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COOPERATIVE COMMUNITY DEVELOPMENT

(A Blueprint from our Future)

Edited by
JOE FALK

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DIALOGUES
WHAT COULD BE

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COOPERATIVE CAPITALISM
(The Way to the Future)

This book blueprints a "do it ourselves" Health Education Welfare (HEW) Housing and Urban Development (HUD) program that we have started in the metropolitan market area of Kansas City, Missouri/Kansas.

It explains how we intend to create our future by using the land, money, facilities and know-how we already have, and by stimulating cooperation between self sufficient neighborhood development associations and the existing political, social and economic institutions.

We are trying to blend the best of our democratic, entrepreneurial and cooperative ideals into a "not for profit" corporate system that will enable the people living on a block and in a neighborhood to "go into business for themselves," developing their community and providing themselves with the goods and services they need.

This approach will not only take a lot of pressure for services off our local and national governments, but will also provide a very effective and worthwhile way of stimulating our economy, since developing neighborhoods will need many things.

Working together through our neighborhood associations should also enable us to combat the inflationary tendencies in our society by adding neighborhood owned businesses as a new competitive factor in our economy.

This approach should also enable more of us to share in the good things we have while conserving our resources and reducing waste and the resulting pollution.

It seems to us that we all have a lot to gain and very little to lose, so we have every reason to believe that people in other parts of the country will join us in a similar effort in their community. If we all do this, we should be able to create a cooperative society made up of cooperative people who have confidence in themselves and pride in their country.

If we are successful in this effort as the American people, we will find our security and our future based more in our neighbors and neighborhoods than in our jobs or our national defense. If this comes to be, then the rest of the world will sit up and take notice and we will start exporting cooperation and community as well as things, technology and food.

This may eventually develop to the point where we could quit making war as nations and start waging peace as individuals by creating cooperative communities on our block and in our neighborhoods and sharing what we have with others, not out of charity, but for our own good.

We believe that this is a worthwhile cause. We hope you will join us in our efforts.

See P. 266, 267

TO ALL OF US

We optimistically dedicate
whatever comes from all of our
DIALOGUES ON WHAT COULD BE
and our efforts at
COOPERATIVE COMMUNITY DEVELOPMENT

To the future of each man and woman and child living on this earth and to the more humane society we can create by working together imaginatively.

THE FUTURE ASSOCIATES

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Book at Hyatt Regency

THINKING GLOBALLY
ACTING LOCALLY!

WHAT'S THE PURPOSE OF THIS BOOK?

1. TO TELL YOU ABOUT THE COOPERATIVE COMMUNITY DEVELOPMENT PROGRAM WE HAVE STARTED IN THE METROPOLITAN AREA OF KANSAS CITY, MISSOURI/KANSAS.
2. TO MAKE YOU AWARE OF HOW MUCH MORE EACH OF US CAN GAIN BY COOPERATING RATHER THAN COMPETING.
3. TO EXPLAIN HOW YOU CAN MAKE THIS HAPPEN IN YOUR COMMUNITY IF YOU CHOOSE TO DO SO.
4. TO INVITE YOU TO JOIN US IN OUR EFFORTS AT CREATING A COOPERATIVE SOCIETY FULL OF COOPERATIVE PEOPLE.
5. TO SPECULATE ON WHAT WOULD HAPPEN TO US AS INDIVIDUALS AND AS A SOCIETY IF WE BECAME COOPERATORS INSTEAD OF COMPETITORS AND REORGANIZED OUR ACTIVITIES ACCORDINGLY.

You will find that we keep coming back to the same basic points throughout this book; you may feel that we are duplicating what we have already said, but consider that we really are not suggesting any drastic changes in our attitudes, values or way of life. We are merely trying to fine-tune the feelings you already have and we are using the repetitive, reinforcing technique that all trainers, educators and advertisers use to make us see things their way. We are simply trying to brainwash you like everyone else who has an axe to grind. The only difference in our approach is that we are telling you this in advance so you will be aware of our trying to convert you into being a cooperator.

WHAT IS COOPERATION?

COOPERATION IS AN ATTITUDE OF MIND, A SET OF VALUES AND A WAY OF LIFE WHICH IS COMPATIBLE WITH THE PRINCIPALS OF ALL THE WORLD'S RELIGIOUS AND HUMANISTIC TRADITIONS.

THE PRINCIPLES OF COOPERATION

1. VOLUNTARY PARTICIPATION.
2. DEMOCRATIC: ONE PERSON, ONE VOTE, NO PROXY VOTING.
3. EQUAL OPPORTUNITY TO SHARE IN THE BENEFITS OF ANY EFFORT BUT WITH EQUITABLE SHARING BASED UPON EACH MEMBER'S PARTICIPATION.
4. AUTONOMOUS, SELF-HELP EFFORTS TO SERVE THE COOPERATORS' SELF INTERESTS.
5. LIMITED RETURN ON INVESTED CAPITAL.
6. EVOLUTIONARY, OPEN-ENDED DEVELOPMENT.
7. EDUCATIONAL: LEARN BY DOING PROCESS.

HOW IS THIS BOOK ORGANIZED?

We have presented what we are doing and what we intend to do. We have also tried to explain why we are doing these things and how you can do them too. This book can be read to get information or used as an educational and organization outline for developing your neighborhood cooperatively.

SECTION I
WHAT'S IT ALL ABOUT?

An explanation of what we are doing to develop our community cooperatively.

SECTION II
WHAT EFFECTS WILL THIS HAVE ON SOCIETY?

Our interpretation of how cooperative community development will affect people, business, government and society.

SECTION III
HOW CAN WE START THIS IN OUR COMMUNITY?

An outline of what you and your neighbors will need to know and have to do to start developing your community cooperatively.

SECTION IV
WHERE WILL THE MONEY COME FROM?

An outline of how you can raise front end money and leverage this into sufficient market rate financing to do anything you want to do.

SECTION V
HOW CAN WE DEVELOP AN OLD NEIGHBORHOOD?

An outline of the real estate activities and some suggestions on physical improvements you can make to improve your neighborhood and increase the value of your personal property.

SECTION VI
WHAT OTHER THINGS CAN WE DO?

Outlines of how you can cut your cost of living, create your own jobs, provide yourselves with health care, social security and generally improved living conditions.

SECTION VII
WHO'S REALLY GOING TO RUN IT?

An outline of how you will choose your leaders and hire your managers and what their responsibilities will be.

SECTION VIII
IS THIS LEGAL?

The legal documents you can use to form your own neighborhood and regional development associations and join us in creating a national association of self sufficient neighborhoods.

SECTION IX
WHERE WILL IT ALL END?

Some speculations about what it would be like to live in a cooperative community and what a nationwide and worldwide association of cooperatively owned neighborhoods could do to make things better.

WHO HELPED PUT THIS TOGETHER?

This has been a cooperative effort but I have to assume personal responsibility for most of what is written here even though the ideas have come from hundreds of different sources over a period of many years. I could have provided a bibliography of over 500 books and articles from magazines and professional or trade journals, but have chosen not to do so, since I have not quoted many of them directly.

I really cannot claim any of this as original thinking. All that I have done is to outline what many people in this country and around the world are doing cooperatively in separate fields of housing, buying, producing, financing, insurance, health care, etc. None of the activities I have suggested are new and the libraries are full of books on how to do them. In addition, there are people in almost every community doing them now.

All I have done is to outline how we can organize all of these activities into a self sustaining system that will put our other systems to work for us as individuals, families and neighbors.

I am indebted to all the cooperators who have developed and successfully implemented the cooperative ideas that I have incorporated in this book.

I also want to give credit to The Neighborhood Councils of Independence, Missouri, which we have used as an example of how to stimulate effective communications among all aspects of a city's existing institutions. In addition I want to recognize Bob Vanerum as well as the group of people who worked with us to develop the legal documents we used to form our association. We have reproduced these in Section VIII. We also had a lot of assistance from various individuals from the financial community in developing our program. Irving Buchen, Lew Miles, Dean Bevan, Rev. Gliddon and others in the educational and futurist fields have helped a great deal in developing the "Dialogue" method we use to enable people to look towards the future and learn how to do things cooperatively.

Besides all of these people there have been innumerable others including my family, friends and business associates who have listened patiently, offered suggestions and provided technical information as this developed.

I owe a very special thanks to my wife, Eleanor, who has patiently typed and re-typed this material as well as putting up with me while I have been doing this.

HOW DO OTHERS FEEL ABOUT THIS?

The following comments are by individuals who read the manuscript before publication. Each of these people has had widely different experiences and all are as expert at being human as anyone else so they are well qualifed to express their opinions on what I have written. We will let them speak for themselves.

E. Dean Bevan, Professor Baker University

Planners for the future characteristically have either a program but no vision, or vision but no program. The latter produces most Utopian fiction- some grim, some delightful, but all stillborn. The former produces phenomena such as the humorless socialism of the 20th Century—"coping" philosophies, efficient at best, but never truly sanguine. Joe Falk's "Cooperative Community Development" is a **rara avis** indeed: a visionary's program, resting on a view of man as a benign creature—with a little help.

The help is provided in this book: provided abundantly, variously, and specifically. Joe (if you ever meet him you will see right away that you can't call him "Mr. Falk" even in print)—Joe alternately needles, exhorts, cajoles, strokes, instructs, and reassures his readers: in short, he does anything he feels will help to get them to do the good works that he knows in their hearts they want to do.

Joe Falk admits in his acknowledgements that he does not "claim any of this as original thinking", and indeed his approach is extravagantly eclectic drawing upon both learned and popular sources, and further popularizing both to put together and put across his "blueprint for our future". And I think he has assembled everything that is needed, except for one element, which his readers must supply, or all this work will go for nothing.

The element is faith: faith that people with vision and purpose and resources and cooperation can make a radical difference in the

quality of their communal life. Joe has done what he can to induce this in his readers but the real test will be in what happens after the reading is done. My own personal vision is of thousands of readers, rising from their armchairs, believing that the thing can be done, and setting about implementing the "blueprint" before skepticism sets in, or maybe I mean cynicism. Joe Falk is skeptical of skeptics, and for every "why?" that they raise, he has a "why not?"

"Why not have a better world?" is his central question – indeed, his personal obsession. Read his book with care, and you, too – like me – may find yourself, perhaps to your surprise, saying, "Why not?"

Guy Bell, Business Manager

At your request I am about to give you my personal opinion of your plans for Cooperative Community Development.

I confess that the first few years we were associated as partners in our business I was certain that you were wasting your time and energy working on your "plan" and your book. It seemed to me that you had two chances of getting your project off the ground – SLIM and NONE!

Gradually you began to get through to me – the eternal pessimist. Perhaps you did have something that could work. A plan to let the people run their lives in a way that has not been tried since the days of our forefathers, the pioneers of America, who lived a "cooperative" life as a necessity.

For some eight years now you have kept me abreast of your progress and your plans for cooperative community development. I have watched you struggle against great odds and withstand the quips of those of us who were certain in our own minds that no one person could change the structure of our "Big Brother" society. No one person could move the bureaucratic system one inch off dead center!

I have read your book and studied your plan. I am most sincere when I say that now I believe! No doubt exists in my mind that you and those who choose to work with you will accomplish most of your goals. It will be a long and probably painful experience but what a wonderful thing to do and to be able to look back and say

"We did that", "we caused it to happen" and "we didn't march in protest with a mob carrying signs damning the country we live in, we didn't destroy, we helped build!"

When the first successful cooperative community has been established the snowball will grow and grow fast.

Qualified leaders will be needed at all levels, but they must always be accountable to their neighbors. That is why the parts of the "how to do it" program I am most interested in are the neighborhood level courses and college degrees proposed for "Cooperative Community Management". It seems to me that our "Future" must come from learning not only to cooperate but to manage our own lives.

The world has more than enough pragmatic pessimists and eternal optimists but what we really and truly need are more people like you who dream a dream and then work for that dream for all of us. Thanks

Bob Vancrum, Lawyer

The rebuilding of urban America can be accomplished only through some type of private cooperative effort. As the author points out, existing power structures, governmental and otherwise, have grown unresponsive to the inhabitants of large American cities and meaningful rehabilitation and revival requires the organization of the neighborhoods in a cohesive, cooperative leadership role. The premise assumes that existing structures may be influenced, but that a structure financially and operationally divorced from the governmental bureaucracy must be created.

The legal structure we have created is an attempt to permit maximum participatory democracy in a private urban renewal effort. We recognize that it will have to be revised as our programs develop but at least it is a place to start.

A voice has spoken telling us that we can "do for ourselves" if we don't like what we see in urban America of 1975. The Bicentennial year could be a year of new beginnings as well as one of reflection. If read in such a spirit, this book may give birth to a new American revolution, this time in the way we view ourselves.

Carole Lomand

Our present complicated system of living is increasing chaotic disease of the human organism. I have been searching for an alternative that works. I have explored continuously, discovering many alternatives which fulfill one or two special interests. I see the drain of our resources toward destructive and consequently apathetic conditions of family, community, country and planet. I continue this search for I am concerned for my life and the conditions my children will inherit. I am aware of the basic need for security in my home and immediate community. My family needs a "tribe" to provide a strong life support system cooperatively. My search for an alternative has consistently come to the basic need for community. The form this community takes must provide an enduring capacity for evolutionary change. I believe CCD is a viable alternative that will work, simply by deciding to do it.

This book offers a complete practical "how to" alternative based upon making use of what is materially and emotionally. It is a practical, intuitive system which can provide material and emotional health. It facilitates self direction which allows people to discover their power to create what can be. It reverses the recipient system under which we now exist. By participation in communications, law, business, education and public administration people can experience choice in their destiny. The choosing allows self responsibility. The political/economic potential of each individual is embraced. The potential for high self esteem is increased.

The communications method outlined in CCD facilitates self realization with cooperative spirit. A creative tension of differences is energized alongside ways and means of meeting together collectively. The organizational guide lines are simple and clearly defined. It is an honestly democratic system of creating services based upon needs and desires balanced by what is available. It is economically sound and emotionally gratifying. CCD sings the song of human dignity as well as dollars and cents. I hope each reader will seriously consider choosing this alternative. It takes a simple decision to do it.

It is time to choose, for our present system is moving faster and faster. The caste system of power we are presently affirming by not choosing an alternative is increasing the potential for revolution. We

can choose evolution based upon natural organic change. We need courage to join together and humbly create a new order based upon the present human condition of our plant. We all are joined together each night when the lights are out. We all seem to be asking, "Who am I?" and "Where am I going?" Perhaps it is time to share, "What form can my life take?" and "How can I create a healthy, quality way to live?" Perhaps we can all wake up one morning and decide to do it together!

Wilford Winholtz, City Planner

The greatest stalemate in America today revolves around citizen apathy. The strength of any democratic institution revolves around active (informed) citizen participation. With rapid urbanization since the turn of the century (70 percent rural and 30 percent urban) to the present (30 percent rural and 70 percent urban) the individual citizen has been engulfed in a sea of anonymity and helplessness. The myriad of small rural communities, which offered some basis for an individual to be heard and to participate in community affairs, has now been replaced by a relatively few megalopolitan centers where dwells the "lonely crowd". This dilemma has been recognized by many but no adequate solution has been forthcoming. The Federal government has tried to remedy this problem through some of its grant-in-aid programs by specifying the need for citizen review, dialogue and input. The overall results have been meager, but there have been some notable, though limited, exceptions. The great need remains. A democracy is no longer a democracy when there is no effective citizen participation. The concept of cooperative neighborhood organization remains the only viable alternative available under our current constitutional framework.

Within the framework of modern city planning, the neighborhood concept has its genesis in America during the 1920's. Professor Ervin Galantay makes reference to this period in his new book titled "New Towns: Antiquity to the Present". "Clarence Perry advocated self-contained neighborhoods of 5,000 people with a community center, schools, and other institutions in the center–within four minutes walk from any building. Perry looked at the neighborhood as a

small-scale social unit that would foster local initiative and restore democratic participation to a level that characterized the small New England villages." This concept also had its roots in the Garden City movement in England, when Sir Ebenezer Howard published his first tract in 1898 advocating new towns with a maximum population of approximately 30,000 and expressing a "town designed for healthy living and industry; of a size that makes possible the full measure of social life but no larger; surrounded by a rural belt all of the land being in public ownership or held in trust for the community." In 1963, James Rouse stated that "The biggest hole in the planning process in America today is right at the beginning of it. We aren't coming up with the right answers because we aren't asking the right questions at the outset. Planning deals with highways, land uses, public buildings, densities, open spaces, but it almost never deals with people. So seldom as to be never in my experience, do you find in a planning study or report any serious discussion of the problems that people face in an urban society or how plans are directed at relieving those problems." In brief, people haven't been involved in the local planning process, and the fact remains that if the local governmental process is to embrace the concept of planning "of the people, by the people and for the people", they must be encouraged sufficiently to participate.

From the standpoint of a businessman and a salesman, Joe Falk, during the past decade has observed and read sufficiently to rediscover the basis and need for cooperative neighborhood organization if community problems, both physical and social, are going to be solved.

One of the basic ingredients of the American way of life has been "individual initiative". A few years ago President Kennedy stated "Ask not what your country can do for you, but what you can do for your country." We do not believe in a dole system but a work ethic.

Traditionally, the lower income areas of our communities represent the areas in need of most help, both socially and physically. These are the areas where urban blight predominates and the indices of social disorganization are the greatest. Historically, these are the areas which are the least articulate in expressing their needs or know-

ledgeable in how best to organize to solve their common problems.

Within the past few years we have seen the rise and fall of the "War on Poverty", Urban Renewal, Model Cities, and various other categorical grant programs from the Federal government. Today, we are entering a new era of Federal "revenue sharing" programs. Cities are virtually bankrupt. Governmental services are being cut back because of increasing costs and in light of increasing demand for expanded services. The new Housing and Community Development Act of 1974 shifts the entire burden of qualitative review and decision making to the local governmental level, with emphasis on citizen review and input. In the signing of this Congressional Act, the President stated that "This bill will help return power from the banks of the Potamac to people in their own communities. Decisions will be made at the local level. Action will come at the local level, and responsibility for results will be placed squarely where it belongs at the local level."

This is a strategic time for this book on cooperative neighborhood community development to be published. It offers the same type of hope to the urban dweller today that the farm cooperatives did the the rural population, particularly in the depression years. The U.S. Department of Agriculture has played an important role in providing factual literature and technical assistance in the formation of such associations.

The urban dweller has the potential for organizing and mobilizing his resources to compete effectively in the free enterprise market for the services and capital necessary to solve most of the urban problems which Federal, state and local governments have been unable to do. However, the problems are so great that there will always remain the need for cooperation and coordination with governmental agencies and private initiative.

Kenneth Raveill, Advertising/Marketing Executive

Joe Falk's central thesis suggests the development of urban neighborhood cooperative associations. He suggests that the proven cooperative principles that have been so productive of the better life for rural America should also be applied to bring similar benefits to the urban dweller.

His basic concept of cooperation raises again the ago-old question "Am I my brother's keeper?" This question asked so many years ago is especially relevant in today's world. The free world's capitalistic economic system is under severe strain and is challenged by both socialism and militant communism.

Both socialism and communism were originally proposed as methods of checking the abuses of the capitalistic system of the early 19th century. The steady growth of democratic cooperatives within the capitalistic system have demonstrated that a free society is capable of correcting its defects without destroying individual freedom, initiative or the profit motive.

The development of cooperatives and labor unions within the capitalistic countries was not anticipated by the framers of the radical socialistic economic systems.

The concept of each neighborhood assuming direct management of its own affairs (particularly real estate) through an elected paid management team is in the best tradition of our democratic heritage and proven cooperative principles.

In this era of big business, big labor and big government, neighborhood community development may be a method of broadening the base of economic decision making and returning a greater degree of economic power to the consumer.

The neighborhood cooperative associations envisioned in this book seem to advance the positive elements of the consumerism by providing consumers with an organized method of expressing at the local level their preferences for products and services.

Neighborhood cooperative associations if widely adopted would also tend to restore the "town meeting" neighborliness and extended family ties that are largely absent in today's American urban life.

There are many additional benefits that could potentially be realized by families who are members of a "neighborhood cooperative association." This plan should produce local job opportunities that would benefit especially women, the young and the elderly. This concept should also lower the cost of living for its members thereby raising the standard of living. This plan also has the merit of bringing proven rural cooperative principles to the urban scene where the social and human needs are most acute.

The test of the neighborhood cooperative association concept will come as the plan is implemented. The basic question will be "Can the average citizen be challenged sufficiently to assume the responsibility necessary to shape the destiny of his family and neighbors?

This question is the basic question raised by any democratic government or institution.

I certainly hope that many people will give this neighborhood cooperative association concept all the energetic personal support and resources needed for a thorough effort at implementation. If this happens I sincerely believe it will succeed.

The concept of a viable urban cooperative society may at last give us a method of expressing an affirmative living answer to the question "Am I my brother's keeper?"

Through the neighborhood cooperative association concept we may just find the keys to living in peace in our neighborhoods and with ourselves.

I hope this will be true.

At this point I also want to make a personal statement, as the author/editor, on how I see our situation and what I have tried to do in this work. There is an awareness on my part and among many people I know that the social, economic and political systems which have served us so well in getting to this point in our human existence are no longer functioning as effectively as they have in the past.

I feel qualified to make this judgement since I spent the first fifteen years of my adult life in business for myself and the last ten at the middle management level of a large corporation with the responsibility for dealing with several other large corporations and the government as a national merchandise manager. My experiences include almost all aspects of organizing, promoting, implementing and managing various activities, not only in the business world, but in voluntary associations as well.

I have participated fully in our social, economic and political processes and fortunately have had the time and inclination to study them, the emerging ideas and the evolutionary forces that have brought us to this point. Also, I have been happily married for 28 years and my wife and I have raised three children who are sustaining themselves as adults and are still talking to us as friends as well as parents.

The problem as I see it is that the overall situation has become so complex that we as individual human beings have trouble comprehending it, coping with it and influencing it. We have a feeling that we have become engulfed in our own creation and that it has gotten beyond our capacity to control. Our systems seem to be running amuck. This results in our feeling dominated and helpless which reduces our self-confidence, stifles our initiative and alienates us from the very environment we have created.

We seem to be caught on the horns of a dilemma. We need the systems we have developed to provide ourselves with the good life, but their very existence appears to be a threat to our sanity if not our humanity.

Since our problem is so complex, it can only be sensed intuitively in its entirety. It cannot be broken down and described in a normal rational way. If it is just one big problem, then it cannot be separated and solved as pieces, it must be solved in its totality.

I believe this situation offers us a wonderful opportunity to create a more stimulating and humane society by synthesizing what we now see as separate functions into one cooperative social system whose purpose is simply to serve our needs as individuals and families living with our neighbors.

I believe that directing our collective efforts as neighbors towards building human communities will be compatible with the value systems of the individuals who now work in and manage our other systems. If this is the case, they will tend to encourage their particular system to cooperate with us in this effort. This slight shifting in orientation is really all we need to redirect all our efforts.

Since most of the decisions that really affect the way we live are made in the corporate board rooms, not the Halls of Congress, the Ivory Towers of education or the Cathedrals of our religions, I am coming at this from an economic point of view, but with a social goal.

It will take economic power to influence corporate decision making so that it will conform to the social standards that most of us hope for, vote for and pray for.

I am assuming that we all believe that things could be better and that we all hope they won't get worse, but we don't know what we can do about it personally.

I have tried to outline in this book what you can do about it and I have enough faith in people to believe that if we can see a way to make things better, we will try to do so.

As I see it, we are awfully close to where we want to be. We have already developed the material base and technology to sustain ourselves and the theoretical know-how to go beyond where we are. All that we have to do now is to create a social system that will enable all of us to benefit from what we have already accomplished.

I believe that we have reached a point where instead of working for a living we can live without working, if we organize ourselves in such a way that we can put our existing systems to work for us rather than our working for them and if we can learn to share what we already have more equitably. This does not imply that we would not be employed productively, but rather that we would be doing

...because we wanted to do them, not because we had to do ...n and that is not work.

...his book is an outline of a way of organizing what I believe is an ...nomically sound, politically effective, humanly satisfying social ...em that will enable us to decentralize, democratize and ...imize the planning, decision making and actions of all of our ...ting bureaucratic systems. I am not proposing that we change ...laws or do anything differently than we are already doing, only ...we do what we do to benefit ourselves as neighbors living ...ether in our neighborhoods.

...have set no particular goals to be achieved. Those choices can ...be made by the people living in a particular neighborhood. All I ...done is outline how we can organize ourselves and use the ...orces available to plan and do whatever we as neighbors, decide ...eed or want to do.

...It seems to me that many of the social ills we experience are ...sed by the way we have organized ourselves which forces each of ...to take care of himself at the expense of others rather than to ...e our problems together. What I am proposing is the creation of ...environment that will modify our behavior through learning ...eriences and social pressure just as our present living conditions

...I believe that living in a cooperative neighborhood which is part ...a cooperative society will reinforce the cooperative tendencies ...ich are inherent to our nature just as living in a competitive ...ety reinforces our competitive tendencies.

...I believe that there is absolutely no reason other than our indivi...l attitudes that we cannot conduct all of our human relationships ...operatively. This would tie into the preachings of religious and ...ther socially conscious people which simply do not make sense ...en we are living in a dog eat dog world, but would be very ...aningful to life in a cooperative society.

...The only way we can prove this is to risk doing it. The choice we ...ve to make is to risk whatever security we see in the status quo in ...change for the potential benefits I have tried to outline in this ...ok.

SECTION 1

WHAT'S IT ALL ABOUT?

COOPERATIVE COMMUNITY DEVELOPMENT IS AN EVOLUTIONARY IDEA WHOSE TIME HAS COME.

IT IS A PIONEERING APPROACH TO CREATING OUR FUTURE USING MARKET RATE MONEY AND THE FACILITIES AND ORGANIZATIONS WE ALREADY HAVE.

IT IS A POSITIVE ACTION PROGRAM THAT EACH OF US CAN WORK AT RIGHT WHERE WE ARE.

IT WILL MAKE OUR BICENTENNIAL THE BEGINNING OF A NEW COOPERATIVE SOCIETY MADE UP OF COOPERATIVE PEOPLE AS WELL AS A CELEBRATION OF WHAT WE HAVE ACCOMPLISHED IN THE PAST.

IT WILL ENABLE YOU AND YOUR NEIGHBORS, NOT DISTANT REPRESENTATIVES TO ASSUME EFFECTIVE AND BENEVOLENT CONTROL OF THE NEIGHBORHOOD IN WHICH YOU LIVE IN A DRAMATICALLY DIFFERENT WAY—RIGHT NOW!

Your association will work within the law and will not destroy or replace any special interest groups. You will merely expand their area of interest to include yours.

You will no longer have to say "there is nothing I can do about it." You will be able to stand on your own feet and pioneer the development of your neighborhood and community as you see fit by cooperating with the government and all the other existing organizations as an equal rather than having to rely on them as a welfare case.

You will be able to create a new social, economic and political force that represents you as individuals and families living on a block in a neighborhood.

This will realign the balance of power in our society and enable those who feel left out to participate more effectively in the decision making and share more equitably in the benefits of our collective efforts.

WHO'S DOING IT NOW?

A GROUP OF US WHO LIVE IN KANSAS CITY HAVE COME TO THE CONCLUSION THAT THINGS TEND TO BE DONE TO US RATHER THAN FOR US IF WE DON'T DO THEM OURSELVES, SO WE HAVE DECIDED TO JOIN FORCES TO SOLVE THE PROBLEMS WE HAVE IN OUR NEIGHBORHOODS AND THEN TAKE CARE OF OURSELVES IN THE FUTURE INSTEAD OF EXPECTING THE GOVERNMENT OR SOME OTHER GROUP OF PEOPLE TO DO THIS FOR US.

We have created a "not for profit" regional development association that will enable people living in the inner city, suburban and rural parts of our metropolitan market area to "go into business" developing their neighborhood on a block by block basis and providing themselves with any goods or services they need at reasonable costs.

Our regional association will be the communication link among the neighborhoods and between them and all of the other political, social and economic organizations in the community which we intend to use as resources to help us do whatever we feel needs to be done. We expect existing institutions and organizations to see our neighborhoods as new "customers" for the goods or services they have to offer.

We are confident that our regional association will be very effective in arranging financing and in helping the neighborhoods deal with metropolitan area-wide problems in transportation, utilities, city planning, education, pollution control, law and order, etc.

We are now in the process of organizing resident owned "not for profit" neighborhood development associations throughout our market area. These associations will control the regional association and will serve people living in areas as large as political sub-divisions and as small as an apartment complex, but most of the activity will

be done by small groups of people living on a block or in a single building.

WHAT'S IN IT FOR ME?

THE GOALS FOR THIS COMMUNITY-WIDE EFFORT ARE:

1. TO CUT OUR COST OF LIVING.

2. TO INCREASE OUR PROPERTY VALUE.

3. TO GIVE EVERYONE LIVING IN THE AREA AN OPPORTUNITY TO BECOME COOPERATIVE OWNERS OF SOME OF THE NEIGHBORHOOD PROPERTY AND BUSINESSES.

4. TO BUILD A CAPITAL BASE AND CASH FLOW THAT WILL ENABLE US TO CONTINUE DEVELOPING OUR NEIGHBORHOOD AS WE SEE FIT.

5. TO LEAVE A "PAID FOR" COMMUNITY TO THE NEXT GENERATION AS A BASE ON WHICH TO BUILD THEIR FUTURE.

6. TO CREATE A SPIRIT OF COMMUNITY THAT WILL MAKE OUR NEIGHBORHOOD A BETTER AND SAFER PLACE TO LIVE AND RAISE A FAMILY.

We are also organizing our neighborhoods through their regional association so that they can compete effectively for the funds that are currently being spent on industrial, commercial and governmental construction projects. We intend to attract capital investments to our neighborhoods and the related tax shelters to ourselves.

We would like to point out here that all of the things we intend to do are now being done successfully by groups of people at one or more places in this country. We are simply proposing that these activities be done by neighborhood owned businesses and that we consolidate all of our activities into a "system" approach and play the game by the rules as they are now written.

The fact that our associations will be using proven techniques to gain effective control of our neighborhoods, and that they will have the economic power and related political clout to do almost anything they want to do, should enable us to pioneer the development of a cooperative society made up of cooperative people who have learned to cooperate by doing it.

We believe that we will not only be rewarded for our efforts now
t that we will be able to build a more secure, yet more responsive
d stimulating society for ourselves in the very near future.

WHO GETS HURT?

THE ANSWER TO WHO ACTUALLY LOSES ON THIS DEAL ANYONE WHO IS SATISFIED WITH THE STATUS QUO AND ES NOT WANT TO SEE ANY CHANGE IN SOCIETY, PEOPLE R HIS OR HER PERSONAL SITUATION.

We will all have to adjust to this, but some specific examples are follows:

Real estate sales will be effected, but there will be an increase in e need for real estate management, since each neighborhood will ed this service. Realtors may have to change their operating pro-lures, but they will still have plenty to do.

Underwriters of stock issues or bond issues will have more diffi-lty selling their package, since they will be competing with our veloping neighborhoods for the funds available. They should, over ne, find it more profitable and personally satisfying to become derwriters for neighborhoods, since they will all need the talents ey have.

Manufacturers of goods and processors of food will not be able to ll us their wares on an individual basis as easily as now, but they ll be able to do a profitable, volume business with us through our phborhoods, if they are able to provide us the quality of goods we nt and need economically.

Mass media opinion molders may lose some of their advertising venue, since we the people, will be deciding what we need, rather n being sold by those who buy the time and with it the right to fluence us. Our new found independence will reduce the economic essure on the mass media to direct their programing to the masses satisfy the advertisers. This should encourage them to diversify r programing to appeal to different interest groups, so as to cate new markets they can offer to a more varied group of adver-ers. This may decrease the return on mass media investments but diversification of programing will increase the job opportun-

ities and expand the selection of programs which will benefit all of us in time.

5. Governmental departments and other social service agencies will lose some of their autonomy, since they will not be able to make decisions for us without taking into consideration the needs of the neighborhoods and their people, but if the decisions thus made include our ideas, we will cooperate with the decision makers in carrying out their programs and in the process provide ourselves with better services at less cost and with fewer hassles.

We believe that cooperative community development will help us all over time - no one should get hurt badly or lose much and a great many of us will gain financially and socially.

We are really proposing the creation of a new form of society we call Cooperative Capitalism which is different than the competitive one we now have.

Our Cooperative Society will start with "condominium" neighborhoods that will be created and controlled by the people living in them. A condominium neighborhood will enable those who own their own property to continue to do so, but it will give those owners and the renters of other property in the area an opportunity to cooperatively own, develop and manage other property in the neighborhood as it becomes available.

