

1885.
NEW ZEALAND.

CO-OPERATIVE FREEHOLD LAND ASSOCIATION RULES

(COPIES OF).

Return to an Order of the House of Representatives, dated 18th June, 1885.

Ordered, "That there be laid before this House copies of the rules of any co-operative freehold land association registered under 'The Industrial and Provident Societies Act, 1877.'"—(HON. MR. ROLLESTON.)

CANTERBURY CO-OPERATIVE FREEHOLD LAND ASSOCIATION (LIMITED), established October, 1881.—Registered under "The Industrial and Provident Societies Act, 1877."—(Offices: Alport's Buildings, Hereford Street, Christchurch.)

RULES.

1. THE name of the association shall be the Canterbury Co-operative Freehold Land Association (Limited); its business shall be confined to Canterbury, New Zealand; and the chief office or place of meeting for the business of the said association shall be in the City of Christchurch.

2. The object of the association shall be to raise funds by means of weekly subscriptions of 2s. 6d. per share from members, and from such funds to purchase or acquire blocks of land for division among such members; and in case of need to borrow money to assist such operations in the terms of "The Building Societies Act, 1880," clause 13, section 2.

3. Shares can be taken up at any time on the payment of an entrance fee of 2s. 6d. per share. The subscription to be 2s. 6d. per share per week, due and payable every Monday, between the hours of 7.30 and 9 p.m., at the office or offices of the association. The number of shares to be held by one member shall be limited to ten, or such smaller number as shall keep his interest in the funds of the association from exceeding £200 sterling.

4. Any other society registered under "The Industrial and Provident Societies Acts, 1877," or under the Building Societies Acts, or any company registered under the Joint-Stock Companies Acts or incorporated by Act of the General Assembly of New Zealand or by charter, or any other body corporate, may hold shares by its corporate name in this association.

5. An annual general meeting shall be held in the month of January in each year, when the report and statement of accounts shall be submitted. A half-yearly general meeting shall be held in the month of July in each year. Fifteen shareholders shall be a quorum at any general meeting. All questions submitted to meetings shall be decided by the votes of the majority of the members present entitled to vote, and such votes shall be first taken by show of hands, upon which the decision of the chairman shall be final, unless a scrutiny shall be demanded, in which case it shall forthwith be taken, and then each member of three months' standing shall have one vote, irrespective of the number of shares held by him or her, provided his or her subscriptions have been duly paid up. If there shall be an equality of votes the chairman shall give a casting vote. Every such vote shall be taken in such manner as the chairman shall determine. All decisions that may be come to by a majority of shareholders present at any meeting, provided such decisions are in conformity with the rules, shall be binding upon all shareholders.

6. No alterations shall be made in the rules; neither shall additional rules be made, or any rules rescinded, save and except at a general meeting of shareholders—the nature of the proposed alterations being specified in the notice calling the meeting. Special general meetings of the shareholders may be held for any necessary purpose, to be stated in a notice calling such meeting; all such may be called by the chairman or may be convened by the directors or secretary upon a requisition signed by at least ten shareholders.

7. Annual, half-yearly, or special general meetings shall be called by advertisement, to be inserted in at least two Christchurch newspapers at least fourteen days before the date of such meeting.

8. Special resolutions shall be passed by a majority of shareholders of not less than three-fourths of the shareholders for the time being entitled under the rules to vote as may be present in person at any general meeting, of which fourteen days' notice specifying the intention to propose such resolution shall have been duly given according to Rule 7, and which resolution shall be confirmed by a majority of such members for the time being entitled under the rules to vote as may be present in person at a subsequent general meeting, of which at least ten days' notice shall have been duly given in the manner mentioned in Rule 7, held not less than fourteen days nor more than one month from the day of the meeting at which such resolution was first passed. At any meeting mentioned in this rule a declaration by the chairman that the resolution has been carried shall be deemed conclusive evidence of the fact.

9. The business of the association shall be managed by a board of directors, of not less than nine or more than twelve shareholders, who shall be elected from the general body, five to form a quorum. The directors shall appoint their own chairman and vice-chairman, and shall hold office for twelve months; six of the directors retiring annually, who shall be eligible for re-election. The directors shall be entitled to such remuneration as the shareholders in general meeting shall from time to time determine.

