate bond in accordance with state law.

INDEMNITY

- 10.1 The Directors, Officers and Members shall not be personally liable for the debts, liabilities or other obligations of the Corporation.
- 10.2 Should any person be sued or threatened with suit, either alone or with others, because he or she was or is a Director or Officer of the Corporation, in any proceedings arising out of his or her alleged misfeasance or nonfeasance in the performance of his or her duties or out of any alleged wrongful act against the Corporation, indemnity for his or her reasonable expenses, including attorneys' fees incurred in the defense of the proceeding, may be assessed against the Corporation, its receiver, or its trustee, by the court in the same or a separate proceeding if (1) the person sued is successful in whole or in part, or the proceeding against him or her is settled with the approval of the court; and (2) the court finds that his or her conduct fairly merits such indemnity. The amount of such indemnity shall be so much of the attorneys' fees incurred and other expenses as the court finds to be reasonable.
- 10.3 Should any person be sued or threatened with suit, either alone or with others, because he or she was or is a Director, Officer, or employee of the Corporation, in any proceedings other than an action by the Corporation, indemnity for his or her reasonable expenses including attorney fees incurred in the defense of the proceeding may be paid by the Corporation if the person acted in good faith and in a manner he or she reasonably believed to be in or not opposed, to the best

interest of the Corporation; any such indemnity shall be made as authorized by majority vote of the Membership.

RECORDS

- 11.1 The records of the Corporation shall be kept by the Directors then in the office and transferred to newly elected Directors upon changeover.
- 11.2 Records of the Corporation shall be open to the inspection of any Member at a reasonable time and place within 72 hours of a Member's request, limited to those items not protected for reasonable privacy concerns of Members, including but not limited to financial applications, credit reports, hardship applications, materials discussed in executive session and individual collection matters.

DISSOLUTION

- 12.1 In the event of dissolution of the Corporation, the assets, after payment of the Corporation's debts and expenses, shall be distributed in the following manner:
- I. The par value or book value, whichever is lower, of the Membership certificates or shares shall be returned to the Members. Amounts paid on subscriptions shall be returned to subscribers. The amounts allocated in distribution of net savings shall be returned to those Members entitled to them in accordance with patronage.
 - II. Any surplus remaining after the distributions in paragraph I may be distributed as a contribution to any Corporation association or other nonprofit association to which contributions are deductible from income tax under current internal revenue service regulations.

The foregoing is a true and accurate account, attested by, _____
Secretary

International Cooperative Alliance Principles

1st Principle: Voluntary and Open Membership

Co-operatives are voluntary organizations, open to all people, able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

2nd Principle: Democratic Member Control

Co-operatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote) and co-operatives at other levels are also organized in a democratic manner.

3rd Principle: Member Economic Participation

Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

4th Principle: Autonomy and Independence

Co-operatives are autonomous, self-help organizations controlled by their members. If they enter to agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

5th Principle: Education, Training and Information

Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the public - particularly young people and opinion leaders - about the nature and benefits of co-operation.

6th Principle: Co-operation among Co-operatives

Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.

7th Principle: Concern for Community

Co-operatives work for the sustainable development of their communities through policies approved by their members.

These principles can be found on the International Cooperative Alliance website at <http://www.ica.coop/al-ica/>.