In the process of doing this people should become aware of the personal advantages of cooperation and this should lead to their adoption of cooperative activities in other areas of need.

Over time, many neighborhoods should become cooperatively owned communities full of cooperatively oriented people and we will be on our way toward creating a cooperative society.

This new neighborhood-based force that combines democratic, entrepreneural cooperative ideals with a "not for profit" corporate "systems" approach should realign the balance of power in our society in a very short time. It should also decentralize the decision making process by forcing existing organizations to consider "how the neighborhoods will feel and what they might do?" if this or that decision is made. If we can get the preceding question asked at every Monday morning meeting of every existing organization, we will have effectively changed the decision making process in our society.

The irony of all this is that those now making decisions for us all on a block, in a neighborhood, with their family so they are also of us; they just do not realize it and therefore we have not been ctor in their decisions and actions. This approach we are taking uld change this situation almost overnight and thus start every nization cooperating with us while they are pursuing their own rests.

s we have said before we do not intend that our neighborhood gional associations will replace any existing organization; they merely try to expand other organizations' interests to include we need in our neighborhoods and then contract with those nizations who choose to cooperate with us to help us do what want to do. We intend to add a powerful new cooperative, yet petitive, factor to our social situation and in the process make thing work better for us.

WHO DECIDES WHAT TO DO FIRST?

ACH OF OUR NEIGHBORHOOD ASSOCIATIONS AND EN EACH "BLOCK" OF PEOPLE IN THE NEIGHBORHOOD L DETERMINE THEIR OWN PRIORITIES BUT WE WILL BE INVOLVED TO SOME DEGREE IN THE FOLLOWING NERAL AREAS OF ACTIVITY:

Real estate acquisition, rehabilitation, new construction and area evelopment by "privatizing" or closing local streets and even eating houses or commercial facilities. Examples of this are ussed in the operating guidelines for the real estate committee.

Cooperative purchasing or rental of all kinds of goods and serv- Examples of this are discussed in the operating guidelines of the perative buying committee.

Cooperative health and senior citizens care, preschool children's care and education, legal aid, and many other professional ices. Examples of this are discussed in the operating guidelines of oup health and social services committee.

e creation of neighborhood jobs and other home income ucing opportunities through cooperative production and mar- ng efforts, serving the neighborhood and the entire community. Examples of this are discussed in the operating guidelines for the employment and marketing committee.

5. The creation of a neighborhood capital base through a neighborhood investment fund, volunteer labor bank and credit union plus a close working relationship with the local savings and loan associations, commercial banks and other lending institutions.

The rest of this book is devoted to giving examples of what we might do in these areas and outlining how we can organize ourselves to make them happen.

In the process of working with others in the development of our neighborhood, each of us should become aware of the personal benefits of cooperation and as a result become cooperators instead of competitors. We do not, however, intend to stifle our competitive spirit but rather to direct it towards competing actively and cooperatively on a block by block, neighborhood versus neighborhood, and even city by city basis. Each of us will have the opportunity to play on our own neighborhood team in the big leagues of finance and real estate instead of just watching from the sidelines or over television.

We are confident that the feeling of security and identity that we will all gain by becoming cooperative masters of our neighborhoods' destiny will increase our personal self-confidence and enable us to express ourselves more individualistically. Cooperative living should actually counteract the conformist forces that permeate our current society by providing each of us a place where we can dare to be ourselves. This approach should get us all more involved in the creation of our future in a very personal way.

HOW DO WE LEARN HOW TO DO IT?

We are also approaching this cooperative community development idea with an educational program that will include the following:

1. A SERIES OF TELEVISION DOCUMENTARIES that show what is now being done cooperatively by various groups of people for themselves. Each program will be augmented by a "talk show" discussion and a set of "evocative" questions that will stimulate dialogues among the viewers as to whether this particular activity is

needed in their neighborhood. We intend to develop a syndicated eries of newspaper articles to tie in with these shows.

. **AN ADULT EDUCATION PROGRAM** that can be organized by nterested individuals, neighborhood associations, churches, county xtension agencies or community schools. This series will enable the rticipants to make themselves aware of and discuss the possibil-ies, set priorities and learn how they can organize themselves to nake things happen in their neighborhood.

The Dialogue method we use in this will also orient people's hinking to the future and let them practice "evocative" commun-ation which is the skill we all need to work effectively with others. will in addition enable the participants to contribute to the dis-ussions and decisions and thus to experience the satisfaction of operating while they are planning their activities.

EVENTUALLY, AN UNDERGRADUATE AND GRADUATE DEGREE IN NEIGHBORHOOD COOPERATIVE MANAGEMENT. his will be created on an inter-disciplinary basis from existing siness administration, planning, education, psychology and soci-ogy courses, tied together with cooperative principles and values nd a futuristic orientation. This will open up an entirely new voca-onal field and a more involved way of learning for those who oose to work towards this degree.

The students will not only take the courses, but will live in a operative community that they will be developing around the mpus. They will also act as extension agents by reaching out to lp people in other neighborhoods conduct their adult education ograms and create their own development associations. In the ocess, they will be creating careers for themselves as neighborhood operative managers and simultaneously building demand on the versities for more trained people. This should become a self sus-ining educational activity that can be offered by any school.

WHAT DO WE HAVE TO DO TO START THIS WHERE WE LIVE?

You and your neighbors can go into the business of developing e block you live on and the neighborhood you live in, just as we

are doing in our community, and obtain all the benefits mentioned before plus many more if you are willing to do the following things:

1. JOIN YOUR NEIGHBORHOOD ASSOCIATION and pay an annual membership fee of $5.00 per year. $3.00 of this will go towards the support of your neighborhood, $1.00 towards the regional association which will serve your metropolitan market area and $1.00 to the Foundation for the Future Fund whose purpose will be to spread this idea all over the world.

2. DEPOSIT $5.00 OR MORE AND MAINTAIN AN ACCOUNT WITH A "COOPERATING" SAVINGS AND LOAN ASSOCIATION AND A COMMERCIAL BANK. Since the S/L's are owned by the depositors, it stands to reason that they will work with their owners if their owners work with them. Since the commercial banks can multiply the funds they have on deposit many times over by borrowing from the Federal Reserve Bank, the more money we can deposit with them, the more they can loan our neighborhoods, if we are organized in a business like way.

3. DISPLAY A MEMBERSHIP EMBLEM ON YOUR HOUSE OR APARTMENT and assume the responsibility of trying to "sell" your immediate next door neighbors on joining your association and others on moving into the community you are creating.

4. VOLUNTEER AT LEAST ONE DAY (8 HOURS) OF FAMILY LABOR PER YEAR to your association. This will be organized in advance on a "barnraising" basis and will be recorded in your account in the neighborhood labor bank. It will be turned into cash as improvements made through your efforts are "sold" to new members moving into your community. This will be one of the many ways in which your neighborhood will be completely self supporting. It will also be a way of providing down payments or reducing monthly payments for people joining your community.

If you are a resident renter who would like to become a cooperative owner, this is all you have to do. However, if you are a resident or absentee owner who would like to increase the value of your property and cut your maintenance cost, you have one more thing to do.

5. GIVE YOUR ASSOCIATION A FIRST RIGHT TO PUT YOUR PROPERTY, AT YOUR SELLING PRICE, WHEN

YOU WANT TO SELL. By giving "options" to your association, you and your neighbors will gain control of your neighborhood in exactly the same way any other real estate developer would do. From this point you will be able to proceed with the financing and development of your area, using normal "business" practices and in the process increase the value of your individually owned property.

In addition to these membership responsibilities, everyone will be requested, but not required, to invest in your neighborhood's various development funds as an additional indication of your support and to raise some of the capital that you and your neighbors' business ventures will need.

With the regional association's help and good management, you will be able to establish your credit and leverage your membership commitments and neighborhood investment funds into sufficient financing to acquire and build whatever you need. The members, using what you build and own, will pay the occupancy or use cost, so each project will be self-sustaining.

Each cooperative occupant, including low income members will have all the tax deduction and equity accrual benefits of home ownership, but no personal liabilities since the association will own the property and be responsible for the mortgage. Those of you who own property in the neighborhood now will not have to sell or move unless you choose to do so.

Since no one can be forced to cooperate, participation will always be voluntary and no one will be expected to belong or contribute unless they see something in it for themselves. Everyone will be "free" to drop out whenever the association ceases to serve their needs.

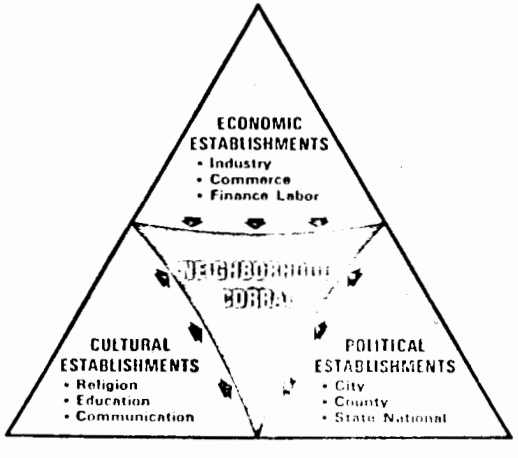
WHY WILL IT WORK?

Each city block of 20 single family dwellings with a replacement value of $10,000 per living unit put together under options is worth $200,000. An association of 50 such blocks is worth $10,000,000 and will be controlled by the people who live there. 100 such groups working together through a regional association in a metropolitan market area would have control of $1,000,000,000 in property.

If each of the 1,000 families in your neighborhood had an annual income of $10,000, this would give you a purchasing power of $10,000,000 and 100 such neighborhoods would have $1,000,000,000 in cash flow. A group of 100,000 families with a billion dollars in real estate assets and buying power in any metropolitan market area should have all the clout it needs to help you and your neighbors do whatever you want to do.

This whole approach is based upon the fact that as society now exists we do not count as individuals but only as members of existing cultural, economic and political establishments. Our government and other organizations react to "power blocks," not individual people.

We have divided and conquered (or better yet corralled) ourselves by concentrating our ingenuity and efforts on activities beyond the place we live and the people living around us. To prove this point we believe that you will be able to identify yourself and practically everyone else you know with one or more areas on the following diagram. We also believe that you will agree that there is an unequal balance of power in our society as illustrated by our diagram.



Since there is no effective force that represents you, your family, the block you live on and the neighborhood you live in, we propose creating a neighborhood based "power block" in the neighborhood corral shown on our diagram.

This new "establishment" could become the most powerful force in society in a very brief period of time.

It should be a force that people who now feel left out could use to make their feelings felt.

It should especially appeal to the women in our society who are interested in their home and family's living conditions since that is what this is all about.

We intend and expect that women will play a very active and vital role in determining policies and carrying out all neighborhood activities. Working through their neighborhoods to accomplish things of concern to them and their families will probably be a more acceptable way of influencing things for more women than trying to get involved in areas now dominated by men. We believe that even the most activist women liberationists will recognize cooperative community development as an extremely effective force for furthering their cause.

WON'T THIS BE JUST ANOTHER BUREAUCRACY?

Our main concern is to make certain that our association's purpose, which is to build a cooperative community in our neighborhoods, is not diverted to other goals as it grows into its own establishment form.

We have recognized that no more than 1% or 2% of the people will be interested in working on the neighborhood or regional level and that most people are really only interested in themselves and their immediate surroundings so we have broken the organizational structure down to groups of about 100 people living on a city block or in a single building and have given these small groups of people who live close together the opportunity and responsibility to make the decisions and implement the actions that will effect them directly in their area.

We are well aware that most people are much more interested in where their next meal is coming from and what is happening outside their door then they are in their neighborhood, their city, country or the world. We know that most people feel that there is not much they can do about moving the larger pieces in our social puzzle so as a result they simply do not try.

Our proposal is simply to break the puzzle of urban living down into groups of about 100 people who live together in a building or on a city block or to those who have a special interest or need and to encourage them to put themselves together as one piece in the puzzle that they can relate to and understand.

If a group of people living on a block set out to make their block a better place to live by cooperating among themselves and using the community resources available, it should not take long before people on other blocks will start doing it too. The same envious copy-cat syndrome should apply to any special interest group.

This block by block, or interest by interest, building process is the "system" that we intend to create. We believe that this approach will give our program more meaning for those whose interests lie closer to home and in the not too distant future.

We have also recognized that there will be a need for full time paid management not just volunteer labor and we have provided for that on a self sustaining basis, but we will not go into those details here.

You no doubt noticed that the neighborhood corral on the social diagram is an inverted triangle while the other three are pointed upwards. This symbolizes the situation as it is with those existing establishments and as it will be with the ones we are creating.

Most organizations have the leader at the top and the followers at the base with some middle management in between. In most cases the decisions and decisive actions take place at the middle management level with approval and authority granted by top management. The lower echelons in these structures are either used for or

exploited depending upon the purposes of the organization or the management attitudes.

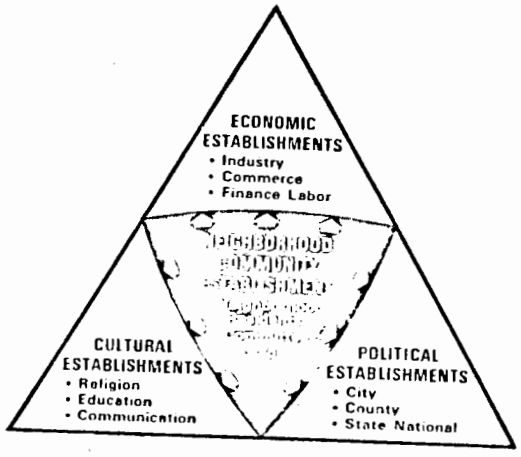
We will structure our neighborhood establishments with the people on top and the leaders or coordinators at the lowest point as indicated by the following diagram.

We will give all the power to committees at the middle management levels and make everyone accountable to the people who elected them through "instant recall" voting rights by the electors. Those elected can be recalled for doing nothing as well as doing wrong.

Our neighborhood committees will correspond to and work with the existing establishments shown on our diagram. We will not destroy or replace any existing special interest group. We will simply expand their interests to include ours.

We believe that all of our churches, schools and our mass communication industries, as well as our financial, commercial and industrial organizations and our political entities will cooperate wholeheartedly, not only for their own good, but because all the people who play roles in these "establishments" also live with their families on a block in a neighborhood and therefore are one of us.

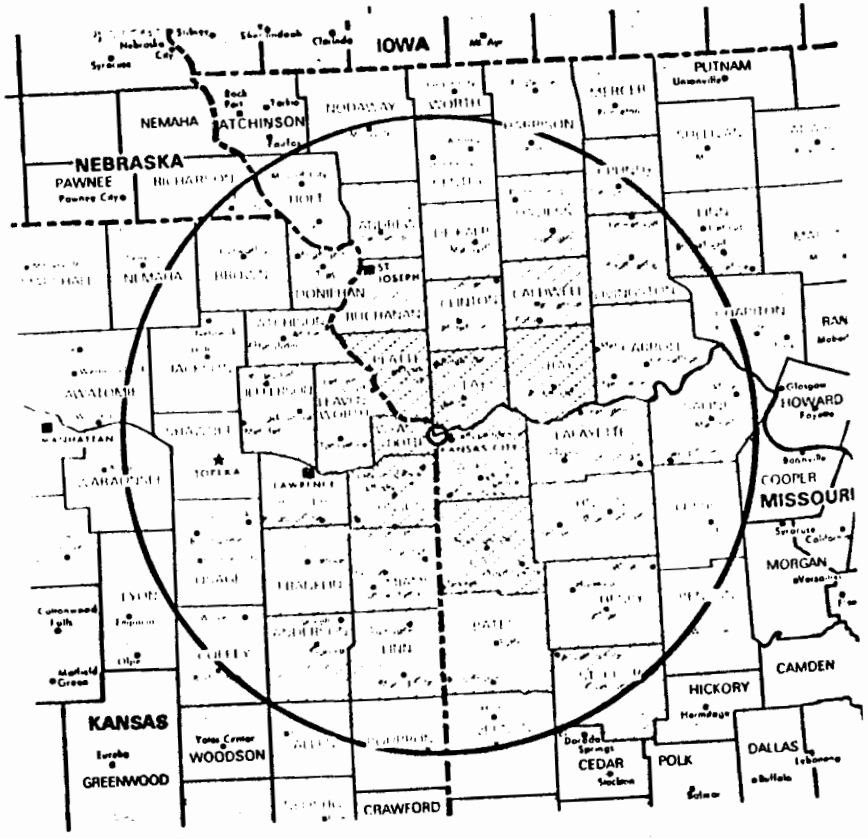
In the process of developing the block we live on and the neighborhood we live in, we will be able to create a new community based force that will realign the balance of power so that our society will look like the diagram below.



The metropolitan-wide regional association will be owned and controlled by our neighborhood associations and will operate within the market area covered by the local mass media communication facilities. It will overlay all political boundaries and will serve the inner city, the suburbs and the rural communities beyond.

Ironically the boundaries for our regional association and 50 others in the United States have already been drawn by the mass media people. They are called the Area of Dominant Influence (ADI) by the advertising people. (The title alone should tell us something.) We are illustrating our area on page 16. You can get a map of yours from your local T.V. station.

Our regional should be very effective in coordinating community-wide needs. It will also be the conduit through which all the other establishments will deal with our neighborhood associations. We will be able to do this without having to rely on the government. But that does not mean we will not work with it, even though we will be forced to pay market rate for the goods and services we need.



You too can create an organization and gain the power and the right to become masters of your own destiny beginning right now if you are willing to cooperate. You should have a pretty good idea of how to do this by the time you finish this book.

SECTION II

WHAT EFFECTS WILL THIS HAVE ON SOCIETY?

IF OUR PROPOSALS ARE CARRIED OUT THEY SHOULD RESULT IN THE CREATION OF A DEMOCRATIC, COOPERATIVE SOCIETY WHICH WOULD BE DIFFERENT AND WE BELIEVE ECONOMICALLY AND SOCIALLY BETTER THAN THE CAPITALISTIC, SOCIALISTIC AND COMMUNISTIC ONES WE CURRENTLY HAVE.

We believe that we can share the benefits of our collective efforts more equitably and efficiently at the neighborhood level than we can by running 40% of our gross national product through the government. The money we launder through the bureaucratic maze shrinks an awful lot and it does not come back very clean- there are always strings attached to it.

In this section we will outline how cooperative communities could affect the business community, government at all levels and people individually and collectively.

HOW WILL THIS AFFECT BUSINESS AND GOVERNMENT?

Let's take a brief look at the economic and political processes that have brought us to this point. The evolution of our modern society started when the industrial revolution began replacing the agricultural world of peasants and feudal kingdoms. The opportunity of increasing our productive efficiency by using machinery made the ownership of that machinery desirable, just like the ownership of land.

We named the owners of the machinery capitalists, and for quite a long period of time the capitalistic economic system and the

agricultural society of landed aristocracy and peasants existed side by side. During this time all businesses were small and not too capital intensive, so the principle of marketplace competition was a reasonably effective way of controlling the cost of manufactured goods, especially when the possibility of self-sustaining agricultural activities was a viable option.

As our technology became more capital intensive, it became apparent that the capitalists were gaining too much power, and out of this grew the idea of state ownership (socialism or communism) and the cooperative movement in the early 1800's and later big government (Keynesian economics) in the early 1900's. All of these systems are ways of re-aligning the balance of power and redistributing or sharing the benefits of our efforts more equitably. We won't go into the socialistic or communistic approaches here, since the cooperative program we are proposing is directed specifically at "bigness" in the capitalist system. We believe, however, that our proposal would affect "bigness" in much the same way under any type of political/economic system.

Anyway, in our country, the depression of the 1930's created conditions which forced our government to get involved in managing our economic activities rather than leaving our existance up to the magic of the market place. We adopted the Keynesian economic approach (F.D.R.'s New Deal) which was designed to take advantage of the productive "drive" of the capitalists and to actually stimulate their growth. It was assumed that this would provide more and better goods and services than trying to control things at the central government level. In retrospect it has done just that, when compared to production under the socialistic and communistic systems.

The Keynesian idea was to encourage the entrepreneurs to create a bigger pie, and then have the government slice the pie in such a way that everyone would get a little more. This was the beginning of big government, the progressive income tax, various social security and welfare programs and all the other efforts at "fine tuning" the economy from Washington. In other words in order to have more to distribute a degree of forced inflationary growth into our economy under the unmentioned assumption that we could pay off

what we borrowed today with cheaper money tomorrow (an inflation tax) and that there were no limits to growth insofar as raw materials were concerned.

At the time these decisions were made, they were valid assumptions, and a good many of us have experienced the benefits of all this, but we have now reached a point where we must reconsider our position. Some limits to growth *are* in sight, and the inflationary tendency of our system has gotten out of hand.

The government's current economic efforts to fight the recession are oriented to stimulate growth, which will add to the inflationary fire that is consuming us and also use up more of our now limited resources. In other words, we are going around again, only this time, faster.

We seem to be caught on the horns of a dilemma, but we believe we see a way out. Cooperative Community Development might be a method of stimulating the economy and fighting the recession, while simultaneously creating a force to resist inflation and at the same time conserve our resources by enabling us to share more equitably what we already have. It should also tend to increase thrift and eliminate waste which is one source of our environmental pollution problems.

We are basing our program on faith in peoples' desire and ability to take care of themselves, and the fact that we have developed a neighborhood based cooperative system that will enable them to do just that.

The Big Government approach that we have just discussed implies, but does not say, that the majority of people simply cannot cope. It assumes that most of us are just too dumb and lazy to make it, so the political, economic and social managers of our society have the responsibility to create a human "feed lot" and take care of us. The horrible part about this whole situation is that most of us have accepted this as fact and we have developed a caste system that ranges from the "brahmins" to the "untouchables" quite like India's, without being aware of it.

Our co-op approach recognizes that we are not equal, but rather that we are all different, and that some of us are quite content to

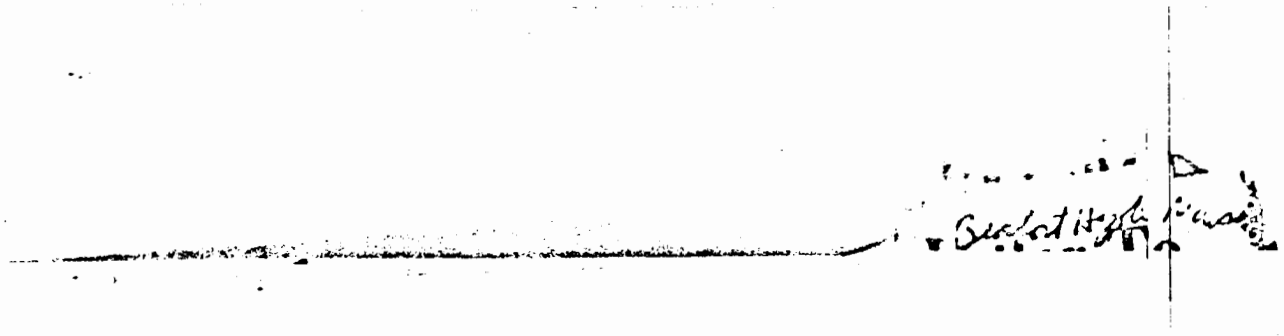
remain where we are while others want to move. But we assume that everyone wants to feel that his lot in life is his own choice and that he can do something about his situation if he chooses to do so. We believe that this is the kind of freedom that will release the "people power" that is now stifled by our caste system and enable all of us to become entrepreneurs in our own behalf and create our own "new deal."

We believe that Mr. Keynes was right many years ago when he suggested that entrepreneurs play the game of capitalism for the fun of it, but he (and we) made two mistakes when we assumed that they would be satisfied with playing for the white chips if the government took the red and blue ones out of the game through taxation and redistributed them to the losers. Our first mistake stands proven, since in spite of the taxation activities at all levels of government for all these years, all the chips or the benefits that accrue from having them, are still stacked in front of the few big winners in our capitalistic production and distribution game.

We recognize that most of us are greedy and we want to win. All we are trying to do is to get more of us involved in playing the game cooperatively at this point and we are betting that over time, we can change the rules of the capitalistic game enough to make it more fun to play and give many more people a chance to win their fair share.

Mr. Keynes' and our second mistake was in misjudging the conservative nature of many of the people who are satisfied to administer someone else's idea once it has become a working reality. This applies not only to the business managers, but also to the government bureaucrats who tend not to innovate but rather to defend the status quo. We might also mention the fact that neither Mr. Keynes nor any of us had any way of foreseeing how capital-intensive technology would concentrate more and more control of all of our resources into the hands of fewer and fewer less creative and entrepreneurial money managers and specialized technicians as it has.

[illegible] in effect, castrated the capitalistic system and as a result [illegible] of the innovative driving force that brought us to this



Mr. Keynes recognized this as a danger when he indicated that he would rather have entrepreneurs spending their imagination and energy making money than getting involved in the government and tyrannizing over our lives rather than our pocketbooks. However, the entrepreneurs, literal translation undertakers, have in their usual ingenious fashion found ways to take advantage of the situation and influence the development of things to their benefit. This is meant as a compliment, not a criticism, since they are just playing the game better than the rest of us. Anyway, our "doers of things" have convinced the general public, the government bureaucrats and maybe even themselves, that all of our productive service and distribution efforts should be run to provide a return on investment for the "stockholders" which we all believe is synonymous with the "general public" when in reality it is only 1% to 5% of the population.

The owners of our country have maintained a very low profile and gone along with this idea. They have rewarded their stewards well with income, fringe benefits and community recognition and in the process have turned the American dream into a nightmare for many people. The result of paying a disproportionate share of our productive efforts to owners and managers (in spite of government redistribution efforts) has resulted in deteriorating quality in our products, less service in our society, and a reduction in opportunities for many of us to participate in a meaningful and personally satisfying way.

Another interesting development of more recent times is the mobility of capital that has been made possible by the stock, bond and commodity futures markets. Most of the large fortunes made in the early days of our development came from personal ownership of a major business. In this situation the owner had experience and a very personal interest in the overall operation of "his" business. Its success was his success; in a very real sense it was part of his identity.

This situation is no longer true. The owners of capital now shift their money around from stocks to bonds to commodity futures on a very impersonal basis.

The owners of capital actually make much of their money now by following the trends in these markets and since they shift large

amounts they actually influence the trends. The potential of fluctuations in the value of a company's stock puts tremendous pressure on management to increase its return on investment since failing to do so reduces the company's market rate equity and borrowing capacity. This pressure has lead to the formation of our multinational companies which have been created to get around government's taxing policies or labor union's effectiveness and thus increase the return on investment.

The mobility of impersonal capital has created conditions where the value of companies has little to do with their book value and the management decisions that are made have little to do with what we need to make living easier and better.

From a human point of view, letting our neighborhoods and our living conditions deteriorate while we are working for the reasons outlined just isn't good business. We should be working for ourselves and a better world for our children.

Fortunately this bad dream, like others we all have, can be stopped by merely waking up and recognizing that the "stewards" of our society are just people like anyone else and are trying to do their job of making a return on investment for the stockholders as well as possible. Most of them are so busy working that they haven't had time to take a look at what is really happening and just who they are working for.

We should also recognize that the owners of our country are also like the rest of us except that in most cases they were born to ownership which is accepted in our value system just as the divine right of kings was for many generations.

Again, we cannot criticize, since they too are playing by our rules (as a matter of fact, most of the wealthy people have been more aware of their social responsibilities than our rules require or most of us are).

The most interesting aspect of our situation is that instead of the system keeping the entrepreneurs from tyrannizing over our lives as it was suggested this system would do, we have created two systems to tyrannize ourselves.

The development of mass media communications which none of the philosophers could have foreseen has provided the entre-

preneurs, the first group we feared, an opportunity to influence our minds and lives by making us want things we do not need through advertising which was really in its infancy when our system was developed.

Public access to the print and electronic media is vital to the development of a participatory cooperative society. The fairness doctrine which leaves the decision as to who gets to use the airways or the printed word up to those who administrate commercially oriented communications media simply cannot give us what we need. This is not a criticism of the individual administrators and their policy decisions, but only a recognition of the fact that they are human beings and thus influenced by their experiences and how they see their responsibilities.

We must recognize the fact that since most of the communication industry is run "for profit" and funded by advertising, the administrators are limited to satisfying sponsors' desires to reach the most people for the least money if they want to maintain their positions.

This fact of life, plus the pressures of making as large as possible return on investment for the owners simply limits the options available to those planning what we will see or read. It's a very simple rationalization for them to say "I can do more good keeping my job than losing it, even if I don't approve of the way things are going." What those running the mass media industry need to open up the communication system and allow them to be creative is some competition that will force them to innovate to keep a fair share of the market.

We see our neighborhoods playing a catalytic role in this situation through cooperatively owned communications networks, including two way cable television and other innovative technologies as well as radio and regional or neighborhood newspapers. We might be a whole lot better off financially and entertainment-wise if we paid for our TV. We would at least know what we paid for, whatever we got, and we could stop buying if the programs didn't satisfy us. As it is now, since it's "free', we can't complain.

But is it "free" or is the cost of the promotion and packaging of products built into the selling price which we pay for things?

An example of the economics of this is a toy I remember that retailed for $2.98 prior to television (1950). It cost the store $1.80 and the wholesaler $1.35. The manufacturer made his profit at that level. It had to be demonstrated by a sales clerk in order to be sold. As a TV toy it retailed at $6.00, discounted at $4.99 and cost the store $3.00. The manufacturer had to add $1.65 per unit to his selling price to cover his packaging and promotion costs and the consumer had to pay $2.00 or $3.00 extra as a result, but it eliminated the need for a clerk at the retail level. Similar cost factors are involved in all of the things that we buy because we are made to want them rather than because we need them.

Lesson #1 - Our television is not free - we pay dearly for it and it has taken the personal touch out of merchandising.

Lesson #2 - The opportunity for the manufacturer to set his price and sell his product directly to the consumer destroyed our old fashioned, more personal, and less expensive competitive distribution system of wholesalers, small businessmen and retail sales people and replaced it with the discount or mass merchandising business which can only distribute what the manufacturer makes and sells.

This eliminated the small manufacturer who did not have the capital to build, package and promote an item let alone a line of merchandise by restricting his distribution possibilities. He simply can't get his products on the stores' shelves.

The mass merchandise buyer wants to know how are you (manufacturer) going to promote it? If your promotion does not work what can I send it back or what kind of a rebate do I get for stopping your dogs? I'll only distribute it if you take the merchandise back.

To effect the manufacturer either pays for the promotion of his product out of his own budget or subsidizes the promotion cost for the many stores and there is an unwritten and unspoken agreement that this is just part of the cost of goods.

The whole inflationary spiral has grown around these giant manufacturers and giant retailers each of whom controls the gross margin on their products enough to insure a good return on investment on the manufacturing and retail levels.

The elimination of most of the small manufacturers through mergers and the old fashioned wholesalers and dealers through bankruptcies has turned our competitive capitalistic system of production and distribution into one that is controlled at the top by a handful of people.

It has also reduced the variety of goods available since a buyer is limited by the machine as to the number of "stock keeping units" (SKU's) he can have. This has made turn over of goods and return on investment the guide line for successful merchandising instead of customer satisfaction with the profit being what was left after expenses as we used to do it.

This brings us to the second group of tyrants, the comptroller/planner bureaucracy that has developed around computer statistical technology. This group has carved a niche in both the business and government structures. They are the defenders of the status quo at all costs because any change is seen as a threat to their position in the establishment and their projection of numbers.

The irony of this situation is that they really run our systems, since our organizations have become so large that the people at the top only know or experience what those below them in the system want them to know.

The Mayor of a small town (500 people) or the owner of a small business (25 employees) was part of the operation and could see and feel what was going on, but the leaders of cities and corporations with thousands of people can only rubber stamp what is presented to them by their staff, the bureaucrats.

This is not meant as a criticism of our leaders or our bureaucrats. they really can't help themselves. We have simply let our systems get too big for any individual human being to comprehend in a human way. The need for specialization in any large organization clearly forces each of us into being a smooth functioning cog on the drive gear if we want to be liked by our fellow cogs and feel secure in our relationship with the group. The social and economic pressure to conform is an almost unresistable force even if we know things aren't as they should be–What can I do about it? is just a lament. not a question to be answered.

In other words, all of us are to blame to some degree for our situation, and therefore have the responsibility to do something about it rather than expecting someone else to do it for us.

The irony of all this is that while we, the people, have done nothing for ourselves, big business has developed a working arrangement with big government and big labor, both of which we created as counter balances. We might picture this arrangement as three big pulley wheels being driven by a single economic belt that keeps the benefits of our efforts flowing round and round, but they are only available to the people riding on these three wheels.