10. There shall be a secretary and a treasurer, who shall be elected by the directors, and by whom their duties shall be defined, and during whose pleasure they shall hold office.

11. The secretary for the time being shall, by himself or competent deputy, attend every meeting of the association and enter minutes of all resolutions, transactions, and business of the association, and the accounts thereof, in proper books to be provided for the purpose. He shall send all the circulars and conduct the correspondence of the association under the direction of the directors, and shall generally guard and promote the interests of the association. He shall receive as remuneration for his services such annual salary as shall from time to time be fixed by the directors. He shall prepare a general statement of the funds and effects of the association, to be presented at the annual general meeting, specifying in whose custody or possession the said funds or effects shall be then remaining, together with an account of all sums of money received and expended on account of the association since the publication of the last annual statement. He shall also, if required, give such security as the association may deem expedient for the faithful performance of his duties.

12. The treasurer shall be answerable for all moneys of the association received by him, and shall on the day following every meeting-night pay into the hands of the bankers of the association all moneys received by him to the credit of the directors, and at the same time leave the banker's pass-book to be made up. Any omission to account for or to pay over the moneys so received by the said treasurer as aforesaid shall forthwith be communicated by the secretary to the chairman, who thereupon shall convene a meeting of the directors (notice thereof shall be given to the treasurer), and in case the said treasurer shall have neglected to pay the money into the bank as aforesaid, and on request by the directors to pay the same to such person as the directors shall then appoint to receive the same, and on the treasurer neglecting or refusing so to do, the directors shall and are hereby authorized and empowered to expel the said treasurer, who shall forfeit all his benefit in the said association; and moreover he shall be liable to be proceeded against in such manner as the directors shall be advised for the recovery of such money. For the purpose of the last-mentioned regulation the non-attendance of the treasurer so in default as aforesaid at such last-mentioned directors' meeting shall be deemed and considered to be a refusal on his part to conform to the resolution of the directors. The treasurer shall be paid such salary as may be considered right by the directors, and shall give security in accordance with section 12, subsection (1), of the Industrial and Provident Societies Act, in such form as the directors shall direct.

13. There shall be two auditors elected annually, one to be appointed by the shareholders and one by the directors. The accounts shall be audited annually, in the manner provided by section 9, subsection (1c), "Industrial and Provident Societies Act, 1877." The auditors shall thoroughly inspect the books and securities every three months and report the result to the directors. The auditors shall be paid such fees as the directors may deem fit. The books shall be open to the inspection of any shareholder on giving one week's notice to the directors. The cash-book and bank pass-book shall be presented for inspection at every weekly subscription night.

14. Any member may, on application to the secretary, transfer all or any of his shares upon payment of a fee of 2s. 6d. per share and all arrears of subscriptions and fines, such transfer to be in the form of Schedule A hereto attached, and to be countersigned by the secretary, and registered in the office of the association in a book to be kept there for that purpose.

15. Applications for withdrawal may be considered, and at the discretion of the directors may be granted, in the order of priority of the dates on which such applications may have been received by the secretary. In the event of such application being granted, the directors shall, so soon as sufficient funds are at their disposal, make payments for the purpose of discharging such claims.

16. A member of this association, not being under the age of sixteen years, may, by writing under his hand delivered at or sent to the registered office of the association, nominate any person not being an officer or servant of the association, unless such officer or servant is the husband, wife, father, mother, child, brother, sister, nephew, or niece of the nominator, to whom his shares in the association shall be transferred at his decease, provided that the amount credited to him in the books of the association does not exceed fifty pounds, and may from time to time revoke or vary such nomination by a writing under his hand similarly delivered or sent, but not otherwise. If any member of this association entitled to an interest in this association not exceeding fifty pounds dies intestate and without having made any nomination as aforesaid which remains unrevoked at his death, such interest shall be transferable or payable without letters of administration to or among the persons who appear to a majority of the directors upon such evidence as they may deem satisfactory to be entitled by law to receive the same.