We are proposing the insertion of a fourth, neighborhood pulley wheel in the power chain of our society. We believe that this will give those who are not spinning around on the three big wheels of business, government and labor a chance to share more equitably in the benefits of our collective efforts, and it also will add some additional benefits for those who already have it made. We also believe that all of us would feel more comfortable with our situation if we were running on four wheels instead of three, and if we had neighborhood security in addition to job security and social security.

As people gain confidence in themselves developing their neighborhoods they will also learn what they need to know to run other businesses. This should lead to employees forming cooperative associations to buy out their employers when they are ready to sell. They might then decentralize their activities to the neighborhood to work out cooperative transportation to get to work with less effort.

Workers buying out their absentee stock holders cooperatively would affect businesses much like tenants buying out their absentee landlords cooperatively will effect neighborhoods.

It would also be beneficial to the current owners of both business and real estate and to the whole economy since it will free them to invest in more innovative, socially beneficial and economically profitable ventures.

Making investments that are not only good for the pocketbook but for society should be a very satisfying activity for owners of large amounts of capital since they would be recognized for the good they have done more than envied for the money they have made.

We are also proposing that we, the people, take back some of the power we have given to big government and big business and do more things for ourselves. We are confident that we can do most of the neighborly things that need to be done better and more economically than our big brothers.

We know that in a competitive society of winners and losers it's hard to imagine a situation where everyone wins, but that's what we are trying to do since having everyone win a little is the goal of every cooperative effort.

This brings us to the point where we must consider our rules or value system. We are proposing a decentralization process and an assumption of responsibility by people, not as individuals alone but as small groups of cooperators. We are also suggesting that we stop, look, listen and think about what we are doing and why we are doing it. If we all did this, we believe that most of us would agree that the only justifiable reason for any human effort is to satisfy our personal, physical, emotional and psychological needs and that all of us have a "divine right" to use the material things of earth during our life time and a "moral responsibility" to conserve these limited resources for the generations yet to come.

If we accept this set of values as our guidelines for neighborhood living, then all we have to do to make our lives a pleasant dream is to quit seeking security in illusions or in something other than ourselves, and simply recognize that the reality of our human situation is to play the game of life as enthusiastically and wholeheartedly as possible and to cooperate with each other to make the best of it for ourselves.

HOW WILL THIS AFFECT ME AND OTHER PEOPLE?

Before we get into the nuts and bolts of this program, we want to discuss briefly the philosophy behind cooperative community development and how participating in it could affect you and others.

We have read, thought about, discussed and experienced the problems of our time just like everybody else. We have examined

many suggested solutions for solving particular problems and have come to the conclusion that things are so inter-related that it will take all of us dealing with all of the problems simultaneously and cooperatively to make any headway. We simply cannot solve our problems as separate entities, because they are not separate entities; thay are all parts of our social milieu.

We recognize that each of us is unique and that we have different interests and skills, so we have developed a total "systems" approach that will enable all of us to get involved doing our own thing for our own reasons but in a coordinated effort.

We believe that in our lifetime we have developed two totally new sources of energy, atomic and human, but we have not learned to use either of them very effectively as yet.

We won't get into atomic power here, but we would like to discuss people power. We believe that people who are beyond a sustenance existence and who have the capital, technology, communication facilities and the time and interest can compound their energy in much the same way as atomic fusion functions by cooperating in "a system". If we can do this, we should be able to create our future without wearing ourselves out in the process.

In other words, instead of each of us working for the systems, let's learn how to get the systems to work for us.

We believe that man's goal since the beginning of time has been to get beyond a sustenance existance so that we would have the time and energy to develop our total human potential.

We believe that we have arrived within sight of that point and that all we have to do now is organize ourselves and our resources so that we can get about the business of developing ourselves. Each of us will have to do his or her part—this quantum jump into our future that we believe we can make, can only be accomplished if we cooperate with each other.

Throughout this book we will be discussing cooperative activities that will solve human problems which could take place on any block in any neighborhood if the people living there want them to happen.

As you read what we have to offer, we encourage you to speculate on what effects these situations would have on you, your

family and other people you know, if you or they were living with them. We also suggest that you create your own alternatives as you think and feel your way through this process.

We believe that if you ask yourself and others the following "evocative" questions they will help stimulate your thinking about the ideas we have to offer or the ones that you develop.

1. How do you really feel about the situation as it is now and as we suggest it could be?
2. How could this (particular) change in the status quo affect your security?, stimulate your awareness?, or add to or subtract from your stature or identity?
3. What other alternatives to the present situation or to the ones we have presented would be more satisfying to you and others?
4. How would your family members, friends or neighbors feel about these things?
5. In what areas would you and others have similar feelings? Different ones? Why?
6. If you do not know how others feel, how could you find out?

We strongly suggest that you use these questions not only to stimulate your own thinking but to start discussions with others. The dialogues that will develop are actually part of the total process we are proposing. More on this is covered in our **Dialogues on What Could Be in a Cooperative Future** series and in our section "How do you get people to cooperate?"

What we are proposing is the creation of what we believe will be a fertile field, a new learning environment, a social situation that will support and stimulate us individually as we strive to live up to our human potential.

We are talking about creating conditions that will affect our attitudes of mind, our ways of life and the value systems that we hold individually and as a people.

We believe that the experience of living in a cooperative community will verify the validity of the social message that has been taught by all the religions of the world, since the beginning of recorded history. Living in a dog eat dog world doesn't do much to back up brotherly love, but living in a truly cooperative community should.

We are well aware that many people will not want to get involved in any way; that they like things as they are and they will see this whole concept as a threat to their freedom, individuality and privacy. For those who "feel" that way, we realize that there is nothing we can say here that will change their feelings. Feelings are not to be judged right or wrong. They just are. So we will not condemn those who feel differently than we do, but we also know that feelings are fleeting; they change more easily with time and the tudes than do our thoughts, which tend to remain more fixed. So our pproach will not be to change minds, but rather to offer people opportunities to feel differently by exposing them to new experiences.

We recognize that an independent attitude of mind is deeply etched into many of us by tradition and even genetically, since most of our ancestors came from some place else because they did not feel comfortable where they were.

We are a pioneering people whose blood boils at a lower temper- and whose predecessors are buried thousands of miles away. efore, we are different in heritage and experiences from those ple whose forebearers did not move and who still live in the w of their past.

We also would like to point out here that, restless and mobile as , there are very few places left for us to go to live a "homesite independently. We seriously doubt that many of us would omesteading even if we could try it, since we are social and develop by exposure to others and new experiences.

really stop and take a look at your situation you will that you are more dependent on others and society than independent, and that you are better off because of this. If situation, then we should recognize our responsibilities to well as ourselves and act accordingly. If we will not coopruly with each other for our own good, as we are free to country, it just might be possible that we will have to ves to cooperate as people are doing through their govother parts of our little global village.

very firmly that the personal pressure that will develop extended family, cooperative neighborhood will not be as

oppressive as the impersonal social pressures or law enforcement procedures that the city or state or national government may initiate. We are at a point where we have to choose voluntary cooperation, forced cooperation from the right or the left by government, or anarchy. We do not believe that we can maintain our precarious balance on the status quo individually.

We believe that even those who find this concept threatening at first glance will come to accept it as the lesser of the evils over time, especially as they get to know their neighbors as compatriots by working together for their own good.

We recognize that we have no right to interfere in your life by tinkering with the machinery of society, but we are doing it anyway and are inviting you to pick up your tools and join us in our efforts. If you choose to remain out of it, so be it. At least you will know what we are trying to do.

We intend to use the same mass media mental conditioning processes that have sold us panty hose, teflon coated skillets, the Vietnam war and Barbie dolls, but we will do it openly. We wonder how many people are using these same techniques to plan our future behind our backs.

We believe that the justification for this entire program lies in our evolutionary heritage as human beings over millenniums of time.

This entire approach is based on the assumption that individuals and nuclear families need the social support of a small group of people that they get to know reasonably well by living and working together on a limited area of land. We are talking about our traditional extended family, neighborhood living conditions of recent generations, the tribal village of more distant times, the hunting bands of long ago, even the territorial imperative of groups of sociable animals.

We do not believe that individuals can identify personally with huge impersonal masses of people and large hunks of land like a modern city or a nation state. We just do not have the physical capacity or the time as human beings to get to know and feel comfortable with more than a small group of people and a limited amount of space. We doubt that individuals can ever evolve to the point where they can really feel self sufficient in themselves.

We are not gods or the center of the universe: we are just human beings, a potentially unique and contributing part of the whole.

We believe that we simply cannot live up to our potential as individuals and nuclear families without the social support of the extended family neighborhood which we have unawarely destroyed over the past few mobile generations.

This entire proposal is designed to create a modern "tribal village" that will offer each of us a more personal form of social security, a stimulating learning environment and a new identity. We intend for this to be an addition to the security, education and identity you already have. We do not intend to destroy anything or any organization that now supplies these to you and your family. What we are really trying to create is a situation that will increase the individual's personal identity by giving him additional roles to play in his neighborhood.

If you ask anyone, yourself included, "Who are you"? the answer always relates to something beyond yourself. Your identity refers to your family, your job, your accomplishments, your religion, your nationality, normally things or groups that are more extensive or more recognized than you are individually.

We suggest that you stop right here and list your identities–

Now if you have done this, we are willing to bet that you will not have listed the block you live on and the neighborhood you live in, and the people, other than your family, that you live with.

If the program we are proposing is successful, these will become not only factors, but will rate very high on your next list of identities. You and your family will become members of a tribe, living in a village that you are creating in your own image and likeness in addition to being all those other things you are. You will not lose your individuality, your privacy or your freedom, but rather you will gain your neighbors' support in increasing these and they will gain your help in increasing theirs.

For some people who have not found any strong identity in their family, accomplishments or other life experiences, this opportunity to identify with an extended family, neighborhood or tribal village may be the catalyst that will help them overcome the apathy that develops from not knowing who they are. For others with little or no identity, who spend their energy violently venting the frustrations that come from not knowing who they are, it will provide an opportunity to start creating themselves by directing their energies towards constructing their neighborhood and their lives in cooperation with others.

The very process of joining a group of people in a pioneering venture at creating a cooperative community should be a stimulating learning experience that will move the participants beyond the place they are. Once people have started moving, the laws of momentum should keep them going just as inertia keeps us standing still when we have stopped.

We believe that apathy comes from feeling impotent and unable to cope with the situation; if your neighborhood can help you cope and back you up in your efforts, then we believe it is the nature of man to have confidence and to dare to venture beyond the safety of what is known into the unknown future.

In addition to providing additional identity and stimulating learning, your cooperative community will offer you and your neighbors an opportunity to increase your feelings of security. Your neighbors and your neighborhood may well become your primary source of health, wealth and social security with all that implies if we are successful in this effort.

But enough of this--let's get on to how you can do it. The fact that you already have the money and know how and that you own or can control the territory on which you live will give you confidence in yourself and enable you to support each other in this cooperative effort.

SECTION III

HOW CAN WE START THIS IN OUR COMMUNITY?

BY ROLLING UP YOUR SLEEVES AND GOING TO WORK—NOBODY IS GOING TO DO THIS FOR YOU—YOU WILL HAVE TO DO IT YOURSELF.

This section provides the information you will need to get people started talking and thinking about doing this in your community.

It covers the following:

1. Operating guidelines for cooperative community development at the neighborhood, regional and community resource level.
2. Organizational chart and brief job description for the entire process.
3. Explanation of how to use our dialogue method to make people aware of what they can do and get them involved in doing it.
4. Suggestions on how to promote the idea.
5. Outline of model that has been working for several years.
6. Procedures for organizing a block, neighborhood or regional association and related group discussion questions.
7. Outline of individual and family membership plus the legal form of our cooperative occupancy agreement.
8. Related group discussion questions.

COOPERATIVE COMMUNITY DEVELOPMENT OPERATING GUIDELINES

The overall purpose for the neighborhood development associations and their regional association is to create a self-sufficient recognizable economic force that represents the interests and needs of individuals and families living in neighborhoods. Once this neighborhood-based force which does not now exist is created and recognized as a factor to be considered by individuals and organizations will begin to affect value judgements and decision making at all levels of our society.

The cooperative community development organizational chart on page 48 indicates the relationship of the neighborhood associations to the regional association which they will own (and, through it, to other existing organizations or groups of people).

Each neighborhood association will be a not-for-profit corporation owned and controlled democratically by its members. Only individuals living in, or owning property or business in the area can qualify as members. No individual has to join—those who do must rejoin every year by paying a small membership fee. This is to force the association to serve its members' needs—or lose its members and cease to exist if it fails to do so.

The neighborhood association's boundaries will be limited to defined areas of about 10 to 100 city blocks or groups of 1,000 to 10,000 people living in what is recognized as a "natural" community. This can include apartment complexes as well as single family dwellings. The neighborhood should be large enough to support some key management services or it must be willing to cooperate with other neighborhoods to provide the services its members need.

A good guideline for establishing neighborhood boundaries would be to draw them so that all grade school children are within walking distance of their school without having to cross a major traffic artery.

We believe that most neighborhood services should be offered and administrated within walking distance of all the people living in the neighborhood since there is a point where the impersonal efficiency of size becomes more in personal frustration than it saves in dollars and cents. It is quite possible that several neighborhoods might work together on a district level to start up activities or to provide themselves certain services such as health care clinics, geriatric centers, co-op grocery services, etc., which will require large capital investments and more extensive or skilled management services.

Decisions as to how large these districts should be will vary with each situation, but they should be structured so that management can be decentralized or the organization divided before they become beyond the human level of complexity. It's quite possible that these district associations of neighborhoods will correspond to the present separate political subdivisions in a metropolitan area.

In this way the neighborhoods could serve as a kind of house of representatives for the various city councils or individual councilmen.

These districts of neighborhood associations working through the regional would act as a unifying force among all the political entities that now make up our metropolitan areas and in addition would enable the neighborhoods to deal more efficiently with various government agencies.

In the process of creating a neighborhood association, the area will be broken down on a block-by-block (or group of about 100 people) basis. Most activities will be initiated and carried out by these small groups of immediate neighbors. This will keep things on a very personal, human level. You and your neighbors will actually go into the business of developing your block and your neighborhood, providing yourselves with the goods and services you need, and in the process you will create many jobs and other income-producing opportunities.

The neighborhood associations will control the district and regional associations, which will be "not for profit" corporations. Their purpose will be to serve their neighborhoods in their relationships with each other and with existing community organizations. The regional will also serve as a communications link from community organizations to the neighborhoods. The regional's main purpose will be to provide high-risk front-end funding, and to arrange for long-term financing and qualified management services to enhance the credit of its neighborhood members.

The long-range goal of this effort is to create a modern extended family neighborhood community that will provide individuals and families the social security we all need, but on a neighbor-to-neighbor basis, rather than the impersonal government-to-people way we now use. This is intended as an evolutionary approach that will be built up from individuals to families to blocks of neighbors to neighborhood associations, to metropolitan market area regional associations, to the national and eventually international level. Its purpose is not to destroy any organization but to expand the planning and decision-making in all existing organizations to include the needs of people at the human neighborhood level.

If we can get the question, "how will the neighborhoods feel about this and what might they do if we do this?" asked at every organization's meeting, we will be well on the way to accomplishing our goal. This may not be as difficult to accomplish as it first appears, since each individual who belongs to the existing organizations also lives with a family, on a block, in a neighborhood. The irony of it all is that we are the same people. We are just not spending any of our time, energy and talents on the neighborhood in which we live and have our major investment.

NEIGHBORHOOD DEVELOPMENT ASSOCIATION OPERATING GUIDELINES

The basic purpose for the neighborhood development association is to enable people living in an area to go into business together to develop their neighborhood into the kind of a community they want and need. This program can be started on a single block or in a single building and expanded to a neighborhood, or vice versa.

The owners, decision makers and workers in the neighborhood development business will be the people living in the area. The association will operate on a self-sustaining basis and will be able to pay market rate for the goods and services it needs.

This does not mean that the association will not seek charitable grants, governments funds or various subsidies for low income residents if they are available, but it will operate on the assumption that funding sources will always be limited, and that if its members want something done they had best do it themselves.

It will also be able to seek and pay for advice or services from trained people in the larger community as needed, but will use local resources if possible.

The association will be socially conscious as well as economically sound and thus willing and able to accommodate people with different incomes, ethnic backgrounds and racial heritage. As a matter of fact one of its goals will be to create as cosmopolitan a community as possible, since such an environment should provide excellent learning experiences for everyone living in the area. It will adhere to all "Fair Housing" guidelines.

Since all of us owe our children and ourselves the best possible education and since we all need a sound foundation on which we can build our personal security and our collective future, we believe that most people will participate in helping to create the kind of living community described here if they understand the goals and have the opportunity.

It will be the area residents' responsibility to make each other aware of the possibilities and to "sell" each other on going into the business of developing their neighborhood together. The membership agreement on page 75 outlines the individual member's responsibility. The association requirements on page 71 indicate what the neighborhood people have to do as a group to start up a viable association.

This neighborhood based business will be founded on voluntary participation by each individual so we assume that no one is going to volunteer unless they can see something in it for themselves and their family, close to home and in the very near future. Since this is the situation, the neighborhood association will be broken down into "blocks" of 100 people living together in an apartment house or on a city block.

Each small group of people will be responsible for finding their own "block" leader, and for deciding what needs to be done and in what order. If no one living on a block does anything, nothing is going to happen on that block, even though the neighborhood association exists and there is activity on other blocks in the neighborhood. We are assuming that each "block" of people will be interested in increasing their personal security, cutting their cost of living, improving their living conditions and social services, becoming property owners, and increasing the value of their property. With this in mind, the association will provide an organizational structure that will enable "block" residents to do all of these things, plus whatever else they desire and are willing to work for.

In other words, each "block" of people within the association's boundaries will have the opportunity of going into the business of developing their own block. They will also be expected to cooperate with neighboring "blocks" on common development problems.

The sketches and description in the chapter on "How can we develop an older neighborhood" showing how the land and buildings on a block might be used to create a more secure and valuable area are just some of many possibilities. Others are outlined in the operating guidelines of the real estate committee.

The association will also sponsor the cooperative purchasing of all kinds of goods and services including health care and even social security as part of its effort at cutting living costs while increasing social services in the area.

Another purpose of the association will be to help individuals or small groups of residents in the neighborhood go into business providing goods or services to the neighborhood or the larger community. More details on this are provided in the operating guidelines on employment and marketing and "at large", board members.

The organizational chart on page 48 indicates some of the other activities that the neighborhood association will be able to undertake. Many more detailed suggestions on what the neighborhood association will enable the people in the area to do are given in other operating guidelines, so we will not duplicate them here. The purpose of this outline is to set the tone of the neighborhood association.

An additional benefit will come from working with other neighborhoods through the regional association to create an economic "power block" that can deal with metropolitan-wide problems such as transportation, utilities, and ecology matters which will, over a period of time, affect neighborhood living conditions.

The association will also work with various social agencies to [illegible] (for example) neighborhood sponsored "foster parents" for [illegible] in other words, it will recognize its responsibility to the [illegible] community, and work to improve the metropolitan area since it is apparent that no one neighborhood can stand alone.

[illegible] culture organization is being created to enable any individual [illegible] living on any block in any neighborhood to work with other interested and committed people to do something about their [illegible] situations and in the process have some effect on how our [illegible] develops.

The association's ultimate purpose is to provide each individual and family an opportunity to create their own lives and identities by offering social, economic and political support for their individual efforts.

The association will not do anything for its members, but it will enable its members to do things for themselves, which is in keeping with our American way.

The best thing about our country is that it offers us the freedom to join together in any kind of a cooperative effort. If we do not take advantage of this right and opportunity then we have no one to blame but ourselves. We have to choose between exchanging our freedom for the security of government care (which many people in the world have already chosen), or assuming the responsibility and risk of caring for ourselves, and in the process setting an example for the rest of the world to follow.

REGIONAL DEVELOPMENT ASSOCIATION OPERATING GUIDELINES

The regional association will be responsible for helping area residents organize their neighborhood association, maintain qualified management and arrange real estate financing.

It will also be responsible for helping the neighborhoods develop their own investment funds and for arranging commercial loans for other association programs.

The regional will assist neighborhood people in their educational and organizational efforts. It will not help solicit memberships or initiate any programs. This must be done by the area residents as an indication of their interest and commitment.

The regional will help area residents determine the degree of interest and the amount of commitment by neighborhood people that will be necessary to give any program a reasonable chance to succeed.

One of the regional association's main financial responsibilities will be to raise front end "second mortgage" money as described in our Real Estate Investment Fund outline on page 98

Neighborhood associations who organize themselves as outlined in the bylaws and join the regional association will be able to obtain "second mortgage" pledges from this fund to help them establish a line of mortgage credit with local savings and loan associations and other lending institutions.

The regional will agree in advance to pledge a specific amount and the lender will agree to lend a specific amount, when a predetermined percentage of potential members have signed the neighborhood association's membership agreement. Additional pledges and loans will be available as more members join and as specific amounts of money are pledged by the local members to the neighborhood association's investment fund. In other words, the more area residents are willing and able to do for themselves, the more help they will be able to get.

Since each neighborhood association will be unique, the regional will establish no minimum requirements other than the use of sound financial and management judgement related to the risk and problems in each area.

Since funds will always be limited and since each neighborhood's [illegible] will affect all the other member neighborhoods' credit, the regional will be responsible for working with each neighborhood to [illegible] sound financial and competent management standards for all undertakings.

The start-up financial arrangements for each neighborhood association or for specific programs will be negotiated in advance by the [illegible] the neighborhood and the primary financial institutions. These arrangements will no doubt require the regional association to [illegible] board of directors of the neighborhood association in [illegible] its management not only on behalf of the creditors, but [illegible] association's members.

[illegible] reason for the regional association's involvement in [illegible] local management is to establish operating standards for [illegible] member associations that will increase the efficiency and [illegible] of the entire effort.

[illegible] regional's supervisory role will consist of monitoring management [illegible] as a "check and balance" between the neighborhood [illegible] board and its management and reporting any potential

problems to the neighborhood members before they become detrimental. Since the members will have the final authority and control, they must be kept informed so that they can make sound decisions.

The regional association's supervisory role will vary with different programs and will be negotiated with the neighborhood association board of directors and the lending institution at the time that financing is arranged.

As indicated before the regional supervisory role will in most cases be written into the loan agreements as they are made.

Since each neighborhood association will have title to and manage the assets it acquires and since this management will affect the value of property owned by individual members, it will be to everyone's advantage to have the regional act as a "third party" review board.

The operating guidelines for the committees, officers and directors of the neighborhood associations will be used as guidelines by the corresponding regional officers, board members and committees.

The regional association will also be responsible for stimulating communication and cooperation among neighborhood associations and other organizations in the community. As a matter of policy the regional and neighborhood associations will strive to use the resources available in the community to provide services needed rather than creating staff or overhead of their own. They will only compete in the market place if goods or services needed cannot be obtained in sufficient quantity or quality at a reasonable cost.

Cooperative Community Development Associations should not be seen as a threat by any organization, but rather as an opportunity to extend its services to people in a more effective way.

ADVISORY COMMITTEE OPERATING GUIDELINES

Each director, officer, manager and committee, at both the regional and neighborhood association level, will be responsible for arranging continuing "educational" programs to increase their ability to do their job.

This will be done by allocating part of most meetings to a presentation or description of the way things are done in the market place

by a qualified individual who currently works in, or has experience in, a specialized field.

Assembling a group of such "advisors" from their own ranks or from the market place will be one of the main responsibilities of the regional directors. They will also be responsible for arranging "specialized" classes that can be attended by "specialists" from neighborhood associations.

The advisory committee members in each field of interest will be available in much the same way as the scouting organizations provide their merit badge counselors. The advisors will agree in advance to be available to regional and neighborhood association people for consultation or education programs.

It is assumed that these advisors will be working for their living in their field of expertise and as a result of this will be able to increase their business or earn fees from the neighborhoods or regional for services they might provide as a result of their consultation or educational efforts, so they will in effect be volunteer consultants who can expect to earn something for their time and effort if what they offer serves a need.

The advisory committee members will be sought from the community resources listed on the organizational chart or from any other source.

Every association member, as well as the officers and board members, will be expected to make any organization to which they belong aware of the overall program and the opportunities it provides existing organizations and thus solicit advisors.

The advisory committee will not meet as such, but will be regarded more as a pool of resources for both education and services. It will be the point of entry that any organization can use to make the neighborhoods aware of the goods or services it has to offer.

One of the regional association's main responsibilities will be to develop, maintain and make available to the neighborhoods information on goods and services available from individuals or organizations who apply for listing as an advisor. The regional will be responsible for screening the advisors before listing them and for

developing a loose leaf type listing book that organizes this information in a useable form.

Those who volunteer to list themselves as advisors should do so with the expectation of developing a long term relationship rather than for immediate short term gain. They should consider being listed as an opportunity for themselves as well as a service to the association.

The associations and their members should recognize the contributions of the advisors to the overall effort by using their services as much as possible.

COOPERATIVE COMMUNITY DEVELOPMENT ORGANIZATION CHART EXPLANATION

NEIGHBORHOOD DEVELOPMENT ASSOCIATION "NOT FOR PROFIT"

MEMBERSHIP is open to every area resident, absentee owner and individual representing business or other institutions operating in a defined neighborhood.

BLOCK LEADERS are elected by members on each city block to lead their group in solving their problems or fulfilling their desires. The individual receiving the most votes is elected voting member of the board of leaders, the second highest is also elected to the board as a non voting alternate.

AT LARGE LEADERS are elected by all neighbor members to organize and implement specific neighborhood wide programs.

BOARD OF LEADERS consists of all elected leaders and their alternates.

The association and board of leaders purposes are to help the groups of members and special program groups plan and implement activities and to provide a self-sustaining organizational structure for the neighborhood.

BOARD OF LEADERS acts like a parliament and elects the officers each of whom has specific responsibilities, hires the manager who has operating responsibility and assigns all elected leaders to committees which have planning, implementing and supervision responsibility in specific areas for neighborhood-wide programs that support block and at large efforts.

COMMITTEE LEADERS are elected by each committee. They form the executive board of the association.

EXECUTIVE BOARD has responsibility for coordinating and supervising but not authorizing all committee activities and for supervising the manager and staff services.

Authority resides in the vote of the individual members and all officers and individuals at any level in the association are recallable by

COOPERATIVE COMMUNITY DEVELOPMENT ORGANIZATION CHART

NEIGHBORHOOD ASSOCIATION

MEMBERS
Grant authority & elect leaders

BLOCK LEADERS
Area Responsibility

"AT LARGE" LEADERS
Project Responsibility

BOARD OF LEADERS
Board of Directors)
Delegates Responsibilities

PRESIDENT
Future Planning

REGIONAL REPRESENTATIVES
Direct Regional Association

VICE PRESIDENT
Neighborhood Activities

VICE PRESIDENT
Regional Activities

PROFESSIONAL MANAGER
Operations & Staff Services

SECRETARY
Communication & Records

TREASURER
Financing & Comptrolling

COMMITTEES
Planning, implementing supervision of Programs

1.	2.	3.	4.	5.	6.	7.	8.
Membership Public Relations	Education Religion Child Care	Governmental Relations	Financial Records Labor Bank	Real Estate Transportation Utilities	Cooperative Buying	Health Social Security	Employment Production Marketing

[redacted]

[redacted]

PRESIDENT
Future Planning

VICE PRESIDENT
Regional Activities

NATIONAL REPRESENTATIVES
Direct National Association

VICE PRESIDENT
National Activities

SECRETARY
Communications & Records

PROFESSIONAL MANAGER
Operations – Staff Services

TREASURER
Financing & Comptrolling

COMMITTEES
Development of Advisory Committees
Planning, Implementation, Supervision of Programs

1.	2.	3.	4.	5.	6.	7.	8.
Membership Public Relations	Education Religion Child Care	Governmental Relations	Financial Records Labor Bank	Real Estate Transportation Utilities	Cooperative Buying	Health Social Security	Employment Marketing Labor Bank

COMMITTEE LEADERS
Executive Board
Coordinate Programs
Supervise Manager & Staff

ADVISORY COMMITTEE
Community Resources
Provide Know-how, Goods and Services

1.	2.	3.	4.	5.	6.	7.	8.
Area residents T.V. Radio Newspapers Relig. Civic Neigh. Organ.	School Boards, Edu. Institutions, Educators, Child Care Agencies, Churches	City, County, State, Fed., Government Agencies	Savings & Loan, Banks, Credit Union, Insurance, Accounting	Real Estate, Transportation, Utility Organ.	Manufacturing, Wholesaling, Service Organizations	Medical, Legal, Social Serv. Agencies	Labor Unions, Manuf. Indus., Commercial & Construction Organizations

those who elected them to that particular position. All terms of office for an individual are limited.

REGIONAL DEVELOPMENT ASSOCIATION
"NOT FOR PROFIT"

MEMBERSHIP is limited to neighborhood associations in the metropolitan market area served by the regional which are organized as "not for profit" associations as outlined in the regionals bylaws. Neighborhoods organized in other forms may participate as non-voting associate members.

BOARD OF LEADERS is made up of member association's regional representatives.

The regional association's responsibilities and organizational structure will be similar to the neighborhood association's except that its purpose is to act as a contact point between neighborhoods and community resources and coordinator of mutually beneficial joint efforts among neighborhoods.

The regional's activities will be directed towards providing educational and advisory services plus financial and supervisory support to neighborhoods using existing political, social, economic or cultural organizations rather than creating new ones.

This will be done by developing neighborhood advisory committees in all fields of interest or need.

ADVISORY COMMITTEE
"FOR PROFIT" OR "NOT FOR PROFIT"

This will be a group of community resource people who have agreed to cooperate and will be available to neighborhood association leaders for consultation or help in planning, implementing or supervising specific activities.

The "for profit" advisors can expect to be paid a market rate for goods and services or given an opportunity to earn a fair return for the time, effort, know how and investments they have to offer.

The "not for profit" advisors can expect the neighborhood associations cooperation in providing all or part of the people and time necessary to develop programs or provide services in their area of expertise. They can also expect the association to cooperate with them in implementing the programs they have to offer.

Cooperative Community Development is a "do it ourselves", cooperative effort between self sufficient neighborhood associations and all other organizations in the community.

HOW DO YOU GET PEOPLE TO COOPERATE?

First you have to have a common pressing problem or a chance to give each person in the group benefit personally in some way. Most people will not cooperate unless their feet are in the fire or they see something that will benefit them almost immediately.

If you have such a situation, then you have to get the people who will benefit most talking and listening to each other about solving the problem or getting the benefits. As their ideas develop and as they get to know each other, they will gradually move towards organizing a cooperative effort if there seems to be no easier way.

Cooperation takes an awful lot of patience, an awful lot of love and an awful lot of time, but it does work, if you are willing to work at it.

We can't do much to help you be patient, but we have developed a simple, fun to do, method that will save you some time in getting people started discussing situations and possible solutions in a way that leads towards action. We call our process Dialogues on What Could Be.

The dialogue process, if used consistently, should become one of the tools of a cooperative society. The subject matter will vary with the person but the way of talking about it will be quite similar.

It is developed to help people seek and hopefully find alternatives that are more appropriate for the future than what we are now doing or that have been done in the past. Our Dialogue process is a kind of do it ourselves educational process that works on several levels of your awareness potential and provides several learning experiences all at the same time.

FIRST, it enables each participant to gather information about a subject, in this case cooperative community development,

but the method can be applied to any subject matter such as law, medicine, business or public administration, education, etc. It is simply a way of learning about things from a group of people instead of a single teacher or out of a book.

SECOND it orients your thinking to the future, since our dialogue questions start with "what was" or "what is" and lead towards "what could be".

We are simply using the creative process of building the future on the present and the past. All inventions, whether they be mechanical or social, develop in this way.

We would like to point out here that most of our educational experiences have been oriented to "what is" or "what was" and that this process was good enough when we died before the future arrived, but it will not suffice now that we are living into it.

THIRD it lets you practice "evocative" communications which is an active form of listening, a drawing out of the other person by exposing yourself first. This is one skill you need to work effectively with others. It is the method you have to use, if you want to make the systems work for you rather than you working for the systems.

It is something anyone can learn by doing, but it cannot be taught. We cannot emphasize this point enough. If you just read what is written here and do not dialogue about it with others, you will not fully understand what this is all about. This whole process is something you must "do" in order to know. We believe that learning from experience is the best way, if not the only way.

FOURTH it lets each participant experience being a leader and a follower, since you will take turns directing your dialogue, even though it will be structured to some degree by the evocative questions we provide. Naturally, you can also create your own questions and thus effect the direction of your dialogue.

The process tends to keep you and your dialogue mates close to the topic but does not control any individual's input.

It is really a very mild form of sensitivity training and a bit of encounter, but it's directed towards learning something about the subject matter as well as yourself and others. It's a bit more objective than subjective, but it covers both.

FIFTH it encourages you and your dialogue mates to look for your differences and your similarities, rather than seeking consensus. Looking for and pointing out potential areas of agreement and disagreement will be your goal when you are leading your group. You will have to ask a lot of your own "evocative" questions to accomplish this. Once you know where people stand, you should be able to work together where you have common interests and work around your differences, and that's the art of cooperation.

SIXTH this entire process is designed to let you experience cooperating in making your dialogue better, so you can get started on your block and your neighborhood once you master the process. We want to point out here that most of us have been educated to compete rather than to cooperate, so we all have a lot to learn.

Think how differently all of us would operate and how our organizations would function if during our educational experiences we had been graded 50% on what we got out of the course and 50% on how much better the course was because we were there. Our dialogues are designed to work that way. Each person should study the material to be discussed in advance and bring ideas written on the question sheets to the dialogue. During the discussions additional notes should be made.

After the dialogue the convener should request feed back from the group related to key points that came up during the discussions. These should be listed on a black board or presented in some way so everyone will have an opportunity to contribute and be aware of items missed by their group.

In discussions where specific suggestions are being made a system for setting priorities by a numerical count can be used. In these cases we suggest that each individual vote his or her own priority by using one hand, two hands or standing up plus showing one or two hands. These should be counted as 1, 2, 3, 4 or 5 votes in the order. This gives those who feel strongly a way to express their feelings and make them count. These totals should be noted beside each specific suggestion.

The feedback process just described can be expanded into a community wide planning and decision making process by reproducing the list of ideas and priorities generated out of these brain

storming sessions, explaining them in the neighborhood newsletter or a separate publication, and polling those members of the association who were not able to attend the meeting.

This will limit the original contributions to those who plan and attend the meetings, but will give everyone a chance to express his degree of support for or opposition to the original ideas.

An opportunity can also be created for people who did not attend the planning meeting to contribute their suggestions when they return the feedback questionnaires. These new comments can be factored into the process at the time the responsible committee reviews the results and starts making more detailed plans.

This process of committee meetings, open planning meetings and feedback questionnaires may be repeated several times but the last planning meeting can be followed up by what we call an official decision making ballot sent to all members. This whole process puts the responsibility for making decisions on the individual members

The operating committee's role is to develop the idea, initiate the decision making process and then turn it over to the manager and staff for implementation. After the decision has been made and implemented the committee will be responsible for overseeing the operating program. This process will not only make all members aware of the quality and/or quantity of each operating committee activities, but it will also tend to force planning and decision making to flow in an orderly and timely manner.

The committees will have to determine their agenda and solicit participation in open planning meetings sometime before the publication date of a neighborhood newsletter. They will then have to meet and review the results of these meetings and prepare the feedback questionnaire prior to the publication of subsequent newsletters.

The members in turn will have to react to the questionnaire before the deadline set for publication of the next newsletter so their input can be reviewed, tabulated and published as justification for the committee's continued planning or decision making.

The questionnaires and ballots can be prepared for automatic scanning and computerized statistical review. This will enable each member to vote his degree of priority instead of just yes and no

this process the votes of a few committed people can count as much as a larger group of slightly interested people.

Since in our system we are not electing someone to do something for us, but are committing ourselves to do it cooperatively, we recommend that each voter sign the official decision making ballots which will be used to determine neighborhood activities. These signed ballots can be kept on file as a source of volunteers and as a reference as to who did or did not vote. They will also provide statistical support for the decisions that are made.

This kind of a cooperative decision making process puts everyone including those who do not vote at all, on record and makes everyone responsible for what happens or fails to happen.

As indicated before, it will also make the committees' action or inaction highly visible and measurable, so it should tend to make things happen.

We really believe that we have developed a method we can use to teach ourselves to cooperate. We are even proposing that students in school get credit for giving a course to the adults in the community on almost any subject matter using the method. Since the future belongs to the next generation and since we believe that cooperation is the way to the future and that all of us could learn to cooperate better than we do, this seems like a reasonable proposal at least to some of us who see things from this point of view.

The rules for dialoging on what could be are listed below and like all rules, they were made to be improved, so feel free to improvise, if you find them unsatisfactory. If you can come up with any suggestions please send them to us, so we can use them too.

HOW TO "DIALOGUE ON WHAT COULD BE"

Use the evocative questions we have provided or others that you create in sequence on a single page and leave room between questions for writing.

Provide a set of questions for each person who will be attending

Arrange seating for groups of four at card tables, in facing chairs

4. Strive to have at least 12 people (three groups of four) or as many more as possible, since it's better if you change dialogue mates every four questions.
5. Explain that one individual is to start with question #1 and be the "evoker" for that question. That individual is to answer the question first and then try to draw out the others for the period of time allocated. 5 to 10 minutes per question makes a one or two hour session if you have a series of 12 questions.
6. If anyone starts "lecturing", someone in the group is to wiggle his finger at that person to indicate they should get back to asking questions, not giving answers. If anyone gets bored, he can cut off the discussion by saying let's move on to the next question. The person to the left of the evoker takes over at that point.
7. Prior to the end of the time limit set for each question, the evoker should try to point out areas of agreement and differences of opinion. You are not trying to arrive at a consensus, just an awareness of where you are in relation to others.
8. Each participant in the group of four is to play the role of evoker for one question in the time allotted for those four questions 5 to 10 minutes per question.
9. After each four questions, have the participants switch tables and discuss the next four with different people. This will enable everyone to draw out and be drawn out by nine different people during the dialogue. It will get and keep everyone very involved.
10. When the dialogue session is finished, the convener should ask for verbal and written feedback and make any announcements for future sessions.

We have provided some evocative dialogue questions related to each of the activities outlined in this book and made suggestions on how to use them to stimulate a discussion.

The educational aspects of the process we have outlined here are developed more thoroughly in our **Dialogues on What Could Be a Cooperative Future** which is described on the inside back cover of this book.

HOW CAN WE PROMOTE THE IDEA?

We are going to describe what we are doing in Kansas City, where we started at the "regional" or metropolitan market area level and are building back down to the neighborhood and block level, but these activities can be started at any level by any individual or group of people.

We have used the material presented in Section I and this section as the basis for a 15 or 45 minute presentation to all kinds of individuals and organizations. We provided speakers that were available anytime, any place and we made sure that the news media was aware of the presentations we made to large groups of people.

We solicited opportunities to present our idea to civic, church, social, professional and neighborhood groups and on all the local TV and radio talk shows. We also sought out interviews with local newspaper and magazine reporters. We have received good coverage and cooperation from all the media and over a period of time we will have the key people in most of the institutions shown as community resources on our organizational chart aware of what we are doing.

We have found several good films that document what is now being done cooperatively by groups of people in various areas of activity such as housing, group health, finance, food supply, etc. We use these as the first part of a TV show, which is followed by an interview session, where people from various public and private community resources discuss how their organizations could help to do what has been shown in their neighborhoods. These TV shows can be arranged as public service broadcasts on commercial TV or on the public broadcasting system.

We intend to develop these to the point where they will be financially self-sustaining as outlined later. We are also developing a series of newspaper articles that tie in with them and encourage discussion of our idea.

We can make all of this available to you when you have need for it. We are also interested in finding other documentaries, so if you have any success stories, please advise us. We are especially interested in film or slide presentations.

We have used these shows to introduce our idea to the general public and have promoted them with publicity releases to local newspapers, direct mail to neighborhood organizations, and announcements through all kinds of religious and social organizations' newsletters.

During the television shows and with the other announcements we also advise people of our on-going "how to do it" educational program which is what we are outlining in this book. We have tied these courses into the "free" universities and various other community college adult education programs.

We are in effect merchandising this idea in exactly the same way that we are sold almost everything else we buy in this society of ours. We do not look on television or radio as educational media: they could be, but the way they are currently structured, they can only be used to make people aware of something and make them want it or at least want to know more about it. TV stimulates interest and to some degree legitimatizes whatever is shown. We are taking advantage of this situation.

These films can also be shown to civic groups using their own people as "talk show" resources to spread the word. The same material can be used on a neighborhood level by working through neighborhood associations, local churches, school boards, county extension agents or community school people.

When we announce what we call an exploratory meeting, we try to send those invited some material that will enable them to prepare to participate in advance. We use our little pamphlet on cooperative community development which costs .05¢, and a letter with meeting details plus a request that they read the pamphlets before coming since they will be discussing this idea with their neighbors at the meeting.

You can also use these pamphlets to start people thinking about doing something on your block or in your neighborhood, or as handouts after you have explained this program to some group of people. Any way you use them or present the idea should lead toward a meeting at which Cooperative Community Development will be discussed.

Whoever convenes an introductory meeting should give a brief outline of the idea, before beginning the discussion session, just in case some of the participants are not aware of what this program is all about. The convener can use the material from Section I and this one as the basis for a presentation.

If you have an overhead projector available you can show our diagrams and the organizational chart as part of your presentation. We can also provide these as visuals or slides if you wish. We use these visual aids on our TV talk shows too. They seem to help many people get a better grasp of "what could be" or the relationship of groups of people to other groups of people.

The presentation at the first meeting should be an overview and last no longer than 30 minutes. Then the convener should explain how to "Dialogue on What Could Be", and point out that it is an experience in cooperation. As we have said before, our dialogue method gets each individual involved on a personal basis with a small group of people. It structures, but does not control, the discussion and is a learning process in itself no matter what subject is being discussed.

We have provided two sets of "evocative" questions at the end of each section to stimulate "Dialogues on What Could Be" in Cooperative Community Development.

The organization questions will enable the participants to discuss and better understand how the system works and what it might do for them.

The membership questions will enable them to discuss their personal involvement and the effects this will have on them and their families.

These two sets of questions tie into the procedures to establish a neighborhood development association and the membership agreement. The convener should cover these in some detail prior to the dialogue sessions.

The questions provided in these two sections should be presented discussed in two separate 1 to 2 hour dialogue sessions if possible. They are really too much to cover in one sitting. You want to leave time for feedback to the group.

If necessary, this whole section can be crammed into a three hour meeting that will give everyone a pretty good idea of what it's all about and how it will affect them.

The schedule should be as follows:

30 minutes - present overview

60 minutes - Dialogue on organizations' responsibilities.

15 minutes—feedback

60 minutes—Dialogue on members' responsibilities.

15 minutes—Feedback

Coffee break would be continuous throughout the dialogue and feedback sessions.

The ideal way to do this is to provide each participant with one of these books and have them read all the material to be covered and make notes in their book prior to coming to each dialogue session. This will enable everyone to contribute more to the process.

The group feedback sessions will give every participant an opportunity to present his personal ideas to the group, after he has tried them out and polished them up on his dialogue mates.

If you can provide each participant with a separate set of dialogue questions, the convener should request that notes be made on them and turned in at the close of the session so that all the ideas discussed can be compiled and a composite set returned to the participants.

It is possible that these two sessions may be all you will need to start the ball rolling in your community, but that does not mean that the learning process is over. If your purpose is to start selling this to your neighbors, you should be prepared at the close of the session to enlist your dialogue participants in canvassing your community for members for your development association. You should also be ready to announce a replay of these sessions for new members and the beginning of a series of more detailed dialogues on how the various leaders and committees will function.

Suggestions on how to do this are offered in other sections of the book. We have people who will help you conduct these introductory sessions if necessary.

Please contact us through the publisher if you want information on this.

IS ANYONE DOING THIS?

THE NEIGHBORHOOD COUNCILS OF INDEPENDENCE, MISSOURI HAVE BEEN DOING A LOT OF THE THINGS WE ARE PROPOSING FOR MANY YEARS. They have created a communications network that serves as a sort of house of representatives for the city council and a public forum for discussing and planning activities with all of the institutions that exist in their community.

The following description of their organization's structure and purposes is a direct quote from their association's manual: "We believe it is an ideal way of organizing neighborhoods to work with all kinds of existing institutions and it provides an ideal base upon which to build the economic structure described in this book."

THE NEIGHBORHOOD COUNCIL AND HOW IT FUNCTIONS

What is it?

The Neighborhood Council is a group of concerned citizens who care enough about their country, and the needs of society at large, to organize themselves to become better neighbors in their own neighborhoods, and better citizens of their city.

The Neighborhood Council is the basic social structure through which their concern is channeled for the benefit of all.

The Neighborhood Council and its ancillary institutions- the Citizens Advisory Council and the Citizens Committees—provide opportunities for citizens to share with the City Council ideas and suggestions which originate in the neighborhood; and conversely, opportunities for the City Council to share with the neighborhood ideas and suggestions which originate in City Hall.

The Neighborhood Council is an instrument of communication in the city by which democracy may achieve its necessary objective, government of the people, by the people and for the people.

The Neighborhood Council is the microcosm in which citizens learn the processes and develop the skills which are foundational in the development of tomorrow's statesmen.

Who serves?

1. The twenty persons in a neighborhood who receive the highest number of votes in the biennial election for Neighborhood Council representation, serve as the representatives of the Neighborhood Council.

2. The twenty persons in a neighborhood who receive the next highest number of votes serve as alternate members of the Neighborhood Council. Each alternate has the right to vote himself and is expected to be equally as active as his/her representative.

3. Other citizens of a neighborhood may be selected and recruited by the Neighborhood Council to fill vacancies.

4. A citizen must be 16 years of age or older to serve as a member, or his alternate, on a Neighborhood Council.

How does it operate?

1. Each Neighborhood Council is encouraged to hold its Council meetings once a month in its neighborhood. This meeting is also open to every resident of the neighborhood, and therefore, becomes a neighborhood town meeting. Voting is done, however, only by the representatives and alternates of the neighborhood. Residents are invited to bring their suggestions to the neighborhood town meeting and to receive information supplied by the Neighborhood Council.

2. A citizen may become involved in the improvement of his neighborhood by means of the Neighborhood Council in at least two ways, as follows:

A. As indicated above, a citizen may be elected as one of the forty voting members of a Neighborhood Council with responsibility for attending the Neighborhood Council meetings and representing the neighborhood on a city-wide committee. The functioning of the city-wide committees may be described as follows:

1. The President of the Neighborhood Council meets with other Neighborhood Council Presidents as a member of the city wide Citizens Advisory Council, a body which functions as a communications link between the City Council and the Neighborhood Councils. When the President is not available, his alternate will serve in his place in all functions except presiding over meetings of the Neighborhood Council.
2. The Vice President of the Neighborhood Council meets with other Neighborhood Council Vice Presidents as a member of the city-wide Neighborhood Relationships Committee, which body is concerned with the School Board and relationships with other organizations within the city, such as churches, businesses, service clubs, agencies, etc. The Vice President presides over the meetings of the Neighborhood Council in the absence of the President.
3. The Secretary of the Neighborhood Council meets with other Neighborhood Council Secretaries to formulate procedural systems and standards common to all Neighborhood Councils. Additionally they seek to provide the cultural arts in each neighborhood as well as the preservation of our historical heritage.
4. The Reporter for the Neighborhood Council meets with other Neighborhood Council Reporters to determine methods to be used for the publication of Neighborhood Council newsletters and for cooperation with the news media.
5. In each Neighborhood Council, sixteen Neighborhood Representatives will be chosen, one for each of the sixteen City Departments. Attached to each City Department, as a sub committee of the Citizens Advisory Committee, is the Citizens Committee which is designated for that department, with a representative from each neighborhood a member of each department's Citizens Committee. Example: Each Neighborhood Council has a health representative who serves with the health representative from every other Neighborhood Council on the Citizens Committee for Health as an adjunct to the City Health Department.

As indicated above, a citizen may be elected as an alternate to a representative of a Neighborhood Council – one alternate for

each of the twenty Neighborhood Council positions. The alternate assumes the same responsibility as the representative for attending meetings of the Neighborhood Council, thus providing leadership which is two-deep for every function of the Council. The two members receive training together in their roles within the Council and on the city-wide committees. They are expected to serve together—two-by-two—as far as possible and share the responsibilities of their position. There is no interchange across departments- the Health alternate does not serve for the Police representative, etc.

C. The third way in which a citizen may function as part of a Neighborhood Council is to serve on a sub-committee of the Council. For example, the Neighborhood Parks and Recreation Representative and his Alternate may want to develop a sub-committee to implement a summer recreation program in their neighborhood, in which case they have freedom to select any other resident from the neighborhood even though he is not a member of the Neighborhood Council, to serve on the committee and to develop and implement the program as envisioned. Similarly, if the Neighborhood Fire Representative and his Alternate want to present a program on fire prevention in the neighborhood, they may appoint a committee for this purpose composed of residents of their choice from their neighborhood, and so on—

D. The fourth way for a citizen to become involved is by attending and participating in the town meeting function of the monthly Neighborhood Council meetings. Although the Neighborhood Councils are established as agencies in which only those representatives and alternates chosen by the residents of the neighborhood may vote on issues of concern to the neighborhood, the Councils also are established, in part, to contribute to neighborliness. The function of town meetings in the early history of America is well-known. Neighbors getting together at the neighborhood level can recreate the benefits of these early gatherings as the Neighborhood Council encourages neighbors to attend Council meetings to listen and to express their views.

E. The fifth way for a citizen to become involved is to support the programs which the Neighborhood Council and their committees develop to improve our neighborhoods and to increase neighborliness in our city.

* * * * *

Having said all this, it seems appropriate to add: the genius of democracy depends on the participation of the people—a process which may be depended upon to produce new insights. The Neighborhood Council Plan is just beginning. It came forth as an idea of the people, responding to a challenge presented by an elected official. The people themselves, as they meet to solve the problems of neighborhoods and of the city, may be expected to create yet better ways than have been presented here for the smooth functioning of a social structure whose primary purpose is to enable all to work together for the building of a better society.

NEIGHBORHOOD COUNCILS—WHAT ARE THEY?

People, like you, who care about their Neighborhood and City. ...e who, specifically, care about:

Restoring the old-fashioned value of neighborliness to your ...borhood. . .making it a friendly, happy Neighborhood.

Helping neighbors get the facts about issues or concerns they ...bout the Neighborhood or city. They believe that citizens ...ed are citizens concerned.

...turing, on their own, Neighborhood improvements, Neigh... programs, and projects. They are convinced that citizens ... many things of their own free will, working together, to ... Neighborhood a better place to live.

...mplish these goals each Neighborhood elects from among ... residents, a representative and alternate, at least 16 years ...der, to each one of the city's 16 departments, i.e. Police, ... Health etc.

...ember serves his Neighborhood as (1) a member of his ...borhood Council, and (2) as a member of a city-wide ... representing his Neighborhood to one of the city depart-

The Neighborhood Council member seeks to become aware and informed of Neighborhood needs and suggestions and then sharing these with his neighbors and with city leaders.

Basically, the Neighborhood Councils are a vehicle of communication for the people.

First and last of all Neighborhood Councils are Neighbors who care.

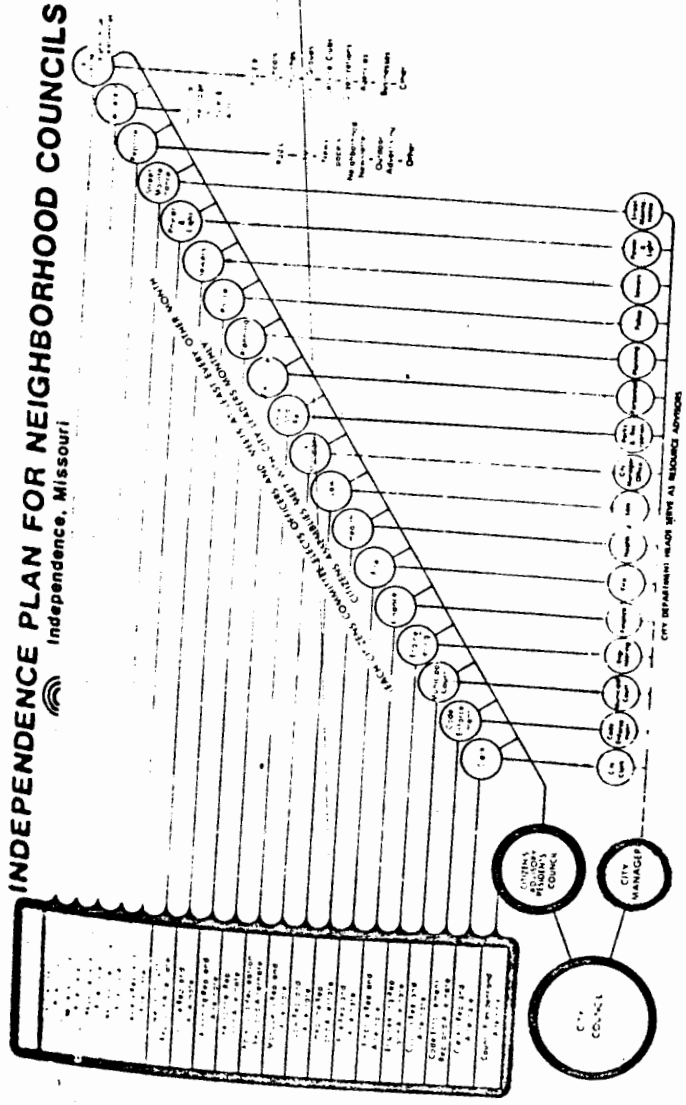
JOB DESCRIPTION HIGHLIGHTS FOR NEIGHBORHOOD COUNCIL

I. The Role of the N/C Representative/Alternate:

1. You are responsible for specific areas of need (of your own choosing) and will serve as chairperson of projects in your Neighborhood to meet those needs.
2. You represent your Neighborhood to city officials on a city-wide Citizen's Committee composed of your counterparts from each Neighborhood responsible for this same need.

The representative and the alternate are both voting members of the Council and are expected to be active and serve together as a team on all activities. You are free to choose other people from the Neighborhood to form a committee to work on specific Neighborhood needs related to your responsibility—i.e. a Neighborhood Health Committee. Your success will be in direct proportion to your individual initiative in actively seeking to identify the Neighborhood's unmet needs, to developing specific recommendations for action and in organizing your Neighbors to work together to meet those needs. In a sense, you are the "eyes and ears" of your Neighborhood, and should be continually alert to those things which need to be done to make your Neighborhood a better place to live.

II. The twenty different ways you can serve are illustrated on the diagram on the opposite page. Note how the specialized council committees relate to the specific city departments and the professional management personnel.



HOW ARE NEIGHBORHOOD BOUNDARIES DETERMINED?

THEY ARE ASSIGNED BY THE MEMBERS OF THE ASSOCIATION ALONG "NATURAL" URBAN DIVIDING LINES.

The map of Independence, Mo. on the opposite page shows the 42 neighborhoods into which that city has been divided.

The boundaries are generally commercial streets or heavily traveled boulevards. They correspond in practically all cases to the neighborhood grade school district boundaries which were drawn so that small children would not have to cross busy streets as they walked to school.

The four neighborhoods on the East side of town are the only ones much more than a square mile or two in area. These are in the process of development and will probably be divided as the population increases.

The total population of Independence is just under 120,000 so the neighborhoods average about 3,000 people.

The strip commercial dividing streets will offer adjoining neighborhoods ample opportunity to cooperate with each other to provide mutually beneficial services and convenient places to shop and work without requiring any zoning changes.

The neighborhoods that make up a high school or city councilman's district will no doubt cooperate on matters affecting their specific area.

All of the neighborhoods in Independence will have an opportunity to cooperate in creating any city-wide services they need.

In other words a cooperative community development association can adapt itself to existing geographic and political sub-divisions as well as existing economic organizations and cultural institutions.

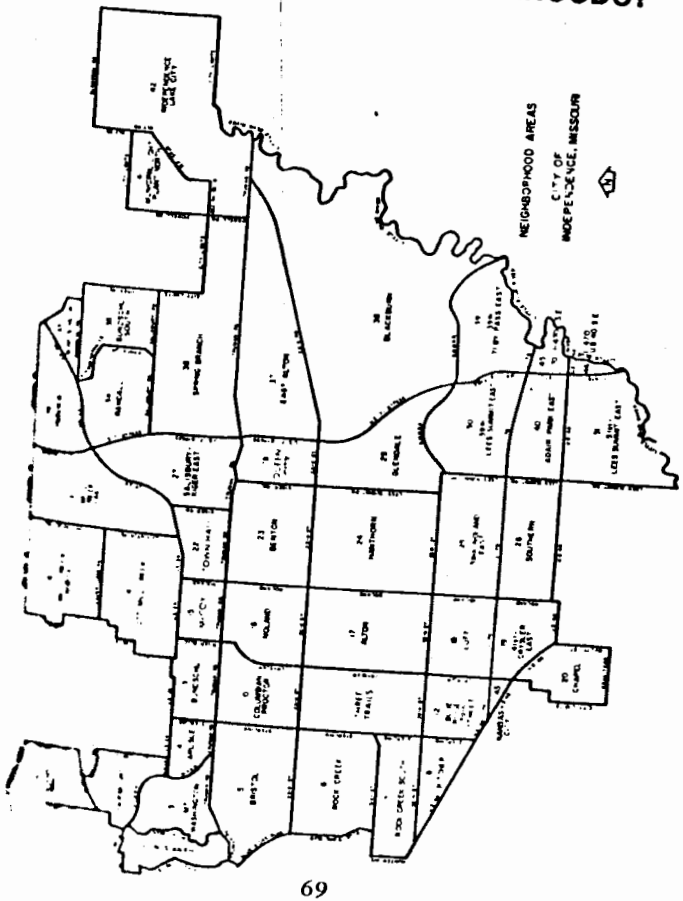
The neighborhood association's purpose is to make all of these diverse interest groups aware of the area residents' needs and to cooperate with them in any areas of mutual concern if at all possible.

Since the neighborhood associations will be economically self-sufficient, if they cannot find any existing organization will be

able to cooperate in providing a needed service they will be able to do it themselves.

The possibility of competition from or by the neighborhood associations should encourage existing businesses to sharpen their pencil when quoting prices and all institutions to improve the quality of service they give if they want to continue to do business in the area.

WHERE ARE THE NEIGHBORHOODS?



WHAT DO WE ACTUALLY HAVE TO DO?

COMMIT YOURSELF PERSONALLY AND ORGANIZE YOURSELVES INTO A NEIGHBORHOOD DEVELOPMENT ASSOCIATION.

The balance of this section provides details on the following:

1. What you and your neighbors will have to do to organize a neighborhood association.
2. The personal commitment you will have to make as a member of the association.
3. The cooperative occupancy agreement you will have to sign if you do not want to rent or own the place in which you live. We

We have followed the organizational outline with a series of evocative questions that you can use to stimulate a dialogue on some of the opportunities you will have and the problems you will no doubt run into as you create your association.

The membership and cooperative occupancy agreements are followed by another set of evocative questions that will start discussions and make you aware of how you and your neighbors really feel about all of this.

We cannot emphasize too strongly that you should use these questions or ones you create to stimulate a Dialogue on What Could Be in among your neighbors before you proceed much further.

You may find it's not for you or them—you had better find this out before you get into it.

You are going to have resistance from some and criticism from others and for a considerable period of time you will be a disorganized minority in your neighborhood. These conditions will make doing this difficult if not impossible unless you really have confidence in yourselves and support each other during the beginning.

As we have indicated before, most of the people currently making our decisions for us do not believe we have the capacity to do anything, so they will no doubt laugh at your efforts. This will be the most discouraging of all the negative reactions you will get. However, if you and your neighbors believe in yourselves and are willing to cooperate you can do what others are already doing. If you fail it will be your fault and that's the real risk you have to

PROCEDURES FOR ESTABLISHING NEIGHBORHOOD DEVELOPMENT ASSOCIATION

1. The responsibility for initiating the program, developing it, directing it and paying for it will belong to the local area residents. Nothing will take place on a block or in a neighborhood unless someone living on that block or in that neighborhood chooses to make it happen. Once an individual or group of people make that decision, the cooperative community development "system" will be available to help them do it.

Organize a committee of 6 to 12 area residents who are willing and able to commit themselves and really work at this. It would be good if all or several of these people were associated with some recognized organization or institution in the neighborhood.

Define boundaries of the association and determine total population, total potential members over 18 years old, total number of families, and total unoccupied living units or space to build living units. In other words, try to determine the potential population that could be accommodated in the neighborhood. The total population should not exceed 10,000 people, yet you should have enough people to support a full time manager if possible (we estimate 2,500 as a minimum). As we have indicated before you may want to start on a district level of several neighborhoods and work towards a self-sufficient neighborhood.

Define potential "blocks" of membership. A "block" should consist of a group of about 100 people living on a city block or in an apartment house. In very densely populated areas, these might be several "blocks" of people on one city block, and in sparsely populated areas the 100 people may spread over several blocks. The main point is that this group of 100 should live close together on common streets.

Identify a "founding" member in each potential membership block and have that individual assume the responsibility for organizing membership in that "block", if at all possible prior to the first meeting.

Select a central model "block" or area in the neighborhood and organize as many members as possible there, since some group

of people is going to have to show the others what can be done cooperatively.

Once the model block starts developing, competition between blocks will stimulate activity throughout the neighborhood.

7. Plan and publicize one or more open meetings at churches, schools or individual homes. Use every organization that exists in the area to help you in this effort.

The regional association will help you promote this meeting and present the idea once you have set the schedule and arranged the locations.

8. Sign up at least 2% of the total potential members in the neighborhood either scattered on a block by block basis or concentrated in a test area before holding an official election and filing our standard legal papers to form your association. The regional association will help when you get to this stage.

9. Sign up 5% of the total potential members in the area before trying to arrange firm financing. The regional association will endorse your association's credit and help arrange your initial financing when you get to this stage.

10. Start operating and continue the learning process you have already started since you and your neighbors are in business for yourselves, you are the key to your success.

Use the questions on the next two pages to conduct a Dialogue on What Could Be in organizing your neighborhood. Refer to page 55 for how to do this.

ORGANIZATION DIALOGUE

Identify yourself when meeting new dialogue mates.

1. What would be good or bad about cooperative community development at the block level? Neighborhood level?

2. What would be good and bad about cooperative community development at the regional level? Advisory committee (Community resources) level?

3. How would you define your "block" and neighborhood boundaries?

4. What kind of people on your block or in your neighborhood would be willing to work at this? Which would not? Why?

5. What institutions in your neighborhood would be willing to help in this effort? Which would not? Why?

6. What could individuals or organizations do to hinder your effort? Why would they do these things?

7. What would be the qualifications of a good leader for your neighborhood?

8. How many people (what percentage) in your neighborhood would like but not necessarily work actively for your association?

9. What would the real estate assets and purchasing power of your neighborhood be if it were organized?

10. What would happen to individuals or families living in the area who did not want to participate?

11. What might your neighborhood do in cooperation with other neighborhoods?

12. How might your neighborhood and regional associations effect other organizations in the community?

As we indicated before a Dialogue using these questions and the ones that follow will separate those with confidence in themselves from those without. Some people will see more opportunities, others will see more problems. Both groups will be able to justify their personal point of view to themselves and to their kindred spirits. Neither group will be able to change the way the other group sees it.

At this point some will drop out others will proceed. Those who move on will have to find others to help in their efforts. Neither group should condemn the other; they should simply recognize that they see things differently.

MEMBERSHIP SUBSCRIPTION
NEIGHBORHOOD DEVELOPMENT ASSOCIATION

I understand that a group of people living in the area bounded on the North by South by East by West by have formed a "not for profit" neighborhood development association which is to be owned and directed exclusively by people living or working in that area.

I understand that our association's purposes will be as follows:

1. To improve services in our area.
2. To create jobs in our area.
3. To cut the cost of living in our area.
4. To give renters a chance to become owners.
5. To raise the value of our property.
6. To make our area a better and safer place to live.

I agree to join this association as a voting member and to pay an annual membership fee of at least $5.00 per year. I understand that some of this fee will be kept by the neighborhood association, $1.00 will go to the regional association and $1.00 will go to The Foundation For The Future Fund to expand this program nationally and internationally.

I agree to open and maintain a savings account of $5.00 or more at one commercial bank and one savings and loan association which are listed as cooperating with our association in this effort.

Please list any banks or savings and loan associations at which you have an account or at which you will open one.

I agree to display an association membership emblem on my house, apartment or place of business and to encourage my next door neighbors to join our association.

I agree to become an active booster of our neighborhood and to try to sell other people on moving in and joining us in our development efforts.