17. In the event of a member dying without having made any nomination as aforesaid which remains unrevoked at his death and leaving a will, or to whose estate administration shall be taken out, the executor or administrator shall be entitled to the same rights and be subject to the same liabilities as the deceased member would have been, and similar provisions shall apply in the case of trustees of bankrupt members.

18. The directors may purchase, in the name of the association, any land or buildings, and may hold, subdivide, sell, exchange, mortgage, lease, or build upon the same, with power to alter and pull down buildings and again rebuild, and no purchaser, assignee, mortgagee, or tenant shall be bound to inquire as to the authority for any sale, subdivisions, exchange, mortgage, or lease by

the association, and the receipt of the association shall be a discharge for all moneys arising from or in connection with such sale, exchange, mortgage, or lease.

19. The directors shall have power of advancing sums of money out of the funds of the association, on the security of approved freehold or leasehold property.

20. The directors shall have power to invest any part of the capital of the association in the shares or on the security of any other society registered under "The Industrial and Provident Societies Act, 1877," or under the Building Societies Acts, or of any company registered under the Joint-Stock Companies Acts or incorporated by Act of the General Assembly of New Zealand or by charter, in the terms of subsection (3) of section 11 of "The Industrial and Provident Societies Act, 1867."

21. Every dispute between a member and a person claiming through a member or under the rules of the association and the association or an officer thereof shall be settled by arbitration, one arbitrator to be nominated by the directors and one by the interested party. If the said arbitrators are unable to agree they shall have power to call in a third party to act as umpire between them, and whose decision shall be final. If either party shall neglect or refuse to appoint an arbitrator for the space of ten days after receipt of notice of the appointment of an arbitrator by the other party, such last-mentioned arbitrator may make a final decision alone, and the decision so made under this rule shall be binding and conclusive on all parties without appeal, and shall not be removable into any Court of law or restrainable by injunction, and application for the enforcement thereof may be made to a Resident Magistrate's Court.

22. In the event of subscriptions not being paid at the expiration of the fourth week, a fine of 1d. per share per week shall be imposed for the first month in arrears; 2d. per share per week for the second month, in addition to the fines of the preceding month; 3d. per share per week for the third month, in addition to the fines of the two preceding months; and so on in proportion. When the amount of fines shall equal the amount paid in as subscriptions in respect of shares the same shall be forfeited and become the property of the association.

23. If, after a member has been placed in possession of any section allotted to him or her, he or she shall fail to pay any subscription or fine for a period of six calendar months, the directors shall have power to give to him or her, or to affix to some part of such section, a notice in writing under the seal of the association that, unless by three calendar months from the day of such service of such notice all subscriptions and fines then due and to become due by the expiration of such three calendar months shall not be paid, all subscriptions paid and to be paid by the member shall become forfeited to the association; and that such member do, at the expiration of such three calendar months, give up to the association possession of such section and of all buildings, erections, and improvements thereon. If such member shall make default in such payment, then the subscriptions paid by him or her shall become forfeited accordingly, and such premises shall be given up, and the member shall also forfeit the value of all such buildings, erections, and improvements.

24. A member aggrieved by the action of the Board under Rule 23 shall not have the right of appeal to any Court of law, but the case shall be referred to arbitration under Rule 21. If from lack of employment, sickness, or uncontrollable and reasonable cause a member shall be unable to continue the regular payments of his subscriptions, the directors shall have power to grant a suspension of payment for any time not exceeding twelve months upon such conditions as may be deemed right and fair. No fines shall be charged during the time of suspension, provided always that the financial position of the association shall justify the directors in such a course, as regards both suspension and fines.

25. Members, on taking possession of their allotments, shall be liable for and pay all rates, taxes, and outgoings that may be levied on the property held by them.

26. All profits that may accrue shall belong absolutely to the shareholders, and shall be divided among them, when it is deemed expedient, on the recommendation of the directors that a division of the profits shall take place; such recommendation to be confirmed by a majority of the shareholders at a general meeting, and the mode of division shall from time to time be decided by the shareholders in general meeting.