I agree to volunteer at least one day (8 hours) each year working with other members on some association project.

I will also encourage my family and others living in our neighborhood who may not have joined as voting members to volunteer their time.

I agree to give our association the first right to purchase any property I own in the neighborhood at the price at which I am willing to sell at such a time as I decide to sell.

I understand that I will be asked to sign an official document granting the association a 30 day first right of purchase and that this information will be officially recorded.

I understand that I will be requested but not required to invest in various neighborhood development funds to help establish our association's working capital and credit.

I agree to cooperate with my fellow members and the officers and committees of our association to the best of my ability and to encourage others to do likewise.

Signature
Name
Address
Phone

NEIGHBORHOOD DEVELOPMENT ASSOCIATION COOPERATIVE OCCUPANCY AGREEMENT

THIS AGREEMENT, made and entered into this day of 19 by and between (hereinafter referred to as the Corporation,) a corporation having an office and place of business at , and (hereinafter referred to as Member):

Whereas, the Corporation has been formed by area residents for the purpose of acquiring, building, owning and managing cooperative housing in the neighborhood bounded on

The north by
The east by
The south by
The west by
(city of)
(state of) (county of)

with the intent that some of its members shall have the right to occupy the dwelling units under its control under the terms and conditions hereinafter set forth: and

WHEREAS, the Member is the owner and holder of a certificate of membership in the Corporation and has a bonafide intention to live in the neighborhood:

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 covenants contained herein, the Corporation hereby lets to the Member and the Member hereby hires and takes from the Corporation dwelling unit located at (hereinafter referred to as "dwelling unit"):

TO HAVE AND TO HOLD said dwelling unit unto the Member, his heirs, 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 PURCHASE, EQUITY ACCRUAL AND SALE OF COOPERATIVE OCCUPANCY RIGHTS.

Member shall make a down payment in the amount of $ on his occupancy rights in the above mentioned dwelling unit.

The occupancy rights shall be worth $, which is the current market value of the dwelling unit is to be occupied.

The $ difference between the value of the member's occupancy rights and his down payment will be covered by a personal loan from the Corporation to the member in the amount of $ plus interest at a rate of % per annum.

The member's down payment shall be considered as the member's original equity investment in the Corporation. Additional equity will accrue as the member's loan is amortized according to the attached schedule which is hereby made a part of this agreement.

The member shall be able to take as personal tax deductions whatever part of his monthly carrying charge payments qualify as such.

The Corporation shall provide the member with this information by January 31 of each calendar year or part thereof that the member occupies the dwelling unit.

The member's equity shall be secured by the market value of the dwelling unit being occupied less whatever the member still owes on his loan to the Corporation.

The member may sell his occupancy rights back to the Association so long as notice is given four months in advance of leaving and for an amount equal to 95% of the market price of his dwelling unit as appraised by the Corporation.

If the member has a bonafide offer in excess of this amount the Corporation will have thirty days in which to match the offer after which the member will have the right to sell his occupancy rights to the higher bidder.

If the member's personal loan is not paid off in full at the time of this sale then this agreement will be enforceable on the purchaser of the member's occupancy rights.

ARTICLE 2. MONTHLY CARRYING CHARGES.

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, including but not limited to the follow items:

(a) The cost of all operating expenses and services furnished for the dwelling unit.

(b) The cost of necessary management and administration.

(c) The amount of all taxes and assessments levied against the dwelling unit.

(d) The cost of fire and extended coverage insurance on the dwelling unit and such other insurance as the Corporation may direct or as may be required by any mortgage on the project.

(e) The cost of furnishing water and trash collection, and other utilities, if furnished by the Corporation.

(f) All reserves set up by the Board of Directors, including the general operating reserve and the reserve for replacements.

(g) The estimated cost of repairs, maintenance and replacements to the dwelling unit to be made by the Corporation.

(h) The amount of principal, interest, mortgage insurance premiums, and other required payments on the hereinafter-mentioned insured mortgage on the dwelling unit.

(i) 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 Carrying Charges from time to time. Said sums shall be estimated on an annual basis and multiplied by the number of months remaining in the then current year, but in no event shall the Member be charged with more than his proportionate share thereof as determined by the Board of

Until further notice from the Corporation, the monthly Carrying Charges for the above-mentioned dwelling unit shall be $

Carrying charges commence on the day designated at least thirty days in advance by the Corporation that the dwelling unit will be available for occupancy, or upon occupancy, hereunder 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 amount 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 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 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

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 for himself and his immediate family, and for no other purpose, and may enjoy the use, in common with the other members of the Corporation, of all community property and facilities of the neighborhood, so long as he continues to own a membership of the Corporation, occupies his dwelling unit, and abides by the terms of this agreement.

The member shall not permit or suffer anything to be done or kept upon said premises which will increase the rate of insurance on said dwelling unit, or on the contents thereof, or which will obstruct or interfere with the rights of other members, 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 such 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.

Subject to 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 hold for his sole use and benefit the property hereinabove described after obtaining occupancy, and may enjoy in common with other members of the Corporation the use of all community property and facilities of the project.

ARTICLE 7. NO SUBLETTING WITHOUT CONSENT OF CORPORATION.

The Member hereby agrees not to assign this agreement or sublet his apartment without the written consent of the Corporation. Violation of this provision shall, at the option of the Corporation, result

in termination and forfeiture of the Member's rights under this agreement. Rents under any sublease shall be assigned to the Corporation and the sublease shall be delivered to the Corporation, and the Corporation irrevocably empowered to collect rents and apply the rents in reduction of sums due from time to time under this agreement. The sublease shall be in the form acceptable to the Corporation, shall require the sub-tenant to abide by the terms of the Occupancy Agreement during his sub-tenancy, and shall give to the Corporation an irrevocable power to dispossess or otherwise act for the sublessor in case of default under the sublease.

The liability of the Member under this agreement shall continue notwithstanding the fact that he may have sublet the dwelling unit with the approval of the Corporation. The Member shall continue liable for all obligations hereunder and shall be responsible to the Corporation for the conduct of his sublessee.

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 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; pay or provide for the payment of all taxes or assessments levied; procure and pay or provide for the payment of fire insurance and extended coverage, and other insurance as required by any mortgage on the property, and such other insurance as the Corporation may deem advisable on the property. The Corporation will not, however, provide insurance on the Member's personal property.

ARTICLE 10. UTILITIES

The member shall pay the supplier for all utilities unless otherwise specified below:

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; and

(2) Any redecoration of his own dwelling unit.

(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.

(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 the 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, steampipes, 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, leaving any alterations, additions, fixtures and improvements.

ARTICLE 13. DEFINITION OF DEFAULT BY MEMBER AND REMEDIES THEREOF.

It is mutually agreed as follows: If at any time after the occurrence of any of the events specified in clauses (a) to (k) to this Article, the Corporation shall give to the Member a notice that this agreement will expire at a date not less than thirty (30) days thereafter, this agreement and all of the Member's right under this agreement will expire on the date so fixed in such notice, unless in the meantime such 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 dispossess 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 terms 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 owned by the Member 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 or maintenance as provided for in Article II hereof.

(h) In case the Member shall fail to pay any sum due pursuant to the provisions of Article I hereof.

(i) In case the Member fails to pay any charge which, if not paid, could become a lien against the dwelling unit

(j) In case the Member shall default in the performance of any of his obligations under this Agreement.

(k) In case the Board of Leaders finds that the member after warning has flagrantly, consistently and intentionally violated the neighborhood courtesy guidelines which are hereby made a part of this agreement.

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 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 any prior 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 conducted, 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.

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 from 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, and the officers and employees of the Corporation, shall have a right to enter the dwelling unit of the Member and make inspections thereof at any reasonable hour of the day.

ARTICLE 17. SUBORDINATION CLAUSE.

The above mentioned dwelling unit is to be acquired 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. 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 firt mortgage and the accompanying documents executed by the Corporation under date of , payable to , or its assigns, the principal sum of with interest at per cent, and insured or to be insured by 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 property of the Corporation or any part thereof. The Member hereby agrees to execute, at the Corporation's request and expense, any instrument which the Corporation or the 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

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. NOTICE.

Whenever the provisions of law or the By-Laws of the Corporation or this agreement require notice to be given to either party hereto, such notice may be given in writing by depositing the same in a post office or letter box, in a postpaid, sealed wrapper addressed to the person to whom the notice is to be given, at his or her address as the same appears in the books of the Corporation, and the time when the same shall be mailed shall be deemed to be the time of the giving of such notice.

ARTICLE 19. FISCAL REPORTS.

At the end of each fiscal year, the Corporation shall furnish to the Member a statement of the income and disbursements of the Corporation.

ARTICLE 20. ORAL REPRESENTATION NOT BINDING.

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

ARTICLE 21 CUMULATIVE REMEDIES.

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

ARTICLE 22. 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 of $5.00 for each scheduled monthly 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 an 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, not to exceed the sum of $5 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.

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

Neighborhood Development Association

By (SEAL)

Member

By now you should have a pretty good idea of what you can do if you want to make this happen. Use the questions on these two pages to conduct a Dialogue to find out how your neighbors feel about this. These questions will evoke more personal feelings than the previous ones, but after your first Dialogue you should be more comfortable with each other.

MEMBERSHIP DIALOGUE

Identify yourself when meeting new dialogue mates.

1. Why are you living where you are?

2. What is happening, or could happen in your neighborhood that might make you want to leave?

3. What needs to be done to make your neighborhood a better place to live?

4. Who should assume the responsibility for directing the development of your neighborhood?

5. Why would you, or would you not join your neighborhood development association?

6. Why would you, or would you not deposit money in a "cooperative" savings and loan association?

7. Why would you, or would you not display a membership [illegible] on your house and try to sell your neighbors on joining the association?

8. Why would you, or would you not volunteer a day of labor per [illegible] your association?

9. Why would you, or would you not invest in a neighborhood development fund?

10. Why would you, or would you not give your association a first right to purchase your property at your selling price when you want to sell?

11. What specifically could you and your family do to help in your neighborhood's cooperative efforts?

12. How might you, your family and your neighbors benefit, or what might you lose if all this was done in your neighborhood?

By the time you and your neighbors have finished these first two Dialogues you should have some understanding of how cooperative community development works and what it might do for you.

You should also be more aware of each other's personalities capabilities and attitudes and this is as important, if not more important, for your success than knowing what to do.

If you are still together as a group at this point you will no doubt be able to go as far with this as you want to go, so let's go after the money you'll need next.

Best at Hyde Park

SECTION IV

WHERE DOES THE MONEY COME FROM?

FROM ALL OF US. CAPITAL IS REALLY WHAT IS LEFT OVER AFTER WE HAVE CONSUMED WHAT WE NEED OR WANT. IT'S OUR SAVINGS ACCOUNTS, OUR INSURANCE PREMIUMS, OUR UNSPENT SURPLUS, PLUS ANY PAPER PROFIT WE ASSIGN TO THINGS BECAUSE WE SUDDENLY THINK THEY ARE WORTH MORE THAN THEY USED TO BE. WE ALREADY HAVE ENOUGH MONEY TO DO THIS, WE JUST AREN'T USING IT EFFECTIVELY.

In this section we will cover how front end financing can be ...ged and how it can be multiplied many times over. We also ...e how the individual members volunteer time can be converted ...ssets and made to pay dividends to the association and the ...er through labor sharing and a labor bank.

...nformation in this section is as follows:

...me of how a regional or neighborhood real estate investment ...n be organized and used to provide better housing at less cost ...iers of the association.

...me of how a neighborhood commercial loan fund, that will ...rket rate interest, can be created to finance neighborhood ...businesses that will provide services needed at reasonable ...s jobs for area residents.

...e of a self-sustaining educational loan fund that will be ...reate mass media presentations, adult education material ...school and college courses on cooperative community ...n

...g guidelines for the finance, records and labor bank com-

...ed operating budgets for our regional and neighborhood ... This outlines the way we are doing it in our community ...ave no front end funds, but we hope that our Founda- ...e Future Fund will enable us to help other communities ...sh in the bank.

6. Set of 12 evocative dialogue questions to stimulate discussions on the financial activities. These can be used to conduct dialogues as explained previously.

One point we want to make in this section is that after eons of living at barely sustenance existence, we have reached a point where we are capable of producing what we need to live without using all of our human energy. This has been accomplished through the incentive rewards of the capitalistic system which encouraged and supported individual initiative. Unfortunately, this reward for productivity system has brought us to the point where we are producing more of some things than we need and less of others.

This competitive atmosphere has also enabled the more aggressive individuals to obtain a much larger share of the benefits of our collective efforts than those who by nature are not driven by the same forces.

This whole effort at cooperative community development has been designed not to stifle the initiative of our entrepreneurs, but rather to channel their efforts towards improving living conditions for all the people instead of just amassing personal gain. If our efforts are successful, we will recognize people for what they have contributed to the human situation rather than for what they get out of it. We intend to use the social pressure that neighbors can bring to bear on each other to make this "slight" adjustment in attitude. We will do it by enlisting the aid of our "entrepreneurs" in helping us organize ourselves so that our neighborhoods can compete for and get their fair share of any surplus funds available.

Some examples of how our savings have been used in our community within the last few years are:

1. Construction of three regional shipping centers each within a [illegible] minute drive from similar facilities. These, along with others, have literally ruined all the older neighborhood and downtown retail centers so our net gain in shopping convenience is doubtful.
2. Construction of several new hotels which resulted in the bankruptcy of several older hotels so the net gain in available rooms is close to zero, but the cost of renting what is now available has increased.

3. Construction of several large office buildings which has resulted in several hundred thousand square feet of vacant office space.
4. Innumerable banks, savings and loan and other commercial buildings. The total investment in all these facilities exceeds $1,000,000,000.
5. The tax abatement arrangements and tax shelter depreciation of this probably results in a net loss in tax revenue to the local and federal governments especially since many of the older structures, even though usable, have been demolished.

The point we want to make is that $1,000,000,000 would have built 40,000 $25,000.00 living units which could have housed 200,000 people or about 20% of our community's population and would have increased the tax base as well as improved our living conditions.

We don't blame those who built these things. The projects are profitable. We just blame ourselves for not doing what needs to be done in our own neighborhoods with some of this money, especially since it may have come from our savings accounts or insurance premiums.

We do not intend to let this continue to happen. We believe that investments in developing neighborhoods are sound, will stimulate the economy, will help us organize ourselves to fight inflation, and build a better future for the next generation.

We are absolutely certain that we need neighborhood development more than we need additional shopping centers, commercial buildings and other tax shelter investments that are now being built with our savings.

The following very interesting figures on the life insurance business should give you some idea of their potential as a financing source for your neighborhood development association. About three quarters of the $1,922,311,000,000.00 in life insurance in force is held by individuals. The balance has been purchased by various business people.

The annual premium payments on all of this in 1973 totaled $[illegible],000,000.00. This added to investment income from our investments of $16,085,000,000.00 provided a total income of $[illegible],000,000.00 to our insurance companies. The total benefits

paid out in 1973 were $20,312,800,000 so our companies accumulated a considerable surplus cash.

These funds were invested along with those from previous years to create a year end reserve portfolio as follows:

Government securities	11,403,000,000
Corporate bonds	91,796,000,000
Corporate stocks	25,919,000,000
Mortgages	81,369,000,000
Real estate ownership	7,693,000,000
Policy loans	20,199,000,000
Misc.	14,057,000,000
TOTAL	252,436,000,000

Most of these figures speak for themselves but we would like to break down the mortgage total:

67% commercial property or apartments	54,517,230,000
25% one to four family residents	20,342,250,000
8% farms	6,509,520,000
	81,369,000,000

The trend in one to four family mortgages has dropped from 40% in 1960 to 25% today. While commercial and apartment mortgages have risen from 33% in 1960 to 67% of total mortgage investments as of 1973. This trend has made it much more difficult to become a home owner in our society.

We see no reason why cooperative associations of neighborhoods should not be able to compete for these commercial mortgages as well as the corporate bond money and give themselves and their members a chance to own and develop their neighborhoods.

We should not blame the managers of our insurance companies for this situation. We have given them the job of investing our reserves so as to make the greatest possible return with a minimum risk in order to cut our cost of insurance. Since individuals and neighborhoods are not as good a risk, nor do they pay as well as commercial organizations, our insurance fund managers have not loaned our money to them.

The managers of our insurance companies have done a good job with our reserves. 25% of total insurance income is from investments so our premium cost is only 75% of what it would be without these earnings. So, if we do not want to raise our insurance premium costs or reduce our coverage, we will have to pay market rate for our own money if we want to use it.

We won't go into the details of this here, but we can well afford to pay the price when we consider the tax advantages, capital gain potential and social benefits of cooperative community development.

The same conditions apply to any other market rate money we might seek so we want to list here the main sources of capital funds in this country according to the 1974 life insurance fact book. Your prospects for financing neighborhood activities will come from the following:

Life insurance companies	15,400,000,000
Private pension plans	7,300,000,000
State and local retirement funds	8,200,000,000
Savings and loan associations	26,800,000,000
Mutual savings banks	5,600,000,000
Commercial banks	71,000,000,000
Federal Reserve banks	9,200,000,000
Federal loan agencies	11,000,000,000
Trust funds	−(2,500,000,000)
Fire and casualty companies	6,600,000,000
Finance corporations	25,000,000,000
Investors	6,000,000,000
Individuals and others	21,200,000,000
TOTAL 1973 INVESTMENTS	210,700,000,000

This indicates what's available, so if we do not go get our share for our neighborhoods and ourselves, we have no one to blame but ourselves.

The details of this whole situation is spelled out in the following figures on our collective savings accounts as of year end 1972 from published reports by The Savings and Loan League and the Institute.

Savings and Loan	$207,300,000,000
Mutual Savings Banks	$ 91,300,000,000
Commercial Banks	$276,100,000,000
Credit Unions	$ 21,700,000,000
Life Insurance Reserves	$203,600,000,000
TOTAL	$800,000,000,000

The figure above does not reflect our personal or commer[cial] checking accounts, shares of stock or cash equity in our homes personal property but only individual or corporate savings which [can] be invested for long periods of time.

The greatest majority of these savings are owned by individua[ls] but conversely, most of the funds are used to finance commer[cial] activity only because we are not organized to use our own money

If we loaned the above savings to 40,000 potential develop[ment] neighborhoods of 5,000 people each, which would cover the [entire] country, this would provide each neighborhood with $20,000,[000] and each family of four people with about $16,000 in funds [with] which to finance a place to live. With this kind of capital base [and] little leverage we can go a long way towards making our neigh[bor]hoods better places in which to live.

The point we are trying to make here is that we are collect[ively] very wealthy and, if we use our wealth wisely, we can make [the] country even better than it is. We have no one to blame but [our]selves for our situation since we have the money, but we have [not] organized ourselves so we can use our savings. Instead we [have] turned them over to others to manage for us.

Again, we cannot blame the people who manage our [peoples'] savings and loans and insurance companies. They are required [by] and ethics to protect their depositors' (our) investments and [to] to use peoples' savings in such a way as to satisfy them [in] cases liquidity is the first criterion, security is second, [profit] investment is third, capital gains are fourth and tax shelters [are] These priorities may vary with each investor's financial [situation] but people who let others use part of their savings want [some] benefits, if they can get them.

Brigham Young University

We believe that the program we will outline here will appeal to many different investors for many different reasons, and we intend to work with all the existing financial institutions to create other investment opportunities in our neighborhoods that will meet their investment criteria.

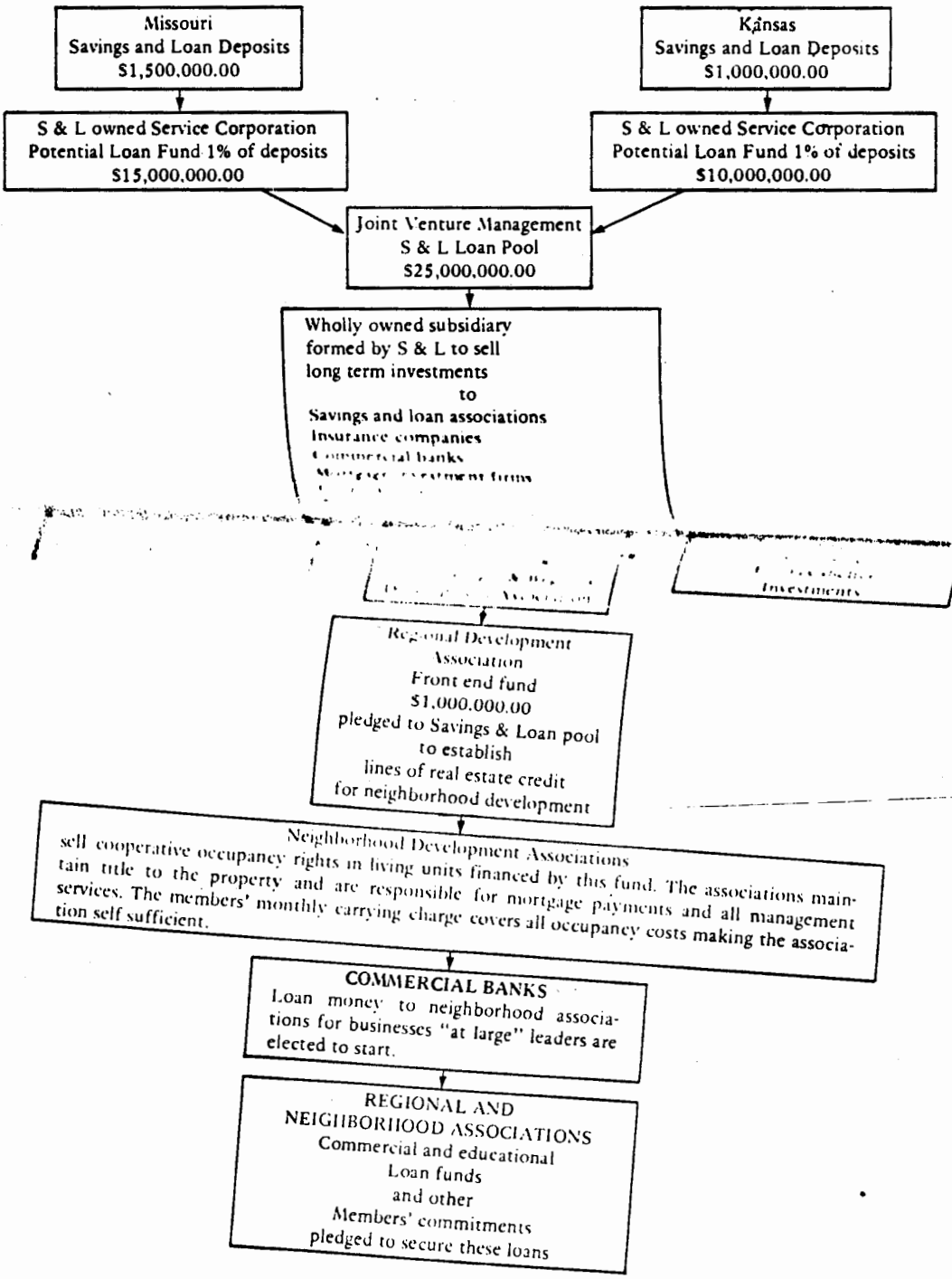
We believe that any soundly financed, well-managed neighborhood development association will be able to arrange financing as easily as any other business, hospital or city.

The material in this chapter is something that everyone in the neighborhood should be aware of, but some of the more technical aspects do not lend themselves to general discussion among people unfamiliar with or responsible for financing.

We suggest that you present appropriate parts of the section to the various operating committees for discussion and arrange for those people experienced in financial management to be on hand to answer questions, give their reactions and make suggestions.

The financial structure chart on pages 98-99 provides a good overview on how the financial community fits into our overall system. It can be used to outline financing sufficiently to satisfy peoples' need to know where the money comes from.

COOPERATIVE COMMUNITY DEVELOPMENT
FINANCIAL STRUCTURE
KANSAS CITY, MO./KS. REGIONAL AREA



REGIONAL DEVELOPMENT ASSOCIATION REAL ESTATE INVESTMENT FUND

The purpose of this fund is to create a pool of front end money that can be used by the regional's neighborhood development association members to help establish real estate mortgage credit with local savings and loan associations and other lending institutions.

The existence of this fund and the regional management expertise that will be assembled to administer it will provide neighborhood residents throughout the entire metropolitan market area with the confidence and the means to establish their own neighborhood development associations. The management of the regional association and this fund working for the member neighborhood associations will be able to multiply the original funding many times through normal real estate leveraging procedures.

The allocation of the original front end funds will be directed towards financing neighborhood owned housing for cooperative occupants. This will not only establish the association's credit but will also enable each cooperating neighborhood to provide its share of housing opportunities for low income people. It will, however, also allow the neighborhood to offer housing at market rates to those with sufficient income, so the area will not become a low income ghetto.

Investments in this real estate fund will be used to purchase long term (5 to 10 years) certificates of deposit in cooperating savings and loan associations or other financial institutions. The title to these deposits will remain with the investor and the income from the deposits will accrue to the investor unless that investor chooses to make some of the income available to the regional development association.

The investor will agree to pledge his investment to various lending institutions as additional security for loans on property owned by the neighborhood associations and occupied cooperatively by association members.

The regional association will be authorized by the investor to negotiate the terms and conditions of these pledges with the lending institution, the occupant, the neighborhood association, and the primary

Seabot Hyde Nuss

institution, with the understanding that the investment subordinated will at all times be secured by a second mortgage on property owned by the neighborhood association in addition to being insured by the institution at which the C.D. was purchased.

The basic guide lines for establishing a neighborhood development association are that it use the regional's "not for profit" corporate form and that a pre-determined percentage of area residents agree to join and do what is outlined in the membership agreement. The degree of resident participation will have a lot to do with the establishment of their association's credit.

The percentage of resident membership and the amount of local participation required in a neighborhood association's real estate investment fund will vary from area to area, depending on the local risk and various other factors. This will be negotiated by regional and neighborhood association and the primary lending institution.

The primary sources of mortgage money will include the savings associations and a service corporation that they will form, and commercial bank mortgage funds, tax-free state bond property occupied by low income people, and eventually tion in limited liability partnership tax shelter investments. will be used for rehabilitation or new construction in the neighborhoods.

S/L service corporation that will be formed will not only pool of S/L funds for "medium" risk loans, but will also the fiscal manager of the regional and neighborhood real under contracts that will cover the administrative costs

ing of funds and management efforts as outlined here cal documents and operating guidelines should multiply investment funds many times over as this program the regional and neighborhood association's equity and increases.

neighborhood member will have a regular account in ing savings and loan association and some will also certificates of deposit which will be pledged to help neighborhood association's line of real estate credit and

since the savings and loans are owned by the depositors, it stands to reason that the S/L management would be more than willing to work with their owners, if the loans requested meet sound banking criteria for security and return on investment.

This same kind of "I scratch your back, you scratch mine" business logic will apply to the cash reserves created by our insurance premiums and our commercial bank savings accounts, if we organize our neighborhoods so that they can do business with the organizations to which we entrust our savings.

Now let's take a look at how a commitment by about 5% of the people in a neighborhood can be leveraged into a large enough sum of money to start a neighborhood development business.

Our regional association will work with individuals, organizations or institutions in a given neighborhood to help them explain the program to area residents but the responsibility for signing members rests entirely on the local people. Nothing happens until the people living there make it happen.

Once a predetermined number of members have joined the autonomous neighborhood association will be formed and the regional will pledge a predetermined amount of money to help the local association establish a line of real estate credit. This money will be pledged to a service corporation that has been formed and owned by the savings and loan associations in our community.

Each savings and loan association who chooses to participate in this neighborhood loan pool can legally invest up to 1% of its assets in the fund which will be managed by their service corporation. In our community this pool could amount to over $25,000,000.00 since the S & L's total assets exceed $2,500,000,000.00 In addition to this any other individual, company, institution or financial organizations such as commercial banks and insurance associations can invest in a subsidiary pool the S/L service corporation will manage. This will give everyone an opportunity to participate severally and profitably in our community development program.

The neighborhood association will be able to use the funds pledged by the regional several ways.

First, it will ask the savings and loan service corporation to establish a line of credit based upon a pledge of this front end money

number of members it has signed up. This should amount to at least ten times the funds pledged.

Second, it will go to the state housing development corporation and get a commitment for some tax free bond money to finance houses for low income people, based on what it already has.

Third, since it now has an established line of real estate credit and various degrees of commitment from area residents it will approach H.U.D. or any other mortgage holder or absentee owner and offer to purchase or assume management control of any property available in the neighborhood.

If the neighborhood is deteriorating, it is quite possible that H.U.D might even give its houses to the neighborhood and since the association is "not for profit" it might also receive property from individuals as a tax deductible gift. Even if the association has to buy houses "as is" at market rate, the fact that it will acquire and resell of them or be able to build new facilities on open ground will enhance the value of all the property in the neighborhood.

Since the association will maintain title to all of the property it owns any increase in value will enhance its asset to liability ratio and increase its borrowing capacity. The same benefits will also accrue to all the area property owners, not just the members of the association.

At this point, maybe even before the first acquisitions actually occur, the association will be viable. It will now go back to the residents seeking more members and investments in the neighborhood development fund. The more commitment the local people show, the more credit worthy their association becomes, the more they do and the more everyone living in the neighborhood benefits.

Assume that by the time these original front end investments and the overall operation will have established a credit base that will allow the primary lending institutions to rescind the second mortgages and return the funds to the original investors or reinvest them to some other project with the approval of the investor at the request of the regional association.

Our goal is to accumulate $250,000.00 the first year, an additional $250,000.00 the second year, and $500,000.00 the third

year in our real estate investment fund.

This will be sufficient to support the start up of at least 100 rur suburban and inner city neighborhood development associations the metropolitan market area of Kansas City, Missouri and Kan over the next few years.

There are over 250 foundations in our community with to assets of about $200,000,000.00 so we are only seeking to use of 1% of their assets to help us establish our credit. You'll find have a similar source of such funds in your community too.

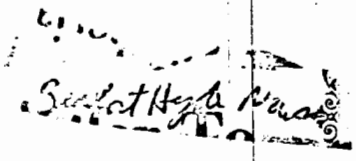
The "front end" second mortgage money raised by the regi through its real estate investment fund will be used as a catalyst encourage people living in neighborhoods to organize their development association. This front end money will also stim social responsibility by the neighborhood association, since a part of it will be allocated towards providing neighborhood ho for low income families and other people needing social suppor

The dispersal of "different" kinds of people in neighbor will give all of us an opportunity to see how others live and widen our social awareness of the alternatives available to us time, this should reduce or completely do away with our n "welfare" as it is now administered since the neighborho always need and be able to pay for services that can be pro those people who are currently "unemployable" in the marke but who are willing to work themselves out of poverty.

Fair Housing guidelines will be referenced in all the le ments, but this will be an unnecessary formality, since the n hood will need and seek as wide a variety of people as pos efforts to develop a cosmopolitan community that w many diverse experiences and opportunities to serve and b for everyone in the neighborhood.

Every individual will have roles to play and contributions to the neighborhood and will be recognized for these personal level by his or her neighbors.

Each neighborhood association will hold title to manage any property it acquires and in which it sells occupancy rights to one of its members. The cooperative contract will be somewhat similar to a leasehold agreem



will spell out the terms and conditions for payment and the members' and associations' occupancy and maintenance responsibilities. These will basically be that the association will be responsible for exterior and structural maintenance and the member occupant for interior and operating maintenance.

The legal form of this cooperative occupancy agreement is quite similar to those currently being used by various cooperative apartment projects. It will not only spell out the legal responsibilities, but will also outline the rules of courtesy established by the neighborhood association. Outlines on this were provided in Section III.

Once a living unit has been acquired and rehabilitated or a new constructed, an association member will be able to purchase a operative occupancy right in the property for the association's which will include "volunteer" labor time. Anyone wishing to member, but hold title to the property, will have to pay "market for the property. In other words, the neighborhood association to make a profit on any real estate it sells outright and will profit to finance other neighborhood improvements or

association will only be responsible for financing cooperaoccupied living units, even though it may co-sign notes for buying some of its property outright. The association will to obtain as close to 100% financing over as long a term as is on each property it owns that is to be cooperatively by its members.

strive to offer its members cooperative occupancy rights payments of 5% or less and monthly payments which will principal, interest, fire insurance, extended coverage, mortance and maintenance at below-market costs. This can be extending the mortgage and payments over a longer period monthly payments made by cooperative occupants will management fee which will provide cash flow to the neighassociation.

pancy agreement will require an annual review of the and an adjustment in monthly payments based upon

Since the interest rate manipulations and money policies of the Federal Reserve Bank make long term loans at fixed rates of interest impractical, the cooperatively owned neighborhood property should be financed on a fluctuating interest basis. Regular monthly payments by cooperative occupants could be maintained but the amount applied to interest and amortization of principle on the association's loan could be varied. In other words, if the term and interest rate on the association's loan were variable, the occupants minimum monthly cost would be kept stable and as low as possible

If individual occupants wished to, and were able to pay more than the association's minimum monthly cost, their excess payments could be invested in the association's revolving fund where it would earn interest at exactly the same variable rate that the association had to pay. In this way the occupant could pay off the ownership cost of his living unit at his own rate. Once this was done his occupancy cost would be reduced to cover maintenance, insurance and management services. These pre-payments would also provide the association with additional operating capital.

Since the mortgage money will be loaned to the neighborhood corporation instead of individuals, this will get around the usury laws that cause so many problems.

The association's members will have the following benefits of ownership with the purchase of cooperative occupancy rights:

1. The taxes and interest included in their monthly payments will pass through as personal tax deductions to them.
2. The equity that accumulates plus any increase in value will accrue to the members. At the time the members move and sell their cooperative occupancy rights back to the association, they will receive 95% of the market selling price, less whatever is still owed on the property. This is at least a 1% savings over normal real estate sales costs.
3. The members will have the right to leave their cooperative occupancy rights to their immediate family members with the stipulation that the new occupants become members of the association or to designate the heirs to whom their equity is to be paid at the time of their death.

Cooperative occupancy rights give the members all of the advantages of ownership without any personal liability, since the property will be "owned" by the association, it will also owe the mortgage, and will have to assume the responsibility of re-selling the property when the members leave. The actual financial risk on individual living units will be as follows:

1. The first money risked will be the member occupant's down payment and equity accrual.
2. The second risk will fall to the mortgage insurer which may be private or government, depending on the neighborhood and the occupant.
3. The third money risked will be the second mortgage funds put up as credit security by the regional at the time the neighborhood association was formed.
4. The fourth money risked will be any funds committed from the neighborhood investment fund.

The final risk will belong to the primary lending institution. In addition to these legally documented risk responsibilities, the primary lending institution and all the other organizations sharing in the risk will have the additional security of association membership commitments by area residents. It stands to reason that the more members a given association has, the more viable the neighborhood will be. This will reduce the risk to all concerned and is something every people living in any neighborhood can do for themselves.

Many associations will use this financing technique on all market rate loans with savings and loan associations, insurance companies or commercial banks. In addition to this, the neighborhood association will have an opportunity to use certain funds provided by the local association and designated by the front end "granting" agencies to arrange financing for housing for some low income people in the neighborhood. The primary lending institution in this case a state or federal agency that has tax free bond money available for such financing or it might also be a service corporation that will be created by the area savings and loan associations to handle higher risk loans.

In any case, the regional and neighborhood associations will provide as much security as possible not only with deposits

and down payments but by obtaining rent supplements and providing work and social support for the low income families moving into the area. In this way, each neighborhood can help some low income families raise themselves up to self-sufficiency without having to provide for them out of their own funds.

The fact that these low income families will be expected to be contributing members of the association who are buying their own houses and not just welfare cases should have a profound affect on their attitudes and participation.

The savings and loan service corporation which will provide some of the financing will also serve a fiscal management role in this entire effort. It is our intention that the S/L service corporation will be the depository for members' payments for each neighborhood association, and will thus be able to provide accurate records and act as a third party collection agency. We intend to cover the costs the service corporation incurs in providing this service in our financing arrangements.

We also foresee the regional association or the service corporation acting as a general partner in a limited liability partnership, to provide tax shelter investment opportunities to those interested.

In addition to the financial arrangements outlined above, the neighborhood associations will attempt to obtain control of property in their areas through leases with options to buy, contracts for deeds, management agreements, or any other possible way.

They will as a matter of policy make people who are selling their homes aware of the tax advantages of leasing them to the association for a long enough period of time so that the depreciation can offset any capital gains and then selling them at the break even point.

The association will use all of the tricks of the real estate trade that will benefit its members individually or collectively. The long term advantages of cooperatively occupied, neighborhood owned houses will be that once they are paid off, the occupancy costs will be reduced to cover maintenance and replacement reserves only. This will offer your children as long term members an opportunity to purchase cooperative occupancy rights at these very reasonable rates in your neighborhood when they leave home. Since their costs will be much higher if they move out, this will tend to stabilize

the area or make employers pay the cost of uprooting families, if they want them to move.

Conversely, any newcomers will pay market rate for the living unit occupied and since the houses will not have to be refinanced, these payments will provide capital for other neighborhood development projects.

The following is the financing cost on a $10,000.00 house that lasts 100 years and is bought and paid for 5 times at 6% interest.

$71.65 monthly x 12 months	
$859.80 yearly x 20 years	$859.80
$17,196.00 payout x 5 owners	$17,196.00
	$85,980.00

In a cooperative community this will only have to be done once. It would save $68,984.00 in living costs over the 100 year period. Only this times the 1000 houses you have in your neighborhood and you get some idea of what you will be able to leave to your children.

Another benefit is that the replacement or insurance reserves set up by the neighborhood association can be invested in other neighborhood improvements to enhance your area's value even more.

Now let's move on to how you can arrange financing for other non-commercial activities.

REGIONAL COMMERCIAL LOAN INVESTMENT FUND

The purpose for this fund is to provide the risk capital needed to start any commercial ventures that neighborhood residents or electing "at large" leaders on the basis of some program outlined.

The administrators of this fund, plus the community advisors and the "at large" leader would discuss the program which is presented and arrive at the amount of neighborhood support, the capital requirements, and a three year operating

Once this has been decided and written up, it becomes the platform with the "at large" leader runs for election. In other financial and operating base are determined in advance

and the individual who wants to run this business or provide the service must sell his idea to enough neighborhood residents to assure a fair chance of success.

The new venture will not only be organized soundly in advance but the "customers" will be signed up ahead of time by voting for this project.

It is quite possible that those voting for the project will be required to commit some of the front end capital in the form of revolving fund investments or certificates of deposits before the commercial loan funds will be committed.

We intend to build this fund in exactly the same way as we built our real estate and education funds. We will seek individuals or organizations who will purchase certificates of deposit in cooperating commercial banks or buy long term debentures issued by the neighborhood or regional associations.

The title to these funds and the income from them will remain with the investor. The investor will, however, allow us to pledge these funds as additional security for any commercial loans made to our neighborhood associations.

The pledge will be approved by the regional association after the loan by the lending officer at the primary financial institution after the people in a neighborhood have elected the "at large" leaders for the particular program and fulfilled any other obligations that were outlined in the original plan.

Notification of the pledge of the grantor's certificate of deposit or debenture will be sent to the investor along with a description of the program being financed.

These pledged front end funds can also be considered as [illegible] sating balances by the commercial bank, these balances may be used by the bank as reserves for borrowing about 7 times as much as the amount of the deposit from the Federal Reserve Bank. This amount can in turn be loaned to the neighborhood association without hurting the bank's position if the loan made is credit worthy.

Using this approach your association or the interested [illegible] only have to raise 1/7 of the amount of money needed to start commercial activity assuming of course that your association has a good credit rating.

Sec. of Hyde Park

We intend to use this fund to revitalize commercial activity in older neighborhoods and to create income producing opportunities, [illegible]ing-cost reductions and self-supporting neighborhood services as outlined in several of our operating committee guidelines.

We also intend to use our real-estate loan fund to acquire commercial property to house these commercial activities. We see neighborhood-owned commercial property and cooperatively-owned "not for profit" neighborhood businesses as another key to neighborhood stability and self-sufficiency. Over the long term these facilities and businesses should provide a cash flow that can sustain neighborhood sponsored social services or stimulate matching fund contributions from private foundations or various government agencies.

All of these activities will increase the value of the property in the neighborhood as well as making it a better place to live.

The following form letter should be very effective if you can get [illegible] your neighborhood members to send it to the banks, savings [illegible]tion associations and insurance companies where they have accounts and then have your financial committee follow up the responses.

[illegible] PRESIDENT
[illegible] S & L or Insurance Co.

[illegible] are writing to advise you that our neighborhood has formed a [illegible]ment association and that we have joined it as a member

[illegible] we have had a savings account (or life insurance policy) [illegible] organization for many years, we would appreciate it if [illegible] consider financing some of our association's activities.

[illegible]re you that we are organized in a businesslike way and are [illegible] anything other than a mutually profitable and well [illegible]ncial arrangement.

[illegible] please advise us as to whom we should contact in your [illegible] so that we can explain what we are trying to do and see [illegible] way we can work together.

[illegible] your cooperation.

Sincerely,

THE FOUNDATION FOR THE FUTURE FUND
COOPERATIVE EDUCATION
INVESTMENT FUND

The Foundation for the Future Fund will actually be our coop- ative savings account and it will also be the connecting link amo the neighborhoods on a regional basis, the regionals on a natio basis and eventually on an international basis.

If over the next few years we can start a regional in each of 50 metropolitan market areas in our country and if each regional helps 20 neighborhoods of 1000 members get organized, our co tive savings of $1.00 per member will accumulate at the rat $1,000,000.00 per year.

If we can start building a **Foundation for the Future** that keep growing like this, we should not only be able to build what we need and want but we ought to be able to help peop other parts of the world start helping themselves too.

We will use and multiply these $1.00 annual membership butions several different ways.

First, the $1.00 contributions to the Foundation fro neighborhood will be deposited in one or more foundation a that will be opened in local commercial banks or savings and that are cooperating with that particular neighborhood. We that this money, even though it belongs to the Foundation, w in the neighborhood where it can be used as a compensating ba for neighborhood borrowing.

Second, we will be able to use this capital base to guaran either in the contributing neighborhood or to help other hoods or regionals get started.

Third, we will also be able to use these funds to matching contributions from other foundations, corpo government agencies and individuals.

Fourth, the interest income from these funds will accr Foundation and will be used to pay the operating ov Foundation which will in effect be our national and cooperative education association.

In addition to the economic activities just described the Founda- on for the Future will be responsible for facilitating communica- on among regional and neighborhood associations and "selling" the a of cooperation to the general public.

In order to carry out this responsibility it will have to assemble ople who will be able to develop, test, publish and distribute cational material (including audio/visual as well as printed) that make people aware of the benefits they will receive if they lop their neighborhood into a cooperative community.

It will also be responsible for arranging for publication of "how t" manuals that will be written around the success stories of es in individual neighborhoods. In this way each small group perators who succeed in doing something for themselves can their idea with people everywhere.

We are proposing the creation of a cooperative form of capitalism neighborhood level, similar to what the farmers did to solve blems several generations ago.

mically self sufficient neighborhood associations should be uctive addition and an effective counterbalance to the rces in our society.

erative capitalism should provide a more equitable sharing of benefits among individuals, as well as improving our social ps

lieve that it is more appropriate for today than the individu- competitive form of capitalism we are currently using. ing capitalists will need a practical, pragmatic, pioneer- of mind and a sharing, cooperating set of social values. way we can create a cooperative society is for all of us ning how to do this together now, and to continue e process unfolds.

d to work through and with the existing educational each people the cooperative way of living and doing

e that if people created an extended family neighbor- ty that was able to provide both financial and social would give each individual additional confidence and

the opportunity to do more than just provide for his or her own needs.

Our three main approaches to the educational aspects of the program will be through community education, mass media and credit courses at the senior high and college level. They will work as outlined below.

COMMUNITY EDUCATION—We will work with the community junior colleges, university extension divisions, community schools and other adult education programs to offer self help learning experiences.

We intend to publish material in pamphlet form that can be used by qualified conveners or interested people at the neighborhood level to stimulate discussion and start organizational efforts.

We expect these community education activities to be self-sustaining. We see no reason why those participating should not pay the cost of learning, since they will benefit in dollars as well as improved living conditions from what they learn.

MASS MEDIA—We intend to assemble or create a series of television shows that document what is already being done successfully by cooperating people in various communities in this country and other parts of the world.

We also intend to document the "before and after" effects of cooperative community development in our local "test" neighborhoods.

We will develop reading material that ties into these documentaries and stimulates discussions among viewers in the home or elsewhere after the program has been seen.

This material will be designed so that it can be used as a script, run as a newspaper series or passed out to people interested in the idea.

We intend for local church groups and other neighborhood organizations to use this multi-media offering to sponsor neighborhood viewing and discussion sessions as a means of organizing local community development association.

This documentary viewing/group discussion program will enable us to share what we develop with people in other metropolitan areas and hopefully encourage them to start developing their own

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communities. We see no reason why this could not also be a self-sustaining program.

These programs could be sponsored on commercial television by like-minded stations and business organizations who could share the cost by advertising. The sponsors could draw traffic to their locations by giving away the discussion material which could be associated with their message, or they could get it distributed to people through their neighborhood organizations. This should make an ideal public relations program for any lending institution or other organization that is interested in doing business with the neighborhood stations.

The programs could also be offered over public television, with discussion material printed in the newspapers. Both media could request donations to cover the cost of making it available. This program might also be sponsored by civic, religious or neighborhood organizations who could arrange viewing and discussion sessions and charge admission to help cover the costs involved.

We also intend to get quite involved in at least the public access channels of cable T.V. More details on this are provided under the viewing guidelines for the education committee in Section VI.

CREDIT COURSES—We intend to work with the professional people in our community to develop undergraduate and graduate courses in neighborhood cooperative management.

We feel that what needs to be taught is already being offered in the departments of business and public administration, sociology, psychology and education. We are proposing the creation of an interdisciplinary program using these courses plus cooperative principles as a learning foundation and a future orientation as a stimulant. The educational process we are proposing will not only teach the principles of sound business management and effective group process but will also attempt to instill a cooperative attitude of mutual support in those taking the course.

We feel that students of cooperation could gain experience and receive course credit for sharing what they are learning with people in the community by using our "dialogue" method and participating in an outreach or extension program.

This process will stimulate the formation of more neighborhood associations and thus create a demand for professionally trained managers. The students, in effect, will be creating their own jobs and also helping to build the demand for the courses offered by the educational institutions. This will open up an entire new vocational field that should appeal to individuals who want to do something about things, but do not know how.

We foresee a cooperative community, sponsored by the students working for the degree, developing around each college campus where the degree is being offered. This will provide a cooperative living experience as part of the educational process and enable the students to learn by doing, as well as in theory.

We intend that these credit courses will also be self supporting in time, since any new course material that develops out of our contracts with the colleges or individual professors, will be published and distributed to other educational institutions by a publishing association which we will operate as a "not for profit" producers cooperative.

Part of this association's income will be shared with those who contribute to the development of the educational material. Some will go to The Foundation for the Future Fund to help spread the idea, and the balance left after financing, production and distribution costs will be used to continue the research and development of educational processes, that will enable people to practice cooperating while learning about things that interest them. We plan to provide scholarships for the training of managers from this fund.

We will not hire educators or contract with educational institutions and pay them in advance for helping us develop courses, educational methods or material. Instead we will pay them on a royalty basis from the sales of the material they develop. We will, however, provide funds for out of pocket expenses during the development stages.

We will budget production and marketing costs and estimate potential income for each contractual program. This will require that we determine in advance what people need and want to learn in order to cooperate more effectively in specific areas

We will also have to determine the market potential; that is, how many people will pay what amount to learn this. In order to do that, we will have to determine the financial and social benefits of learning this particular thing. We then intend to merchandise the tangible benefits of our cooperative approach to the learners.

In addition to educational contracts, we will solicit ideas and materials related to the cooperative educational field from individuals or organizations, and publish these when developed. We will also act as a distributor for cooperative material published by other organizations.

We intend to use a financial technique similar to our real estate commercial investment funds in this program. We are seeking individuals or organizations who will invest in 5 year certificates of deposit from commercial banks who agree to cooperate with us. The assets and the income from them will belong to the organizations making the investment. These funds will, however, be pledged by the organizations, as security for loans related to our publishing activities that will be made by the bank which holds the deposit.

Once the lending officer approves our association's loan, the bank will advise the "granting" organization of the assignment of its deposit. If the lending officer has any doubts about a particular association requests, he will have the right to discuss it with the "grantor" privately or arrange a conference among all concerned.

We believe that combining this kind of financial control with production and marketing planning will force us to use our limited resources to develop only what is needed and can be used.

We have not developed any detailed budget for this program since each project will be budgeted and financed individually, and all funds will be provided on a sharing of the income basis, so we will have no fixed expenses. The management, administrative services and office space for this activity will be provided by our regional and national associations.

We have set a goal of $100,000 in certificates of deposits for this program. These investments can be made in any amount at various banks at the option of the "grantor". Our association will be expanding these funds to the same degree as our other commitments as our organization develops and our assets and

credibility increase. We should be able to secure any loans need
with our inventory of published material and our operating histo
within five years so the certificates of deposit can be released
security by the banks and the funds returned to the "grantor".

Now let's take a look at how you might operate the finan
committee in your association.

FINANCE COMMITTEE OPERATING GUIDELINES

Since this entire neighborhood development program will b
"do it yourselves" cooperative effort for your own good, the fina
committee will be responsible for raising enough capital from pe
in the area to indicate to potential lenders that the local people h
confidence in their ability to do the job and in the neighborhood

Since local property owners, especially residents, probably
their single largest investment in their home, it stands to reaso
they should protect this investment with one dedicated to impr
the neighborhood and thus their personal property. No other
ization should be asked to give or loan their funds (or funds
hold for others) to an association whose members have not
sonally committed some of their funds, as well as their efforts

This should not be as difficult as you think. Any good fund
knows people want to be sought after and asked to participate
want to be a worthwhile member of a worthwhile group by
nature.

All you have to do is make your neighbors aware of what
trying to do and ask them to participate. You should start
finance or fund raising committee members first and then
list of neighbor prospects in order of their potential ability
in your neighborhood. You should not be afraid of asking
much; that's a compliment. Asking for too little is an insult

We won't go into the details on fund raising here. There
good books on the subject plus many good fund
neighborhood. We suggest that you find them and put
They are just waiting to be asked.

It is anticipated that the association's members' original invest-
nts will be made by purchasing savings and loan certificates of
posit from "cooperating" S/L associations, and "subordinating"
m to the association's real estate loans. Later the neighborhood
create its own revolving investment fund.

These long term investment commitments by area residents to
neighborhood will be an indication of their confidence in the
hborhood and themselves and they will be "leveraged" or
tiplied" many times over, as outlined previously.

If any association member simply does not have the cash to
but still wants to contribute, that member may sign a
antee" for a specific amount. This "guarantee" will be the
dual's promise to pay the amount indicated or a proportionate
of that amount, if the association is unable to do so when its
comes due.

front end fund will be the finance committee's primary
bility. It will be a continuing function, since new financing
eeded for a considerable period of time.

probability, several different revolving funds will be created
programs as they develop.

specialized funds will be created by those interested in the
project, but all should participate in the association's real
volving fund to the full extent of their ability.

uld be the best investment members could make, since it
only provide income but will help improve living conditions
ery value in your neighborhood.

committee will also be responsible for reviewing and
the budgets for programs proposed by the operating com-
for helping them to raise the long and short term
eeded to implement them on a sound basis.

work through and with the regional association in this
arranging financing for its member neighborhoods will
regional's main responsibilities.

committee will be the focal point through which all other
with financial resources and through which those
with the operating committees. Its purpose is to act as
finance comptroller who wants to help make things

happen, if feasible, but does not want to over extend and thus ru
the entire effort by moving too fast.

Financial stability and good management is what establis
credit, and it is this committee's responsibility to make certain th
the association has a credit rating that will enable it to develop th
neighborhood on a sound financial as well as social basis.

Since financing is based on the lender's confidence in th
borrowing the money and the cost of financing is based on
amount of risk involved, it will be this committee's responsibility
present accurate and positive projections to the lending institu
and then to make sure that the budgets are maintained. It w
effect play the role of lender in relation to each committee's req
for funding, prior to presenting said request to a lending institu
It will, however, be the individual committees who must decide w
they want to do, estimate the cost, and budget the cash flow.

Once the finance committee and the specific operating comm
have agreed on the program, it will be the finance comm
responsibility to help the sponsoring committee seek funding
best possible cost.

Each program must stand on its own merits and pay its own w

The committee will also be responsible for arranging shor
consumer credit for members in need. It might do this th
neighborhood credit union or through working out a note c
ment program with local banks or the local savings and loa
ciation.

We see no reason for creating separate financial institu
satisfactory arrangement can be arranged with an existi
Again, any member's loan must stand on its own merit bef
committee will help the member arrange for it. This per
situation is one where the members "labor bank" time cred
be taken into consideration.

Basically this committee's function will be to make c
all activities are soundly financed at start up, and are th
managed on a financially self-sustaining basis. No ne
financed program is to be based on a "continuing grant"
even though one may be used at start up.

This brings us to this committee's role as reviewer of "grant
requests" for operating committees. Each committee will be respon-
sible for seeking its own grant sources and for preparing the grant
request. The finance committee will review and endorse such
requests when approved, and will provide what it can to help the
committee. But it will not do this job for them.

This committee will be responsible for seeking donations from
individuals or participation in any "United Fund" type program for
which the association or any of its particular activities might qualify.
Since the association will qualify any donations received as a tax
deduction, the finance committee will be responsible for seeking
donations of cash as well as property.

It will no doubt act as executor of trusts established by members
of the program develops.

Since the entire development program is based on the associa-
tion's cooperative ownership of real estate and the market rate
leasing of all activities which will require efficient and professional
management, this committee will be vital to the success of your
neighborhood development business.

RECORDS LABOR BANK COMMITTEE OPERATING GUIDELINES

The committee's responsibility will be to establish and keep track
of time members voluntarily contribute to the neighborhood
"labor bank", all developmental and maintenance costs on associa-
tion property, plus any other records.

The committee will be responsible for being aware of develop-
ments in all types of data processing procedures and for using the
most cost beneficial time/cost methods of record keeping. It's
possible that manual record keeping which provides some
employment to area residents, might in the long run be the most
beneficial approach.

The committee will also act as the neighborhood historical and
research society. In this respect it will be involved in establishing
records related to environmental problems in the neighborhood.

It will work closely with all committees to make sure that adequate records are kept and it will act as the auditor of such records.

It will be responsible for evaluating the effectiveness of all of the volunteer or paid labor done by the area residents and for assigning a monetary value to these efforts if possible. This contribution of labor will actually be "capitalized" and used as part of the neighborhood's assets when negotiating for additional financing. Volunteer time will include all kinds of physical "barn raising" type labor, plus service on committees or in any other official neighborhood activity.

Volunteer work done on property that is later sold outright or cooperatively will be added to the "selling price" of that piece of property. This may equal or be part of the down payment on property to be acquired by new members, but it will eventually be paid for by those using the facility. The volunteer time contributed by each individual member and his family will be credited to their "account" in the labor bank.

Any volunteer "time help" members receive from others for work around or on their property which increases its value will be deducted from their account.

The balance of their account which will be recorded in "time" not dollars, will be considered as a personal asset and will be taken into account at the time they choose to sell their property to the association.

This asset can also be used by the member as collateral for borrowing purposes when dealing with the neighborhood credit union or for other neighborhood endorsed loans that are obtained.

The actual dollar worth of volunteer time credited to individual accounts will be recommended by the committee and approved by the board of directors periodically. The federally established minimum wage should be used as a guideline.

Labor bank credits will not be considered as contingent liabilities by the association, in that they will only be paid if the association is able to pay at the time the member leaves.

An awareness by all residents of the total time volunteered by individual members as well as the grand total should not only give recognition to those contributing, but should tend to

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value that area residents and other prospective members assign to the neighborhood. These totals will also act as a basis for judging the time/cost effectiveness of the members' collective efforts.

We eventually see this labor bank developing into a labor sharing arrangement among members that will reduce the dollar cost of living in the area, yet increase the services available and thus increase property values and the feeling of community. This committee will be responsible for helping to develop the procedures to accomplish this.

REGIONAL DEVELOPMENT ASSOCIATION
PROJECTED OPERATING BUDGET

INCOME	1st year	2nd year	3rd year
Membership fees	500	1,250	3,500
Interest income 1% on real estate fund	2,500	5,000	10,000
Real estate commissions	3,000	9,000	15,000
Literature sales	250	500	1,000
Meeting fees	250	500	1,000
Contributions	5,000	10,000	20,000
TOTAL PROJECTED INCOME	11,000	25,250	40,500

OPERATING EXPENSES*	1st year	2nd year	3rd year
Regional manager	5,000	11,750	13,[illegible]
Administrative assistant	-	-	8,[illegible]
Secretarial	1,000	5,000	6,[illegible]
Employee benefits 10%	-	500	1,[illegible]
Office rental	donated	donated	don[illegible]
Utilities	donated	donated	don[illegible]
Telephone	500	500	[illegible]
Office supplies	500	750	1,[illegible]
Equipment lease/purchase	donated	750	1,[illegible]
Insurance	100	200	[illegible]
Literature/mailing expense	1,000	1,500	2,[illegible]
Automobile mileage	500	750	1,[illegible]
Legal	1,000	2,000	1,[illegible]
Accounting services	400	800	1,[illegible]
Miscellaneous	500	750	1,[illegible]
TOTAL PROJECTED EXPENSE	11,000	25,250	[illegible]
OPERATING SURPLUS/DEFICIT*	-0-	-0-	[illegible]

*Most income and operating expenses are variable. See [illegible] notes to regional budget for details.

NOTES: To Regional Budget

We have based this budget on working with only one test neighborhood the first year, two the second and four the third year. This [illegible] the projected increase in income and operating expenses.

MEMBERSHIP FEES: Based on a total of 500 members signed up at $5.00 each in the first test neighborhood, the regional receives $1.00 per member. The increase by year relates to participation by more individuals and more neighborhoods.

INTEREST INCOME: Based on the assumption that we will have investments in our real estate fund of $250,000 1st year, $500,000 2nd year and $1,000,000 3rd year and charge the neighborhood association 1% for funds committed to help establish their credit.

REAL ESTATE COMMISSION: These figures are based on the assumption that each neighborhood association will acquire, rehab and sell 20 houses per year worth $15,000.00 each or $300,000.00 total sales. 4% of this total, $12,000.00 will go to the neighborhood association for the sales and supervision activity and 1%, $3,000, to the regional for handling the legal aspects of the sales and closing costs.

LITERATURE SALES: Based on charging neighborhoods and individuals for educational material provided.

MEETING FEES: Based on charging fees to help conduct neighborhood meetings and provide materials needed. This is designed to encourage the local sponsors to get people out to help share the cost, make the regional people more professional and to encourage the neighborhoods to conduct their own meetings.

CONTRIBUTIONS: Based on the assumption that about 33-1/3% of foundations that provide our front end money will allocate the [illegible] their investment in our real estate fund to our operating [illegible].

REGIONAL MANAGER: This individual has a separate source of income which allows him time to work at this. His compensation [illegible] based upon our ability to pay rather than any fixed fees or [illegible]. We intend to use a similar "commission" or performance type pay with every employee even after we are on a self sustaining basis.

OFFICE RENTAL AND UTILITIES: We will operate out of t manager's other place of business indefinitely.

ACCOUNTING EXPENSE: The cost of managing and maintain real estate is not built into this budget. It will be built into t monthly payments of members occupying neighborhood proper These funds will be used to subcontract the management to qualit people. Part of this may go to a savings and loan service corporat for handling the fiscal matters and the balance to individuals organizations involved in day to day real estate management a maintenance services. This service may be provided by the regi and neighborhood associations.

OPERATING SURPLUS: Approximately 10% of any oper surplus will be allocated to the Foundation for the Future Fun help spread this program on a national and international basis amount will be authorized by a year end resolution of the boa directors. The balance of any surplus will be allocated at the erection of the board to other regional activities or helping to new neighborhoods. These allocations will conform to fair and I.R.S. standards. It is suggested that at least 25% of an ating surplus be shared among the full and part time employ an equitable basis as recognition of their contribution to the s of this effort.

The income projection is probably understated since we w doubt be dealing with more than one or two neighborhoods year and many more than that after three years. We also w providing additional services for fees.

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NEIGHBORHOOD DEVELOPMENT ASSOCIATION
PROJECTED OPERATING BUDGET

	1st year	2nd year	3rd year
INCOME			
Membership fee	3,000	6,000	9,000
Real estate commission	12,000	12,000	12,000
Volunteer labor	8,000	16,000	24,000
TOTAL PROJECTED INCOME	23,000	34,000	45,000
OPERATING EXPENSES			
Neighborhood manager	10,000	11,000	12,000
Administrative assistant 1/2 time		5,500	6,000
Plus 1/2 time second year		2,500	5,000
Clerk			4,500
Employee benefits		2,000	2,750
Rent	1,200	1,200	2,400
Phone	300	400	500
Supplies	600	700	800
Equipment lease/purchase	400	600	800
Postage/mailing expense	800	1,000	1,200
Travel/mileage	3,000	4,000	6,000
Insurance	500	1,000	2,000
Professional services	500	500	500
Interest	600	900	1,200
Taxes	500	500	500
Profit sharing	500	1,000	1,500
Miscellaneous		300	3,250
TOTAL OPERATING EXPENSES	25,400	33,000	35,950
OPERATING SURPLUS/DEFICIT	−(2,400)	+1,000	+9,050

NOTES TO NEIGHBORHOOD BUDGET

We are assuming a neighborhood will cover 100 square blocks, 2,5[illegible] living units, 10,000 area residents and 6,000 potential members [illegible] 18 years old. This budget is based on 16-2/3%, 33-1/3% and 5[illegible] participation over three years. Smaller neighborhoods might have [illegible] share management and expenses to be economically feasible.

MEMBERSHIP FEE: $5.00 each for 1000, 2000, 3000 memb[illegible] over 1st, 2nd, 3rd year. $3.00 remains in the neighborhood, $1[illegible] goes to the regional and $1.00 to the Foundation for the Future [illegible] to expand the program nationally and internationally.

REAL ESTATE COMMISSION: 4% of sales on 20 house[illegible] $15,000.00 each. It is anticipated that the "leads" and "sales" [illegible] be made by area residents and that the association will only pro[illegible] administrative services.

VOLUNTEER LABOR: Each member owes 8 hours per year [illegible] have valued the labor at $2.00 per hour and allocated 50% of [illegible] value added to houses that will be rehabed by the neighborh[illegible] This will convert to cash when the property is financed and [illegible] The member occupant will pay for it as part of the mo[illegible] occupancy cost.

LITERATURE/MAILING EXPENSE: This covers a semi-m[illegible] newsletter to all 2,500 neighborhood living units plus me[illegible] emblems, etc. Each member will be expected to pay for liter[illegible] used or classes attended.

REGIONAL INTEREST: This pays 1% on $50,000 second m[illegible] guarantee provided to the neighborhood by the regional to [illegible] establish a credit. This should leverage out to at least $1,000,0[illegible] more in real estate financing as the association develops.

EMPLOYEE PROFIT SHARING: Approximately 25% of [illegible] ating profits will be shared among the full and part time [illegible] employees on an equitable basis as recognition of their contribu[illegible] to the success of this effort.

OPERATING SURPLUS: Approximately 10% of any [illegible] surplus should be allocated to the "Foundation for the Fut[illegible] to help spread this program on a national and internat[illegible] This amount will be authorized by a year end resolut[illegible] board of directors. The balance of any surplus will be a[illegible]

Seedbed Hyde Park

[illegible]ther neighborhood or regional activities.

OPERATING DEFICIT: Covered by grant, loan or obtaining dona[illegible]ns of office space and printing costs or paying manager on a [illegible]ommission basis similar to the regional's approach.

[illegible]e income projection is probably understated since it is based on [illegible]s than 1% of the houses in the neighborhood being sold in a given [illegible]r and does not provide for income from potential other sources [illegible]h as insurance commissions, etc.

FINANCE RECORDS LABOR BANK COMMITTEE DISCUSSION QUESTIONS

(Identify yourself when meeting new dialogue mates)

[illegible] would you explain your understanding of what this com[illegible]e will do?

[illegible] could the real estate investment fund be used to benefit [illegible]ur block? your neighborhood?

[illegible] can depreciation allowances (tax shelters) be used to benefit [illegible] and the buyer of property?

[illegible] could the commercial loan fund be used to benefit you? [illegible]? your neighborhood?

[illegible] could the educational loan fund be used to benefit you? [illegible] your neighborhood?

[illegible]uld member investments in a neighborhood revolving [illegible]?

[illegible]uld be the benefits and risks of a neighborhood credit [illegible] endorsement program?

8. How could the members' volunteer labor be used to increase the neighborhood worth and borrowing capacity?

9. How might labor sharing benefit you and the community?

10. What advantages or disadvantages do you see in the cooperative occupancy of neighborhood-owned property by you or others?