27. A seal, bearing the device of the Angel of Hope resting on an anchor, and beckoning onward, surrounded by a garter bearing the words "Canterbury Co-operative Freehold Land Association (Limited)" shall be adopted by the association. The seal shall remain in the custody of the directors, and shall only be used on the resolution of the board and in the presence of the chairman or vice-chairman and two directors.

28. All deeds and valuable documents shall be lodged at the bankers of the association for security.

29. The banking account shall be in the name of the association, and all cheques shall be signed by the chairman or vice-chairman and the treasurer and secretary.

30. As soon as the funds at the disposal of the directors shall be deemed sufficient to justify them in purchasing or acquiring a block of land, an advertisement shall be inserted in the newspapers inviting offers, from which they may select and purchase or acquire that which is considered most desirable. This shall be surveyed and cut up into sections; the necessary roads shall be formed in accordance with the requirements of the borough or Road Board in which the property may be situated. The cost of survey, formation of roads, and other contingent expenses, together with 10 per cent. on the entire cost, shall be shared proportionately by all allotments in the particular block. The price of each section shall be determined by the directors prior to division among the shareholders, and shall not be less than the average cost per section of the entire block.

31. When a block of land has been bought or acquired, surveyed, and cut up into suitable-sized sections, a ballot shall take place at the office of the association, or elsewhere, as the directors may decide, in which ballot each share shall have an equal chance; but no shareholder shall be

eligible to ballot until he or she has paid his or her subscriptions on the share or shares held by him or her for at least three months or thirteen weeks.

32. The ballot shall take place at a general meeting of shareholders, such meeting to be called by advertisement to be inserted seven days prior to said ballot taking place.

33. In balloting for selection the following plan will be pursued: If, for instance, there are two hundred shareholders who have not had a section allotted to them, and there are only fifty sections for allotment, a preliminary ballot will be taken, and the fifty names first drawn constitute those who are entitled to the allotments. The second ballot is then proceeded with, when the person whose name is first taken out has the right of choosing from the plan any allotment he pleases; the second person takes the second choice, and so on to the end.

34. In the event of a member not being present in person or by deputy to exercise his or her right of choice, or, being present, declines so to do, his or her name shall be placed at the bottom of the list, and at the termination of the ballot the sections unallotted shall be balloted for amongst the members who have failed to exercise their right of choice, and the result of such ballot shall be binding and compulsory on such members.

35. The members who have been successful in the ballot are entitled to immediate possession of their sections under a form of license to occupy, in the form of Schedule B attached to these rules, on signing such document, and shall continue to pay their 2s. 6d. per week per share until the amount at which this particular section has been assessed, prior to the ballot, has been paid when they receive their title-deeds.

36. In all agreements with vendors for a block or blocks of land purchased by the association, where it may be necessary to obtain time for the completion of the purchase, if possible a clause shall be inserted in the agreement binding the vendors to join with the directors of the association in giving a title to any shareholders who, having obtained allotments, shall be desirous of paying off the full amount of their subscriptions.

37. The surplus from sale or transfer to members of any sections more valuable than the aggregate value of a section shall be carried to the profit and loss account of the association.

38. Females and minors over sixteen shall be allowed to take shares, and shall be entitled to all rights of membership, save and except serving as office-bearers or on the board of directors.

SCHEDULE A.

TRANSFER OF SHARES.

I, _____, of _____, in consideration of £ _____, this day paid to me by _____, of _____, do hereby transfer _____ shares, numbered _____, which I hold in the Canterbury Co-operative Freehold Land Association (Limited), and all my estate, right, and interest therein to _____, and I, the said _____, do hereby agree to take such shares, subject to the payments, conditions, and regulations prescribed by the rules of the said association.

Dated this _____ day of _____, 188 _____.

(Transferor's signature.)

(Transferee's signature.)

Witness to transferor's signature—

(Witness's name.)

(Address.)

(Occupation.)

Witness to transferee's signature—

(Witness's name.)

(Address.)

(Occupation.)

(Countersigned): _____ Secretary.

SCHEDULE B.

LICENSE TO OCCUPY.