11. What would be the benefits or disadvantages of neighborhood-owned commercial property and businesses?

12. What would be good and bad about having low income people living as cooperative occupants on your block and in your neighborhood?

Brodart Hyde Park

SECTION V

HOW CAN WE DEVELOP AN OLD NEIGHBORHOOD?

BY WORKING WITH YOUR NEIGHBORS AND OTHERS INTERESTED IN YOUR PARTICULAR AREA, USING THE SPACE AND FACILITIES THAT ARE THERE AND THE RESOURCES THAT ARE AVAILABLE TO YOU IN THE COMMUNITY.

This section deals with the physical development of your neighborhood. The following material is provided:

Illustrative description of some things that could be done with existing streets and structures.

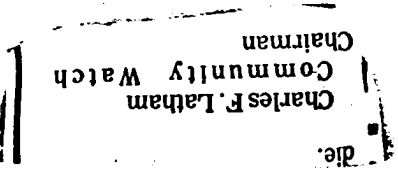
Architectural sketches of new developments on old blocks.

Planning guidelines for real estate, transportation and utility services

Some questions to stimulate discussions on what you might do on your block and your neighborhood.

Let's start with a typical city block of 40 year old houses with garages, cluttered back yards and fences here and there and so on. Let's assume that most of the houses are structurally sound but some people living in them own while others rent. If this is the situation, some houses will not have been maintained as well as others. This gives the whole block a "beginning of blight" appearance. It makes people living or working there lose confidence in the area. It also makes it less appealing to prospective newcomers, so that property values fall to 50% or less of the replacement cost in today's market.

Some of your neighbors will sell, take their loss and move. They will be replaced with transient residents who have no interest. Others who own property there will be unable or unwilling to sell or rent. Even those who stay, having lost confidence, will give up and neglect their property. This kind of blight spreads like



cancer in people's minds and throughout the physical neighborhood. It creates so many problems that there seems to be no possible solution.

This particular situation offers the resident or absentee owners of each piece of property an opportunity to do something creative and increase the value of their property if they can turn the area around. It also offers the resident renters an opportunity to buy out the worried landlords at a low price and then share in the capital gains with their owner neighbors who decide to stay and develop the neighborhood.

At first blush this may sound ridiculous, especially in the inner city which everyone knows is going down the drain. But is it? Real estate developers are gobbling center city land up as fast as possible and developing all kinds of facilities that are making profits or gains of capital gains. They do this by increasing the area's appeal and selling more people on using the facilities they build. The value of land relates to the number of people running around on it and the amount of space available.

Since land, especially close in urban property, is rapidly becoming one of our most limited natural resources, and since anybody can be a "real estate" developer, why should the people living on the block not take advantage of the opportunity they have and do themselves a favor instead of giving away what they have?

Let's speculate as to what the people living or owning property on a block might do to start the ball rolling the other direction, not only on their block, but in their entire neighborhood.

First you should identify your neighborhood so that anyone passing by or coming into it will be aware that this territory belongs to those who are living there. You might do this with banner signs at the major entrances and exits from your neighborhood. You may eventually build gateways at the high traffic spots.

Your neighborhood's name should appear on these entrances and a smaller emblem might be made to put on each cross street post. The same emblem could be used to identify the members of your association.

This neighborhood and member identity should enhance the prestige of the neighborhood and make the area residents feel

your association exists and is doing things. This should lead to more pride in the neighborhood and more participation by your neighbors.

As your neighborhood identity increases and your membership grows, all kinds of activities can begin to happen on a block by block or special interest basis.

Since we are discussing real estate development in this section, let's take a look at what you and your neighbors might do to increase the value of the property on your block and set an example for the rest of the neighborhood to follow.

You might take down all the fences separating you from your neighbors physically and psychologically. Then you might move any detached garages inbetween your houses or, if there is not enough room, attach them to the rear of your houses. In this case neighbors could share a single drive between their houses and a larger turn around space which could also serve as a patio between their garages. The way this is done creates a rather large private space in the center of the block, and suddenly all your back doors are facing on the park.

Now you have created this community space in your own back yard. You can landscape it with fruit trees, plant community gardens, make picnic areas and play grounds, or whatever. You will have made your block more secure since you can help watch each other's property. All of these things will increase your block's value and the value of your own home.

You should start doing this even though some of your neighbors refuse to cooperate. You can assume that most of them will eventually come along when they realize that they are fencing themselves out of many opportunities by trying to maintain their privacy, while the status quo all alone.

Some of these things mentioned so far you and your neighbors can do yourselves with the material you have on hand. But even if you have to spend some money, we are confident that the increase in property value will not only offset your out-of-pocket costs, but pay you well for the time and effort you spend. This will increase everyone's confidence in your block, so they will begin upgrading their personal property. You will

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also start developing a community of people with common intere
that will enable you to work together effectively on even m
creative and beneficial projects.

For example if you want to go even further and if spac
available, you can actually sell or give part of your back yard
block association that you all would own. The land owned by
association would enable it to finance the construction of a coop
tive apartment complex that could include a club room or o
recreation facilities that you and your new neighbors-to-be c
share. All or part of the construction of these extras would be
for by the people you invited to join your group and live and w
with you in developing your block.

It would be ridiculous to assume that you could do this o
block without those living nearby coming over to see what yo
doing. If they liked what they saw, they would start doing
and that is just what you want and your neighborhood
because it will make your area more appealing and your p
more valuable. (See illustration on page 139)

Now let's assume that the three blocks adjacent to you
form a four block rectangle, have all created quiet private p
the center of their blocks and that all of you would really
have a swimming pool, sauna, tennis courts and clubhou
some play space for the kids, and you don't want to give
private back yard parks. If you all agreed (and this would ta
cooperation), you could ask the city to vacate the streets
separate your blocks.

After the zoning and traffic boards, police, firem
people, and others got over the shock and quite shouting
could point out that "privatizing" these streets would ea
maintenance responsibility in the area by 50% and the dev
you were going to do would increase the tax base in a
time. The powers that be would have to think about that
but let's assume that eventually you will be able to mak
them for what they consider to be "their" land.

Let's digress a moment and point out that it is far to
evolution of our cooperative society for the governmen
to be willing to admit that in this country all the auth

the people, and that we have the right to do what we want to do
ong as it does not harm others.

I believe that most of our problems stem from the fact that we,
people, have shirked our responsibility and have tried to get our
rnment people to do things for us without giving up our
rity and freedom. In other words we have brought our
ems on ourselves because we want to keep our rights, but don't
to assume the responsibilities that go with them.

Anyway, these streets now belong to your association and are
to do with as you wish so long as you live up to the deal you
with your employees at city hall. The land created by
izing" the streets will have more than enough value to cover
ity requirements needed to finance almost anything you
develop. The only thing you have to figure out now is what
want to do and how you can create enough cash flow to pay
cost of financing whatever you build.

best way for you and your neighbors to do this without
p any of your own money would be to arrange with an
contractor to build and help you finance an apartment
what is now your street intersection. It might extend part
the shorter of your two cross streets. This facility can
the community or recreation facilities that you and your
want and can house sufficient people to make it self
Since all of the cost of building this will be paid for by
ong the apartments, your only out-of-pocket costs will
p fees to cover the on-going operating costs.

building is under construction, you might also build
circle driveways with entrance and exit gateways in the
upied by the sidewalks and two long streets in your
ks would give each resident access to the existing
the apartment house and would create a block-long
middle of what is now your street. This can be con-
public park space or to even more housing with
parking if you wish. This could also be done on the
two streets, but you might choose to close them off
ces or even a brick wall and leave the unoccupied
veen your apartment house and the wall as a play-

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ground for the children. This would give them a good place to congregate and keep the sounds that come from their enthusiasm away from the quiet space in your back yard parks.

The next logical move might be to install some decorative fencing around your quadrangle, leaving openings for the driveways of the houses facing out on the public sidewalks and streets surrounding your area.

This total development would create a facility capable of housing 400 to 500 people yet it would give everyone plenty of room to live in. Each resident's private space would be surrounded by ring of semi-private and semi-public space before being exposed to the public space beyond your quadrangle. This should make each resident feel more secure without losing any privacy. (See illustration, page 140)

You could eventually develop your neighborhood into a series of unique quadrangles that would provide a very cosmopolitan yet very personal community in which to live. As you and your neighbors worked together to develop your quadrangle, you would develop a common identity which would open up other opportunities to work together, in cooperative buying of whatever other goods and services you need. This would tend to cut your cost of living and raising the value of your property. You would also be setting an example that other blocks and quadrangles in your neighborhood could follow.

Each group of people living and working together on their territory should tend to develop a "team spirit", and from this would come a kind of block by block competition that would result in cooperative community development in your area and eventually among other neighborhoods.

We foresee, for example, various joint venture efforts of the neighborhoods in developing cooperative businesses and other service facilities using the commercial property on the major business streets which will tend to be your natural dividing lines. In other words, cooperating neighborhoods will be able to surround themselves with commercial services and provide themselves with health, child and senior citizen care centers or almost anything they desire.

Since the commercial and professional services facilities will belong to the neighborhood associations, the income from this property will eventually be able to cover the cost of many services and provide jobs to the owners or cooperative occupants of the residential property.

There is really nothing that you and your neighbors cannot do in your neighborhood if you are willing to cooperate and pay the price in time, effort or money, for what you want.

The following illustrations of what could be done in an older neighborhood were prepared by The Community Architects Team, a group of young architects sponsored by the Architectural School of Texas University and the architects of our metropolitan area. They have tried to build privacy, defensible space and community in their designs and at the same time use the existing facilities. These are just some of many possibilities but they do give you a place to start thinking about what you could do on your block and in your neighborhood.

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REAL ESTATE COMMITTEE OPERATING GUIDELINES

The long range goal of the real estate committee is to mak effective use of, and increase the value of, all residential and co mercial property in the neighborhood.

It will be in effect the "developer" of the neighborhood, ins as land or physical property is concerned.

Its first priority will be to stabilize the area by creating a market for property as it becomes available. No one owning p erty in the area will be required to sell to the association, but e property owner should be made aware that he can get a fair ma price from the association for his property when and if he deci sell.

If there is any vacant or abandoned property in the neig hood, the association will first direct its attention to th members will be expected to participate in finding new mem the association who will be willing to move in and join the co ative effort at developing the neighborhood.

The stable condition which will be created and controlled people living, working and owning property in the area increase everyone's confidence in the long-range value neighborhood, and thus encourage everyone to mainta upgrade their property.

The real estate committee will be responsible for setti tenance standards and helping people improve their own p reasonably as possible by providing training, rental to equipment, cooperatively purchased building materials, a fessional services, either through the neighborhood-owne tracting cooperative or by contracting with established or who will provide service at reasonable prices.

This construction and maintenance activity should crea jobs and apprentice training opportunities. This will enab unions and contractors associations to contribute to the

ood by helping to train neighborhood residents while they are rking in the area.

As the association acquires property it will not only rehabilitate but in addition will strive to upgrade it beyond the quality of the perty in the immediate area. The purpose is not merely to aintain the status quo but to constantly improve all the facilities in e neighborhood.

This does not mean that the cost of occupancy will necessarily go the overall cost might in fact actually go down in spite of the roved facilities, since many other committees will be working at ing the cost of financing and acquiring goods and services in eighborhood.

s committee will be responsible for developing a model block drangle as described previously in the neighborhood. It's quite e that the "model" may be the starting point around which a orhood association develops.

s may be an easier way to get something started than trying to e an entire neighborhood, but if you take this approach you ould plan on growing into a neighborhood because no single an maintain itself alone.

eal estate committee will also be responsible for directing agement of all property controlled by the association. may be controlled by purchase, contract for deed, leasing without options to buy, renting or management contracts.

eal estate committee will work with the accounting and committee to take advantage of all tax shelters available in e acquisition. There may be considerable tax advantages to resident sellers who lease their property to the asso- options to buy at a later date. This would also give the control with a minimum capital investment during the of development.

association gains stature it should be able to acquire most ing existing financing or by making it worthwhile for the ance it since the seller should be able to use the asso- mitments as security for loans or discount them if tain cash.

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The actual management of the property controlled by the association will be done by a qualified salaried staff or a real estate organization working, on a commission or fee basis for the association under the direction of the real estate committee.

The real estate sales commissions and management fees earned should provide the association with sufficient income to be completely self sustaining within a year or two.

For example, if your neighborhood had 1,000 houses and 5% of them (50) sold each year for only $10,000.00 each, the 5% real estate fee earned by your association would amount to $25,000.00. This, plus other fees for services rendered, would provide enough income to pay your association's manager and staff.

The property under control of the association may be made available to members in many ways, some of which are as follows:

1. Rented or leased on a short term basis or leased with an option to buy prior to rehabilitation or afterwards if buyers cannot be found or if property is under a lease or management contract.
2. Sold outright with the buyer giving the association a first right of refusal in exchange for the association cosigning his note. The sales price under this arrangement will be the market value of the property, not the cost as shown on the books of the association. Any profits that accrue to the association from such a sale would be used to finance other neighborhood improvements.
3. Cooperative occupancy rights wherein title and mortgage obligation remain with the association while the following ownership advantages accrue to the occupant.

(a) Taxes and interest on monthly payments, pass through personal tax deductions to occupant.
(b) Equity accrued from payments or physical improvements accrues to occupant.
(c) Capital gains from inflation or increase in neighborhood value accrues 95% to occupant and 5% to association. If the property value goes down the occupant shares in the loss, so there is advantage to keep the property in good condition.
(d) Member occupant can pass on his occupancy rights to immediate family so long as they agree to abide by occupancy agreement.

(e) The cost of selling cooperative occupancy rights when members leave will only be 5% of the selling price of the dwelling unit, which is another reduction in the cost of ownership.

The occupancy costs under this arrangement will be based on the association's book cost, not market value. This will cut the cost of occupancy and down payment fees and enable low income people, with rent supplements, and extra income earned by working for the association, to be able to live in the area. All or part of the down payment on property occupied by cooperative occupants might be covered by the volunteer labor of members. This amount would eventually be paid back to the association at the termination of the mortgage. The members' volunteer labor will be converted into cash in this way.

Additional reductions in occupancy costs for low income people can be obtained by using tax free bond funds for financing the property they occupy.

The more demand there is for property in a given area the more value it acquires, it will be to the advantage of all property owners both members and non-members to sell people on joining in the development of the neighborhood and thus build a waiting list of new members.

It is assumed that renters now living in the area who want to become members will have first rights to purchase property or the cooperative occupancy of property as it is acquired by the association. In some cases this might be the same property they are renting. This possibility should expand the appeal of the program to the area residents.

In satisfying the renter/members' needs, the property controlled by the association will be made available to other new people moving into the neighborhood at the invitation of area members working through the membership committee.

The housing committee as well as the membership committee will operate within the housing guidelines as established under law and as outlined in the association's by-laws and financial arrangements.

The housing committee will in effect be the neighborhood real estate developer.

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COMMITTEE NAME

Committee Discussion Questions

(Identify yourself when meeting new dialogue mates.)

1. What would you like to do on your block or in your neighborhood in cooperation with this committee?

List activities and number as to priority.

2. Who would benefit by helping you and the committee carry each of your activities? How could they help?

List helpful individuals or organizations.

3. Who might resist or feel threatened by each of your activ... Why?

List threatened individuals or organizations.

4. What would be the first steps you would take to start up e... your activities?

TRANSPORTATION AND UTILITIES COMMITTEE OPERATING GUIDELINES

This committee will be involved in much long-range planning, as ... is developing intermediate solutions to existing problems.

Since transportation and energy are two major factors in every... cost of living and in the environmental problems of the neighborhood and the total area, this committee can be of great benefit to ... community over a span of time.

Since both transportation and energy resources are in a stage of ...sition and since the decisions now being made will affect our life ...s for generations to come it is extremely important that this ...ation be involved in this process.

Adverse decisions now will affect cost of living, neighborhood ...onment, conveniences and property values; they cannot be left ...ers.

...s committee will be responsible for developing car pools, ...citizen and day care transportation, maybe even a neighbor... "rental fleet" so that many two car families could reduce their ... living to one car and still have a second one available. It ... look into the possibility of providing electric cars or carts ... intra-neighborhood transportation.

... also deal with the bus and taxicab companies to improve ... at fair cost.

...committee will be involved in street repair problems created ...portation or utility activities.

... also look into the possibility of purchasing utilities cooperatively in order to reduce members' costs.

... keep informed on alternative energy sources especially ...ergy development. It's quite possible that solar energy ... could be used to re-roof all the houses in the neighborhood over a period of time and this could make the neighborhood at ...ally self-sufficient in its energy needs. This combination of ... and creating solar energy should pay for itself out of ...gs and thus enable the association to provide additional ...s in living and property maintenance costs.

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It will also be responsible for improving neighborhood aesthetics by encouraging the utilities to provide underground services where possible.

This committee will study existing long range mass transit plans and utility service plans, and assess their effects on the neighborhood.

It will also develop neighborhood plans for tying into these regional systems or alert the area residents and planners to problems they foresee with the existing plans.

Much of the long range planning will probably be done at the regional level in association with various government agencies and public utilities.

The local committees will still have to review programs and make suggestions prior to decision time.

This committee will have the responsibility for keeping its members informed of what the plans are and why they are necessary.

It will no doubt be involved in making recommendations on various bond issues related to these areas.

This committee's effectiveness will be judged by the next generation who will have to live with their failure or get to live with their success.

Committee Discussion Questions

(Identify yourself when meeting new dialogue mates.)

What would you like to do on your block or in your neighborhood in cooperation with this committee?

List activities and number as to priority.

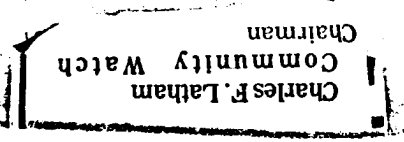
Who would benefit by helping you and the committee carry out each of your activities? How could they help?

List helpful individuals or organizations.

Who might resist or feel threatened by each of your activities?

List threatened individuals or organizations.

What would be the first steps you would take to start up each of your activities?



REAL ESTATE COMMITTEE DISCUSSION QUESTIONS

(Identify yourself when meeting new dialogue mates.)

1. What should be done to improve the value of your house, blo and neighborhood?

2. What commercial facilities should you develop for yo neighborhood?

3. What services or long range benefits could the utility comm provide?

4. What services or long range benefits could the transport committee provide?

5. What would be good and bad about sharing your back yards your neighbors?

6. What would be good and bad about building new living u "privatized" streets and increasing the population density area?

7. What would be good and bad about providing a low family the opportunity to become a cooperative owner and your block?

8. What might resident owners see as good or bad abo association's development activities?

9. What might renters see as good or bad about your ass development activities?

10. What might absentee landlords see as good and bad a association's development activities?

11. What might government agencies see as good and b your association's development activities?

12. What would be good and bad about being a occupant instead of a renter or owner?

SECTION VI

WHAT ELSE CAN WE DO?

SINCE WE OWN THE LAND, HAVE THE MONEY AND ARE FREE TO FORM ASSOCIATIONS, WE CAN DO ALMOST ANYTHING WE WANT TO DO, IF WE ARE WILLING TO COOPERATE WITH ALL OF THE OTHER ORGANIZATIONS IN SOCIETY FOR OUR MUTUAL BENEFIT.

The material presented in this section is much less detailed than that of previous ones on finance and real estate. The activities we suggest here are just some of many possibilities. They are all being done in many places and in many different ways by all kinds of people in almost every community, so you won't need us to tell you how to do them.

We do however, intend to develop separate idea manuals for each subject as our program evolves and we would appreciate any suggestions or information you could send us.

In this section we provide operating guidelines, some examples of suggested forms, plus discussion questions for the following committees:

- Cooperative buying
- Health and social security
- Employment, production, marketing
- Governmental relations
- Education
- Recreation
- Membership
- Public relations

These committees will be involved in developing cooperative relationships with different groups of people already functioning in the area. The people on these committees will seek out ideas,

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know how and resources in the community, and make them available to the individual members and their association.

In this respect they will be educators, innovators and providers but their primary responsibility will be to help individuals or groups of members do what they (the members) want or need to do.

This whole program has been put together to give neighborhood people the power to do what they believe needs to be done on the block or in their neighborhood. The responsibility for making things happen in this organization really rests with the individual members not the leaders or the committees—they are only a tool to be used by the members. The only reason for this organization's existence is to increase the effectiveness of the work that its individual members do by coordinating their efforts.

There is no such thing in human society as a free ride. If you want something you have to work for it, or give up something you already have to get it, or take some kind of a risk. But if you understand how this, and other systems work, you can use them just like any other piece of machinery to make your work a little easier and a lot more productive, and that's how we expect each of the members to view their association.

The tendency in every organization is for the leaders and committees to act on behalf of the membership because individual members abdicate their responsibility or fail to communicate their needs.

We believe that we have kept the leadership close enough to members in this structure that this will not happen. If it does the fault will lie with lack of communication and that is why we strongly suggest you use our dialogue method in all your meetings. When you sit down in small groups and start asking each other questions, communication takes place, since everyone gets a chance to talk, to listen and to pick up the subtle undercurrents that are flowing, but not articulated.

We have provided four evocative questions to use to start dialogues on the committee activities presented in this section. They can be used by the same group of four people or you can change dialogue mates after each question, if you want to mix things up while discussing a particular subject.

We strongly suggest the mixing process on these first exploratory sessions. Since you won't have time to solve the problems, it is better to expose the participants to as many people and points of view as possible.

We suggest you provide each participant with a set of the questions and have them make notes and share them as they go from group to group, and during the feedback at the end of the discussion.

Collecting the notes, compiling and returning them to the participants at the next session is really worth the effort because it gives everyone a better overview. You should also have your participants look over the material for the next discussion in advance, so they will be prepared to contribute more to the cooperative dialogue you are having. The convener should also present a brief overview of the subject before each discussion begins for those who did not do their homework.

We are working on a filmed, or slide introductory presentation, for each of our suggested discussion sessions. These should be quite useful if you are conducting a "do it yourselves" education program.

Write us in care of the publisher, if you are interested in details of this or if you have any suggestions to offer. We need your help in this cooperative effort to create a cooperative society. We can't do it alone for you; we can only do it together for ourselves.

COOPERATIVE BUYING COMMITTEE OPERATING GUIDELINES

The committee's main purpose is to reduce the cost of living in the neighborhood through group or volume purchasing of consumer goods and services.

The committee also strive to reduce the capital investment cost of living in the neighborhood by providing a cooperative rental service for all frequently or infrequently used equipment.

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This rental service will not only reduce members' living invest
ment requirements, but it will provide well serviced equipment and
instructions on how to use it, to save members both time and
money.

The committee will work closely with all of the other committees
to determine their needs for goods and services, and will strive to
provide them economically.

It will in effect be the neighborhood association's purchasing
department and will coordinate purchases to reduce duplication and
increase quantity discounts.

It will also actively pursue cooperative buying activities that
would be beneficial to members and all area residents, since the
savings available could be a key factor in getting non-members
residents to join the association.

It should concentrate its efforts in areas that represent a major
part of the cost of living of area residents, such as food, utilities,
housewares, clothing, transportation, insurance, travel and recrea-
tion.

It is quite possible, that having things done for us by various
levels of government may be the most expensive way of doing them
so cooperative efforts with government should be explored

It will work through existing wholesale distribution systems
directly with the manufacturer, or service organization to obtain
the best possible volume or fleet discount on the products or services
needed.

It will use proven cooperative buying techniques as well as the
"new" direct charge method of buying and selling at cost plus
a monthly fee to cover the costs for the buying and distribution
services provided.

It will also use prepaid plans like those for automobile main-
tenance labor, with parts at cost, tied into a coop service station,
pre-order bulk buying plans for certain commodities or services
tied in with the coop rental stores "early buys".

It's quite possible that almost every neighborhood member will
be enrolled in some kind of a buying cooperative, if it can show
that member real savings on major cost of living expenses

This committee will be in a position, not only to save the
members money, but to create wholehearted cooperation in their
saving efforts. This can only lead to cooperation in other areas as
well.

These savings will not only make members, but will increase the
neighborhood property value, by reducing the cost of living in the
area.

This committee is extremely vital to the overall success of the
neighborhood effort and over the long range cooperative buying
power will affect manufacturing and pricing decisions in the business
world and thus resist the inflationary tendencies in our society. This
will not only be good for individual neighborhood members but for
the overall society as well. Cooperative buying power at the neigh-
borhood level should be more effective at stopping inflation than
government controls on wages, prices and profits.

We would like to outline here how a "direct charge" coop works.
You will see that this approach which can be applied to most con-
sumer goods can not only save its members money but since it
shows the cost of what you buy from the cost of making it
available, everyone can be made aware of the investment require-
ments, the operating costs and the actual cost of what you are
buying as well as what you are saving.

It lays it all out on the table so you can make realistic decisions
on the economics of the situation as well as what you would
choose.

We will use a food coop as an example, but the same organiza-
tional structure could be used to buy prescriptions, clothes and all
other goods and services. As a matter of fact, your food coop may
well grow into a general store that will provide all of these
services more to members in your neighborhood.

Let's assume that you are going to create a cooperative buying
group that will serve 500 families who will buy $50.00 per week in
groceries. This will require a minimum inventory of $25,000.00 or
a payment of $50.00 per family, if you turn your inventory
weekly. This can be paid by each member in cash or with a note
to pay $1.00 per week for 50 weeks plus interest. If you

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can sell 500 families on making this commitment you will have enough capital to set up your store.

Since this coop will be created to serve members only and to save them money, they will decide just what services they need. They will not need a prime location, long operating hours, fancy equipment or frills.

Let's assume that the operating budget per week will be as follows:

Personnel 3 $5.00 per hour 40 hours each	$600.00
Rent 10,000 sq. ft. $1.00/foot/year	200.00
Utilities	200.00
$10,000 in equipment leased with options to buy payable over two years	100.00
Supplies	100.00
Maintenance	100.00
Misc.	200.00
TOTAL COST PER WEEK	$1,500.00

You'll buy out of packing boxes, bring your own sacks, [illegible] your own purchases out (possibly using computer cards which itemize and total your costs and approximate savings) and [illegible] do what you can to cut operating costs, since your share of operating costs will go up or down based on actual costs. [illegible] thievery or extra frills, you will tend to cooperate and watch other.

Assuming the operating costs stay at $1,500 per week [illegible] inventory shrinkage, each member family (500) would have [illegible] $3.00 per week which is their share whether they purchase anything or not. As there is no need to provide a return on [illegible] and all operating costs are covered by the members' weekly [illegible] merchandise can be sold at cost. If the wholesale price is $1 can, that's your store's selling price. Since the average [illegible] profit in the grocery business exceeds 20% at least $100 [illegible] family's weekly food budget of $50.00 goes to cover these [illegible]

In a direct charge coop your food cost would be $40.00 [illegible] service fee $3.00, a total of $43.00 leaving savings of $7.00. Your investment cost of $1.00 per week ($50.00 total) [illegible]

recoverable when you left the neighborhood so it should not be considered a cost. The interest lost on your $50.00 investment at 6% would be $3.00 per year or 6¢ per week. That's a good trade off to save $7.00.

Under this arrangement as your membership increases you will be able to provide yourselves more things and larger savings plus increasing the income of those who are working for you to provide these services and save you money. You may eventually even become owners of your building and save even more. You will also be able to decide just what you want to buy and what services you need on a regular basis, since your elected management committee will meet regularly with the manager of your coop to decide these things.

Your costs will reflect your choices, not those of others. A direct service coop is a form of economic democracy that gives the members control of the policy and decision making.

We would also like to outline here another very interesting way of forming a self-sustaining cooperative activity in your neighborhood. We suggest that you start a cooperatively owned neighborhood restaurant. It will provide your association "free" office space and a place to meet to discuss and plan other activities that you and your members wish to undertake. It will probably cost between $15,000 and $20,000 to set up a "Bohemian" style facility that will seat 150 to 200 people. This can be paid for by selling $10.00 memberships to residents and others who can use it. The facility can be open to the public and charge reasonable but profitable prices on what it sells to members but it can give discounts of 20% or more to members on their purchases and still make money which can be used to support other neighborhood activities. We suggest that the seating include tables for privacy and round tables where anyone can sit. It should also have as many various sized alcoves or meeting rooms as possible which can be reserved for just the cost of food or beverages consumed.

The restaurant could serve family style meals or provide self-service or any combination of these. Its decor might be that of a bakery or antique store.

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Community Watch
Chairman

It might even be included in your neighborhood "direct charge general store or the general store might grow out of it.

You will be surprised how much you can save eating out in a coop restaurant and you'll be amazed at what eating together will contribute to the community spirit you will be trying to create in your neighborhood. You'll find this "dialogue house" you have created an ideal adult education facility that will more than pay its way.

The people you hire to manage your facility can be paid on a share of the profits basis which will reward them for providing good service without tips.

We suggest you call it "Our Place". We are hoping that every neighborhood in the country will start their own place in the near future as their first step towards creating a cooperative community. We are suggesting the creation of a chain of "our places" across the nation that we can all use as we travel.

More details on this idea can be provided if you are interested in joining us in a nation-wide cooperative effort.

Committee Discussion Questions

(Identify yourself when meeting new dialogue mates.)

1. What would you like to do on your block or in your neighborhood in cooperation with this committee?
List activities and number as to priority.

2. Who would benefit by helping you and the committee with each of your activities? How could they help?
List helpful individuals or organizations.

3. Who might resist or feel threatened by each of your activities? Why?
List threatened individuals or organizations.

4. What would be the first steps you would take to start each of your activities?

HEALTH AND SOCIAL SECURITY COMMITTEE OPERATING GUIDELINES

This committee will be responsible for family health care, social services, senior citizen care, funeral services and legal aid, plus any other professional services needed.

It will be involved with existing insurance programs, as well as the pre-paid health maintenance organizations (H.M.O.'s) developing in the field.

Its prime effort will be directed towards a family health care center in the neighborhood. This will no doubt be part of a metro-area-wide group health maintenance organization that will cover all aspects of preventive medicine as well as diagnosis and treatment. It can also cover dental, optical, psychiatric care and prescription expenses.

It will be responsible for developing a neighborhood geriatric center using a combination of pre-payment, real estate equity, Medicare and social security to provide life time care in the neighborhood for senior citizen members.

It will work with the educational committee to provide a day care center and pre-school near the health care and geriatric center.

It will be responsible for making available pre-paid legal aid, funeral services, or any other professional service needed.

The committee will not try to do it all. It will work actively with existing social service agencies and professional associations to provide services for the association and its members on a cost sharing basis where all possible.

It should not seek charity for any neighborhood activities, even though it may seek assistance for individual members in need of help.

It will also work with various agencies, to help them implement programs they are sponsoring.

An example of how a social service agency might work with the association would be that an agency responsible for placing foster children might ask the association to find members to be foster parents. In this case, the association would provide a back-up

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Chairman

responsibility for the parents, and social support for the children and help the agency do a better job.

The committee will deal with social security, welfare and health agencies, rent supplement programs, and all types of counseling and self-help agencies.

It will work with the labor and management committee and the finance committee to provide social support for association members who need these services, as well as employment and temporary financing.

This committee's overall goal is to provide the services needed to make the neighborhood a source of social security for all its residents, since job security and government sponsored social security are not as sound as the terms imply and with medical costs soaring, it seems logical for us to assume that we had better plan on taking care of ourselves in these areas, too, rather than expecting existing systems to do this for us.

We believe that these kinds of services really can be done more economically and more satisfactorily at the neighborhood level than anyplace else. We see no reason why the people now offering these services would not be more than willing to cooperate wholeheartedly with your neighborhood associations, once they understand what we are trying to do.

This committee's job will be to make the various social service delivery systems aware of your neighborhood's needs and to work out a mutually beneficial way of satisfying them in cooperation with the various professions that provide these services.

The model for what we have outlined here is Group Health Pudget Sound, a health care association owned cooperative serving 100,000 people in Seattle, Washington. They own a hospital, several neighborhood outpatient clinics and their doctors have been practicing preventive medicine for over 30 years. They are paid for paying the doctors to keep the patients out of the hospital. This has resulted in greatly reduced medical costs compared to the national average.

Organizing health care in this fashion also tends to produce more paramedical jobs and convalescent centers which reduce the need for more expensive hospital facilities.

The health care is still personalized in that each family has its own doctor plus access to the other specialists who practice in the group.

We see no reason why adjoining neighborhoods could not create their own medical clinic and arrange for a group of doctors to practice out of it. This would provide health care in the neighborhood and these clinics could eventually be tied together into a city health maintenance organization.

Committee Discussion Questions

(Identify yourself when meeting new dialogue mates.)