It is hereby agreed between the Canterbury Co-operative Freehold Land Association (Limited), a society registered under "The Industrial and Provident Societies Act, 1877," and whose registered office is in the City of Christchurch, in the Colony of New Zealand (hereinafter called "the said association"), on the one part, and _____, of _____ (hereinafter called "the said member"), on the other part, that the said association shall sell and the said member purchase the parcel of land described in the schedule hereto at the price of £ _____, to be paid by weekly instalments of _____, payable according to the rules of the said association, and that the said member shall be at liberty to take possession of and enjoy the same parcel of land according to such rules (the said member paying all rates, taxes, and outgoings), until by payment of the said weekly subscription of _____ he shall have fully paid the said price or sum of £ _____, together with all fines or other sums payable under such rules in respect of the share numbered _____ of the said member in the said association, when the said member shall be entitled, at his cost, to a conveyance or transfer of the said parcel of land. But if the said member shall make default in payment of any of the said subscriptions or fines for a period of six calendar months the directors of said association shall have the power, by notice in writing under the seal of the said association to be given to such member or affixed to some part of the said parcel of land, to require payment by the expiration of three calendar months from the date of service of such notice of the subscriptions and fines due at the date of such service of such notice and to become due by the expiration of such three calendar months, and if such notice shall not be complied with by the said member then, at the expiration of such period of three calendar months, the contract for sale and purchase of the said parcel of land shall

be deemed rescinded, and the said member shall immediately quietly surrender and give up possession of the said parcel of land and all buildings, erections, and improvements thereon, to the said association, and shall forfeit the value of all such buildings, erections, and improvements.

In witness whereof the seal of the said association has been hitherto affixed by resolution of the board of directors, and the said member hath subscribed his name hereto this _____ day of _____, 188_____.

The Schedule above referred to.—All that parcel of land containing by admeasurement _____, more or less, situate in the _____ of _____, in the Colony of New Zealand, and being part of the Rural Section No. _____ on the official map for the Provincial District of Canterbury, commencing at a point _____, which said parcel of land is delineated and coloured green in the plan drawn hereon or annexed hereto.

The seal of the said association has been hereunto affixed, in the presence of us—

(L.S.) (Chairman.)
(Two directors.)

Witness to the signature of the said member—

(Witness's signature.)
(Address.)
(Occupation).

The Canterbury Co-operative Freehold Land Association (Limited) is registered under "The Industrial and Provident Societies Act, 1877," this 9th day of January, 1882.

G. PALAIRET,

Registrar, Industrial and Provident Societies, Christchurch.

ADVANTAGES OF REGISTRATION UNDER "THE INDUSTRIAL AND PROVIDENT SOCIETIES ACT, 1877."

1. THE rules are binding and may be legally enforced.
2. A member's liability is limited to the amount due on the shares held by him.
3. The property of the association is vested in the name of the association, and is consequently the property of the shareholders.
4. Protection is given to members and their legal successors in enforcing their just claims, and against any fraudulent dissolution of the association.
5. All moneys due by members is a debt due by the association, and is recoverable by process in the Resident Magistrate's Court of the district in which the registered office is situated, or in the district in which a member resides, at the option of the directors.
6. No stamp duties are payable on any order for transfer, any order for receipt of money contributed to or received from the funds of the association, on any bond given to or on account of the association by the officers of the association.
7. Members may inspect the books at any time.
8. A receipt under the hands of three directors and countersigned by the Secretary in a form prescribed by the Act vacates any mortgage to the association without a reconveyance.
9. All penalties can be enforced by application to Resident Magistrate or to two Justices of the Peace.

A FEW FUNDAMENTAL PRINCIPLES TO BE OBSERVED BY CO-OPERATIVE SOCIETIES.

1. PROCURE the authority and protection of the law by enrolment.
2. Let integrity, intelligence, and ability be indispensable qualifications in the choice of officers and managers, and not wealth or distinction.
3. Let each member have only one vote, and make no distinction as regards the wealth any member may contribute.
4. Let members take care that the accounts are audited by men of their own choosing.
5. Let the directors always have the authority of the members before taking any important or unusual step.
6. Do not court opposition or publicity, or fear it when it comes.
7. Choose those for your leaders whom you can trust, and then give them your confidence.

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