What would you like to do on your block or in your neighborhood in cooperation with this committee?

Activities and number as to priority.

Who would benefit by helping you and the committee carry out your activities? How could they help?

Helpful individuals or organizations.

Who might resist or feel threatened by each of your activities?

Threatened individuals or organizations.

What would be the first steps you would take to start up each of these activities?

Charles F. Latham
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Chairman

EMPLOYMENT PRODUCTION MARKETING COMMITTEE OPERATING GUIDELINES

This committee's main responsibility is to create or find income producing activities for members and other neighborhood residents.

It will concentrate its efforts on creating "cottage" or "neighborhood" level work opportunities. It will, in effect, serve as the neighborhood employment agency for local part time or full time jobs.

Its main emphasis will be to provide supplemental income work done in the home or some central location for mothers with small children, senior citizens, low income members, students and other area residents.

In order to do this, it will make available an employment application form that will be filled out voluntarily by those area residents interested in working.

The application will cover the individual's interests, skills available and any limiting factors such as family responsibilities, handicaps, etc. The work should be designed to fit the individual's needs or interests, rather than having the "worker" adjust to the job.

Once the human resources in the neighborhood (and the individual's needs) are determined, this committee will be responsible for creating opportunities that will satisfy the needs and benefit individuals, the neighborhood and the larger community.

It will survey other neighborhood committees and the entire community seeking income producing opportunities, and will attempt to match the job with the individual.

All other committees seeking professional help will check with this committee before "hiring" or contracting for services with someone beyond the neighborhood.

The committee will seek contracts to supply labor for services that can be done in the neighborhood from existing manufacturing and commercial organizations.

The committee will in effect "sell" the human resources the neighborhood has available to the larger community. It will strive to provide permanent income opportunities for members who indicate an interest, but it will concentrate its efforts on low or limited income people, who really need extra income.

It will pay members for work done on a contract or piece work basis, if at all possible. It will try not to get involved in any hourly wage activities.

It will concentrate its efforts in labor intensive areas rather than investing in capital equipment or tools, unless their investment cost can be justified on a reasonably short term basis.

This committee may eventually have a full or part time coordinator or manager who will be paid an overseeing commission, based on the income earned by all of the neighborhood producers.

This activity may eventually develop into a separate "cooperative" entity. If this happens, it will be formed as a subsidiary of the association and part of the earnings that would normally be shared exclusively by the working members, will be shared with the neighborhood association on an equitable basis.

This committee will also direct its efforts towards the profitable production of things made to order or on things that can be sold in the marketplace using local labor.

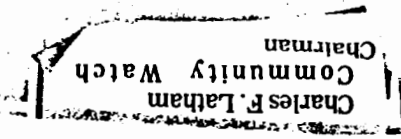
It will act as coordinator of manufacturing, assembly or services that are done by individuals in their homes. It will also be responsible for providing one or more neighborhood work centers if the need arises.

It will be involved in the transportation of workers to these centers and in the pick up and delivery of material and finished goods.

This committee will have the responsibility of arranging for and overseeing all of the physical improvements made in the area. It will contract with existing organizations for any construction needed.

It will work with the education committee and labor unions to develop on the job apprentice training programs for area residents in construction activities in the neighborhood.

It will develop a working relationship with various trade unions and professional service organizations that will enable members to determine for themselves what they can do well and economically without jeopardizing the association's opportunities to use the services of professionals in their areas of expertise when needed.



It will be responsible for creating the neighborhood's own "fix it service for area facilities and equipment.

We see this being done with all kinds of prepaid services such as home maintenance, auto maintenance, appliance and machinery maintenance, etc. People would pay regular monthly fees which would cover the labor involved in these activities. This would sustain the work force and keep it available for emergency service while doing routine preventive maintenance. Those buying the service would not only get good service but would save money since the parts or material needed could be supplied at cost since the salaries and other operating expenses will be covered by the monthly payments and there is no need for additional profits.

It will work with other committees using voluntary labor to help create the "labor bank" to which members can contribute and from which they can withdraw.

It will also be responsible for organizing the members doing labor on a "barn raising" basis, and for creating a labor sharing plan that will turn members' spare time and talents into savings by reducing their out of pocket expenses through helping each other do things they cannot do alone and would normally have to pay to get done.

It will be responsible for the cost and quality of all physical improvements so it will work closely with architects, contractors and labor unions to improve cost/performance ratios on new construction, rehabilitation and maintenance.

It will be responsible for lining up summer repair and maintenance jobs in the neighborhood for school age residents and similar year round activities for senior citizens or low income residents who need extra income opportunities.

This committee will be a combination of foreman and economic opportunity whose end product will result in physical improvement and value increase.

Committee Discussion Questions

(Identify yourself when meeting new dialogue mates.)

1. What would you like to do on your block or in your neighborhood in cooperation with this committee?

   List activities and number as to priority.

2. Who would benefit by helping you and the committee carry out each of your activities? How could they help?

   List helpful individuals or organizations.

3. Who might resist or feel threatened by each of your activities?

   List threatened individuals or organizations.

4. What would be the first steps you would take to start up each of your activities?

Charles F. Latham
Community Watch
Chairman

GOVERNMENTAL RELATIONS COMMITTEE OPERATING GUIDELINES

The IRS "not for profit" regulations and the by laws of the association expressly forbid any partisan political activity.

We see individual people in our neighborhoods cooperating with Common Cause and other such politically oriented organizations to help open up the system but the neighborhood and regional associations as organizations cannot or will not be involved in these activities.

This committee's responsibility is to develop working relationships with all city, county, state and federal elected officials and appointed staff or agencies.

It will deal especially with law and order, public services, zoning, long range planning, revenue sharing and all other aspects of tax supported government activities on a non-partisan basis.

Its purpose is to help individual association members and committees in any dealings they have with governmental agencies.

It will also make the neighborhood association, its committees and members, available to various government agencies to help them plan and implement their programs.

In the process of working with political entities it will strive to develop relationships that will enable this association to get its fair share of the services available.

The committee will operate on the assumption that this association does not want or need more than its fair share of tax supported services.

It will recognize that governmental resources are more available than neighborhood resources and it will encourage association committees to "do it themselves" at market rate if possible or on a "cost sharing" basis with existing agencies.

For example, it will ask the police department to announce to policemen that your association would like to have a policeman and his family move into the neighborhood and in effect be the neighborhood's policeman. It would offer to create a law and order committee to work with the policeman and the department.

This committee will seek to blend neighborhood and governmental priorities and services into the best possible working relationships at the least possible out of pocket cost.

This committee will also be responsible for overseeing the communications and election process for this association as outlined in the by laws.

It will work with the education committee to make certain that those elected know how to carry out their responsibilities.

The ultimate success of this effort will depend to a great degree upon the effectiveness of this committee.

Committee Discussion Questions

(Identify yourself when meeting new dialogue mates.)

What would you like to do on your block or in your neighborhood in cooperation with this committee?

Activities and number as to priority.

Who would benefit by helping you and the committee carry out your activities? How could they help?

Helpful individuals or organizations.

Who might resist or feel threatened by each of your activities?

Threatened individuals or organizations.

What would be the first steps you would take to start up each of your activities?

Charles F. Latham
Community Watch
Chairman

EDUCATION COMMITTEE OPERATING GUIDELINES

The first among several priorities of this committee is to make a
area residents aware that cooperation is a middle way between com
petitive capitalism and state socialism that fits into our tradition
American values. The proof of this is the fact that farmers, who are
probably the most independent Americans, have found it to the
advantage to cooperate. In the process of doing this, they have
developed the most efficient agricultural production methods in the
world, and as a result are benefiting individually, and helping the
country solve its balance of payments problems by exporting the
surplus production to help feed the world.

This committee's responsibility is to make all area residents aw
that cooperation is more than a word. It is an attitude of mind a
way of life that can be applied to all of our individual activities
to our value judgements. Since all of us have been trained to
pete rather than to cooperate, this committee has a key role to p

One very vital role of this committee is to provide regular
into the public access channel of your community's existing
television station or if you do not have one to cooperate with
neighborhoods through your regional to sponsor or oper
station.

The great number of channels and the potential two way
munication of cable T.V. offers all kinds of opportunities
threat to our privacy so it behooves us to get involved in the de
making for this media at this early stage of its development

We will be able to provide video taped segments related to
the sections in this book plus other documentary programs
stimulate discussions in the home or at group viewing sessi
ever, documentaries on what you are doing locally and com
these activities by local people should be even more effe
committee will be responsible for developing these.

We won't go into the details on this activity here sinc
many good books on the subject. We will suggest that
closely with the radio/TV department of your local
college or university on this since they will have the kn

equipment for production plus a working relationship with the existing stations.

You should also be able to work directly with any existing cable TV company since most franchises require them to provide not only time, but production facilities, and help at little or no charge to community organizations.

We suggest that you approach them with an offer to enroll neighborhood subscribers in exchange for air time and production help.

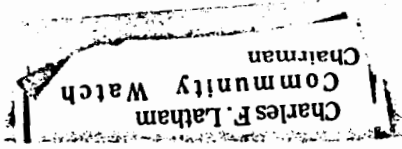
The committee will also encourage the school systems to teach the principle of cooperation and cooperative community develop-ment techniques as part of their social studies program at the primary, secondary, community college and university levels.

Another one of the education committee's purposes will be to work with the existing educational systems, including television, to help increase and improve all area residents' learning opportunities. We will seek cooperation from the educational institutions in training adult neighborhood residents the skills they will need to make their association function effectively.

In addition to the regular public school boards, administrators and teachers, the committee will work closely with the county extension division of the state colleges and the local "community education representative. The only facilities other than those in each neighborhood in which every resident has a stake are the public school buildings. It will be this committee's job to see to it that the facility is used to its maximum capacity as a community center at times when it is not being used as a school. It is assumed that the extra cost of using the facilities will be borne by the users, not the school board.

As a rule of thumb it will cost about 5% more than the existing budget to provide a community school administrator, cleanup and utilities and make the facility available to the neighborhood at all times that it is not being used. If the people in the neighborhood voted to raise their taxes to cover this cost, the school board would have no reason to object.

You can even go further in cooperating with the school board by suggesting that you build a swimming pool, exercise room, sauna and tennis courts on the school grounds which they could use during



school hours and the community could use the rest of the time. This could also be paid for by raising the taxes, but for this you would have a multi-million dollar country club and convention center in your neighborhood which could only increase the value of your personal property and make living there better for all of you.

In addition to working with any and all professional educators, people, the committee itself may actually conduct courses or invite specially qualified people to address the area residents, and it will make self study material and other learning aids available to neighborhood residents so that they can educate themselves on a block by block or special interest basis. It will especially try to involve senior citizens in the educational process, not only so they can pass on their traditions, but also to make them aware of new possibilities.

Its ultimate goal is to make the neighborhood and its residents into a stimulating learning environment using whatever means are available. It will also get involved in pre-school activities such as Montessori and in all aspects of craft and skill training for all ages. It will share responsibility for the apprentice training programs, teaching trade and professional skills with the employment promotion and marketing committee. It will no doubt be involved with other committees such as membership, public relations and religion.

It will also arrange for the training of association officers and board members in their responsibilities. It will be very involved in the association's newsletter and in the educational efforts related to the annual election of block and at large leaders. This particular committee will also have to work very closely with other interest groups through the regional association since they will, in many cases, be dealing with policy decisions and tax funding at the school board levels.

The whole concept of democracy is based upon an educated and aware electorate. So, since this is to be a volunteer, democratic cooperative effort, this committee will have a major role to play in making the members aware of their opportunities and responsibilities.

Committee Discussion Questions

(Identify yourself when meeting new dialogue mates.)

1. What would you like to do on your block or in your neighborhood in cooperation with this committee?
   List activities and number as to priority.

2. Who would benefit by helping you and the committee carry out each of your activities? How could they help?
   List helpful individuals or organizations.

3. Who might resist or feel threatened by each of your activities?
   List threatened individuals or organizations.

4. What would be the first steps you would take to start up each of your activities?

Charles F. Latham
Community Watch
Chairman

RELIGIOUS COMMITTEE OPERATING GUIDELINES

"Cooperation" is an attitude of mind and a way of life that is in harmony with the social principles of all of the worlds' religions.

The extended family/neighborhood community that this association is creating will be similar in social aspects to any religious community.

This overall program should become an ecumenical movement that every religious denomination can endorse and work with to further its own ends.

This committee will have the responsibility for developing mutually beneficial relationships with all religious organizations serving the neighborhood.

It will make space in the neighborhood newsletter available to announce various church sponsored social activities.

It will, like the political committee, be non-denominational in policies.

It will work with the various denominations to help implement any social action programs they sponsor that would benefit the neighborhood.

Since the various church facilities lend themselves to use by area residents, it will be this committee's responsibility to develop relationships to the point where the facilities are made available at a fair cost for neighborhood activities.

In addition to the use of local religious facilities, one of the committee's prime responsibilities is to make itself and the association available to help the local religious organizations in any way possible.

The volunteer "labor bank" and other association [illegible] should be made available in exchange for their cooperation.

Since some of the original and continuing funding will come from the members of various religious organizations, and since membership is also a source of members for this association, the committee will play a vital role in developing this association.

The tone of the relationship the religious committee [illegible] with pastors, religious boards, and church membership [illegible]

important to the development of the area from a neighborhood into a community of people.

Committee Discussion Questions

(Identify yourself when meeting new dialogue mates.)

What would you like to do on your block or in your neighborhood in cooperation with this committee?

[illegible] activities and number as to priority.

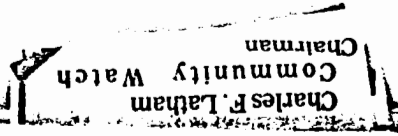
Who would benefit by helping you and the committee carry out [illegible] of your activities? How could they help?

[illegible] helpful individuals or organizations.

Who might resist or feel threatened by each of your activities?

[illegible] threatened individuals or organizations.

What would be the first steps you would take to start up each of [illegible] activities?



This committee will work through local churches, civic organizations, and all the mass media/communications industries to get the association's message across.

We also expect the P/R committees to work through the regional association with the Chamber of Commerce to "sell" their neighborhood to new people moving into our community from other metropolitan areas. We foresee offering potential newcomers to our community a whole package of neighborhood brochures through the personnel departments of the organization bringing families to our area.

The image projected will reflect the interests and concerns of the members reflected through the committees activated by the association, so everyone will have an opportunity to contribute to it.

Since all of us tend to assign our values to things on the basis of what they seem to be worth to others (keeping up with the Joneses as well as ourselves, the P/R program will really be aimed as much at area residents as it will the entire community.

Committee Discussion Questions

(Identify yourself when meeting new dialogue mates.)

1. What would you like to do on your block or in your neighborhood in cooperation with this committee?

List activities and number as to priority.

2. Who would benefit by helping you and the committee carry out each of your activities? How could they help?

List helpful individuals or organizations.

3. Who might resist or feel threatened by each of your activities? Why?

List threatened individuals or organizations.

4. What would be the first steps you would take to start one of your activities?

SECTION VII

WHO'S REALLY GOING TO RUN IT?

JUST A HANDFUL OF PEOPLE LIKE EVERY OTHER ORGANIZATION, BUT THOSE IN CHARGE WILL BE "BEHOLDEN" TO THE MEMBERS ON A VERY PERSONAL BASIS. IT IS OUR INTENTION THAT MOST PEOPLE WILL KNOW THE LEADERS THEY ELECT ON A FIRST NAME BASIS SINCE THEY WILL BE LIVING ON THE SAME BLOCK OR WORKING TOGETHER ON A SPECIAL PROJECT.

This section contains operating guidelines for the following:

Block leaders
"At large" leaders
Board of leaders
Officers and Regional Representatives
Executive committee
Manager and staff

We have also provided dialogue questions that will stimulate your thinking and discussions about each of the leader's and committee's activities. In addition to the questions for the "at large" leader, we have provided a sample election ballot which we suggest you use during your dialogue session.

You should assume that the persons running "at large" on the ballot platforms listed on the ballot have explained the programs to you at some meeting and have provided you with a written outline so you will know who and what you are voting for.

As we have indicated, we do not expect very many people to assume leadership roles, but the opportunity to play many other meaningful roles in the neighborhood will be there for those who do not care to lead.

For example, we suggest that each elected leader and alternate have a "consultant" of the opposite sex to discuss matters with prior

Charles F. Latham
Community Watch
Chairman

to making decisions. In this way you can arrive at a balance of the sexes input into your association's planning and decision making process.

We have also recognized that this simply cannot be done with donated labor, so everyone will get rewarded in some way for the effort expended..

All the officers and committee members will be recognized with credits in the labor bank and in some cases even cash payments. The full time manager and staff will be paid market rate wages plus performance bonuses. Each member will receive some personal benefits in reduced cost of living, increased property value, more secure and stimulating living conditions.

One point we want to emphasize related to the leaders is that they should be "educators" as well as "leaders". Their main responsibility is to stimulate cooperation among the members and between the association and other community resources. They are to be catalysts in this evolutionary process, not administrators of an organization.

Your association is going to be run as a business. It will be a "not for profit" business, but that does not mean that it will not be self sustaining and that dollar and cents benefits will not be accrued

The funds for your operation will come from fees for services rendered to the members, not from charitable grants, but your association's purpose is to provide these services to its members at cost so that the members themselves will receive the benefits in reduced costs of living, increased property values and better living conditions.

The "not for profit" applies to the association itself which under the terms of its bylaws cannot keep any profit it makes.

The manager's role in this situation and the criteria for judging how well he does his job will be to determine how much each member saves and the increase in each member's property value

We would like to illustrate here the difference between a "not for profit coop" and most other organizations in society.

When the leaders and management make their annual reports to the members it will be based on the following criteria:

1. The new services offered.
2. The cost of living savings that accrued to each member through

all services offered.

3. The increase in value of cooperative occupied property that accrued to each cooperative occupant and an estimate as to the increase in value of member owned property.
4. The equity accrual in commercial property owned by the neighborhoods.
5. The plans to increase services, savings and values for the next year.
6. An operating statement that shows association income equal to expenses, since all benefits will have accrued directly to the members and area residents.

The association reserves that everyone wants to accrue will come in the form of equity increases in cooperatively owned property and in the members' confidence in themselves, their association and their neighborhood.

This is a unique approach to doing business, since most managers are evaluated on the net profit or growth of the business, but this "not for profit" feature is what will make your association a human business instead of just another business.

The very fact that the association is passing on its profits to its members necessitates that it be run in a very efficient and business like way, since there will be little margin for error and every mistake will cost each member a proportionate share.

It will take cooperation on everyone's part to make this happen. It won't be easy, but we believe you'll find it worthwhile.

One ironic feature of this whole approach is that even those area residents who do not join your association will benefit from the success of your efforts since their property value will go up and their living conditions will improve. We believe that this feature will in time draw most of your neighbors into your association.

We also want to clarify the difference between the board of directors roles and the managers' roles at this point, especially since many people who will be reading this book will have been involved with organizations which have been doing things on a voluntary basis with funds provided from outside sources that do not expect repayment.

Charles F. Latham
Community Watch
Chairman

The elected members of the board are responsible for setting policies within the guidelines of the bylaws, they are not responsible for running the neighborhood business on a day to day basis.

They have the right to hire or fire the manager, through the action of the board. They do not, nor does any member, have the right to direct the manager as individuals.

Conversely, the manager does not own the business so he is not the ultimate authority; for that matter, neither is the board of directors. Everyone works for the members as an association.

There will always be some conflict between the individual members, board members, the manager and paid staff, since everyone will have different priorities and ways of doing things and the time and resources will always be limited, but this is a condition that everyone will have to live with and work around. This process is called cooperation and it is done by cooperators, not competitors.

We want to point out that the history of success in cooperative activities over the years is on the side of a strong manager working cooperatively with a knowledgeable and supportive board of directors.

The failures, and there have been many, have always been caused by people who did not assume their responsibilities and act decisively.

The manager should discuss problems with the board members if he needs help in making a decision, but the operating decisions are his responsibility and must be made by him.

A good manager cannot be just the administrator of the peoples' decisions, nor can he hide behind his title or the board of directors as so many people now do in the corporate and government worlds.

The responsibility for the success of your neighborhood development business is going to lay heavily on the manager's shoulders and he will need all the cooperation that can be given.

We believe that the management of the business we have here will appeal not only as a way of making a living but as a vocation or way of life, to the entrepreneurial type of person who used to go in business for himself and who more recently has left the ladder to success in the corporate world.

The opportunities for worthwhile activities and personal fulfillment that developing an extended family neighborhood community will offer should make this job very appealing to the right person.

The recognition in the community that a successful manager will get, in addition to the open-ended income opportunities that this job offers, should stimulate that extra effort that will make the difference between real success, halfhearted effort, and failure.

We believe that the very best manager your board might hire would be one with enough confidence in himself and his ability to get the people in your neighborhood working with him, that he would take the job without a salary but on a straight performance basis.

As a matter of fact we expect that many neighborhood associations will be started by a committed, entrepreneurial type individual as a way of making a living. In these cases it will be the second generation of management that will be given a job by the neighborhood.

Similar opportunities for personal satisfaction and economic gain through cost of living savings and property value increases will be available to all the elected leaders so you should be able to find ones dedicated to cooperative activities for their own good.

Since each of the elected leaders can be removed from his or her position at any time by the people who are living or working with them they should be very responsive to their constituents. Consequently, since the members have the right and the opportunity to express their approval or disapproval at any time, they should be interested and involved.

The members' role in this effort is to do for themselves what they want to do, the leaders' and the associations' roles are to coordinate their efforts and make community resources available for them to use.

The success or failure of each effort will depend on the support and cooperation the members give to their leaders.

Charles F. Latham
Community Watch
Chairman

BLOCK LEADER AND ALTERNATES OPERATING GUIDELINES

Block leaders will be elected by the members living in a defined area that has about 100 residents. This may be a city block or a single building. The individual receiving the most votes is elected as the voting member of the board of leaders. The individual receiving the second most votes is elected as a non-voting alternate but serves as a full member of the board of leaders and its committees.

Each block leader and alternate have three basic responsibilities:

1. To act as leader of the people in the area on all self-help projects that they undertake.
2. To make the association or the specific committees aware of the interests, the needs and the talents of the people on the block.
3. To make his neighbors aware of the association's goals and their responsibility to help attain them.

Since the real estate and money available to the association will always be limited and the only unlimited resources are the people, it will be the block leader's job to try to encourage his or her constituents to be conservative in using their limited resources and liberal in using themselves.

The block leaders should set the cooperative standards for their neighbors.

The block leaders have the responsibility of actually leading their neighbor electors in cooperating to do for themselves what needs to be done with the associations help rather than trying to get the association to do something for them.

The block leaders as members of the board of leaders, in addition to developing a cooperative spirit among their constituents, should also strive to develop a competitive spirit among their blocks.

Cooperative community development is based on small groups of people competing with each other in building a better place in which to live.

Cooperation leads to a positive kind of team competition that builds with what you have, rather than a negative kind of competition something away from others.

The leaders in this effort will be elected by their neighbors as cooperative pace setters, not representatives.

In addition to their role as block leader and alternate, each individual will have a specific responsibility assigned by the board.

The fact that the entire board will consist of the elected leaders of each "block" of about 100 members should give it a great reservoir of energy and talent from which to draw.

The fact that each block leader will be backed by an alternate ready, willing and able to step in, when and if the leader needs help, should tend to keep things moving.

The real key to this whole effort is what happens on a block by block basis. This is the human level of democracy since any large group tends to become impersonal.

BLOCK LEADER

DISCUSSION QUESTIONS

(Identify yourself when meeting new dialogue mates.)

What kind of a person should be elected as a block leader?

What opportunities would a block leader have?

What problems would a block leader have?

Would you or would you not run for election as the leader of your block?

Charles F. Latham
Community Watch
Chairman

"AT LARGE" LEADER

OPERATING GUIDELINE

These board members will have been elected by the votes of a least 10% of the association members to lead them in the development of a specific program.

They will have a mandate to try to do what they outlined in the written proposal on which they ran for election.

The "at large" leaders will be required to write their own platform which will include specific goals, an outline of operating procedures, and a budget of time and money.

This platform will not only outline the benefits the members gain but it will also indicate what the "at large" leader will earn if he does the job well.

This "at large" leader's position is really a way of going into business for yourself in a cooperative fashion. The individual elected will actually have created a management job complete with fringe benefits and a performance bonus for himself.

The neighborhood association will own the business and provide the capital, but the "at large" leader will get the recognition and rewards of a successful manager.

We believe that being in business serving your neighbors, who have indicated their interest and support in advance, will give the individual a much greater chance to succeed than being in business all alone. It should also be more satisfying than working for a large corporation since the leader will be working on a personal basis and with his neighbors.

Once their platform is written up and they have been nominated by another member to "run for election", the "at large" candidates will campaign by explaining their program to the members on a block by block basis and in the process solicit not only votes but volunteers to help.

Each voter will have to sign his name to this ballot to make his vote count. This will indicate his willingness to help do what is outlined in the platform. This may include a commitment of time

an investment in a capital fund to be raised or to use the facility or services to be created in a specific amount.

In other words a vote for an "at large" leader will be a commitment to that leader and the association by the voter.

Just because the "at large" leader has a mandate, a committed group of members and assured cooperation from the board of directors, he does not have the authority to command, even though his election will require the entire board of directors, the officers and the committee responsible for the particular program, to **CO-OPERATE** with him in developing the program.

The "at large" leader, just like everyone else, will earn the right to lead by performance, not position.

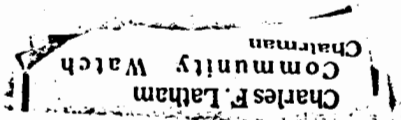
The fact that the "at large" leader will actually have presented his program in writing prior to election will provide a basis for judging the effectiveness of his efforts.

The "at large" leader will have to perform or be subject to recall and replacement by his constituents. But since this position also provides the best opportunity to make something specific happen, it should be well worth the risk of failure to an individual who is motivated.

The idea of electing a person to do a job rather than having elected representatives hire a person to do a job, is the spark that will keep rekindling the association's fire when it begins to go out.

The "at large" leader has been built in to force the association to respond to the needs of the members. This should also tend to phase out or eliminate programs that don't work or have matured and no longer serve a purpose.

These "at large" leaders will redirect the efforts of the association to reflect new priorities.



EXECUTIVE COMMITTEE OPERATING GUIDELINES

The executive committee will be the governing body of the association.

The members of the executive committee will be the chairmen of the association's various operating committees.

These individuals will have been elected as block leaders by their neighbors or as at-large specialized leaders by at least 10% of the association's members.

They will also have been elected as leader by the committee to which they were assigned by the board of directors.

In order to counterbalance the tendency towards autocracy that leaders develop, they will be made accountable through their electors right to vote their recall.

Each member of the executive committee will be recallable by their block or at-large constituency, the board of directors who assigned them to the committee, or committee members who elected them chairman.

In order to further assure that the executive committee will not become dictatorial, it will not have the right to initiate programs on its own. Each program must be sponsored by the committee that has jurisdiction in the particular area of activity under consideration

The executive board will have the right to determine committee jurisdiction or to require the creation of a joint sub-committee among committees where a jurisdictional overlap occurs.

The executive board will not have the right to say "no" to any proposal submitted by an operating committee. It will only have responsibility for reviewing and approving proposals for programs submitted by the operating committees or for sending them back to the committee with suggestions for improvements that would strengthen the idea or make it fit more effectively in the overall association plans.

The purpose for this non-delegation of authority is to counterbalance the tendency towards bureaucratic immobility by keeping the decision making and initiative at the committee level, close to the grass roots. Since the members of the executive committee will

be the leaders of their particular operating committee, they each will be striving to "push" their cause and therefore should be willing to cooperate with the other committee leaders to make things happen.

The executive committee is structured to act positively, not slow things down. The comptroller activity related to their action will be exercised by the treasurer in his role of financial committee chairman and executive committee member.

The executive committee will supervise the professional manager and through him the staff and will approve all budget requests.

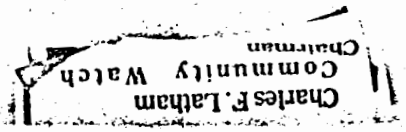
No program, even though it has been approved by the executive committee, will be started until the financial base is sound and competent management is assured.

Each operating committee will be responsible for following through on its proposal until the executive committee, the treasurer and the manager have all agreed that the program, as structured, is feasible.

Once a program is implemented the initiating committee will have the prime responsibility for overseeing and reviewing the activities.

In order to eliminate an existing program, a recall referendum may be initiated through a petition signed by 10% of the members. If 66-2/3% of the members vote for discontinuing the activity, it will be dropped as an official association activity. This does not mean that those voting for it cannot continue it on their own initiative or redesign it and resubmit it to the members in a subsequent election.

The executive committee members as elected block or at-large leaders, chairmen of their respective operating committees and the governing board of the association, will be the catalysts who will work directly with the manager and staff to make things happen. If and when the association is financially able they should be paid in some way for their services.



SECTION VIII

IS THIS LEGAL?

IN THIS COUNTRY WE ARE FREE TO ASSOCIATE OURSELVES IN ANY COOPERATIVE EFFORT THAT WILL BENEFIT US AS INDIVIDUALS AND NOT BREAK ANY OF THE EXISTING LAWS. WE WOULD LIKE TO POINT OUT AGAIN THAT IN MANY OTHER COUNTRIES, PEOPLE ARE BEING FORCED TO COOPERATE.

THE ARTICLES OF INCORPORATION AND BY-LAWS OF THE NEIGHBORHOOD AND REGIONAL ASSOCIATION THAT FOLLOW MEET EVERY CRITERION OF THE LAWS OF THE STATE OF MISSOURI AND THE INTERNAL REVENUE SERVICE'S REQUIREMENTS FOR A "NOT FOR PROFIT" CORPORATION.

As we have said before, we have tried to blend the very best our democratic, entrepreneurial and cooperative ideals into a "for profit" corporate systems approach that will enable people neighborhoods to go into business for themselves in the traditional American way.

We are doing exactly what the farmers did at the turn of century when they formed cooperatives to help them solve problems. We are playing the game as the rules are written. voluntarily decided not to profit as a group from our efforts We let the benefits of our collective efforts accrue to the members rather than to the association.

We believe that we have created a legal structure that will its members and not become bureaucratic over time We we have effectively decentralized the decision making in ization, and if other people in other areas use our model be able to decentralize the decision making in all the

that cooperate with us in this effort at building cooperative communities for our future.

We have written democratic, one member one vote, principles into the corporate by-laws and thus given control to the members, rather than the money. In other words, your association will be run for your personal benefit, not for a maximum return on your investment.

We have however planned a "fair" return on investment and will secure it with real estate or other neighborhood assets. This will make investing in the community in which you live profitable as well as personally beneficial.

We have also broken the election of leaders down into groups of about 100 people who live together and can get to know each other on a personal basis.

We believe that people will get involved electing a block leader (some people prefer to call this individual the block head) whose role is to lead the people living on that block in any activities they want to undertake.

This brings the decision making and doing right down to the human level that people can understand, experience and benefit from in a tangible way in the near future.

The fact that the people living on your block will be doing whatever you are doing with the help of your neighborhood association should over time make more of your neighbors willing to work together on projects beyond your block and this is how your association will grow to serve more of your needs.

We have also written into the by-laws an opportunity for individuals to "go into business" serving the neighborhood by being elected as an "at large" leader. This has been explained in detail before, but we want to re-emphasize that electing "at large" leaders is the way that a rather small group of members who feel very strongly about something can force their association to serve their needs.

The additional fact that all those who are elected can be recalled by those who elected them at any time and for any reason , that their terms of office are limited should also tend to keep your association responsive to your needs.

Charles F. Latham
Community Watch
Chairman

You and your neighbors are starting a business which requires a lot of hard work and a special kind of entrepreneurial talent at the management level. Just anyone won't do.

The point we are trying to make is that the board of leaders main responsibility is to hire a competent, responsible manager and then cooperate with him in the development of the neighborhood.

If the board and the members insist on nit picking and talking behind each other's back, they will not be able to keep qualified and dedicated people working with them and will have to be satisfied with people who just want a job.

They may eventually be faced with the responsibility for the failure of their association and since they are area residents, they will have to live with their failure, so the pressure will be on them too.

It is also extremely important that everyone recognize that neighborhood development is also human development and that even though this business will be self-sustaining and will run like other businesses, its ultimate goal is to create the best possible living, learning and working environment for its members.

This goal plus the "not for profit" status we have just discussed offers everyone in your neighborhood a tremendous challenge and potentially an even greater reward.

In other words, developing your community cooperatively should be worth your time and effort, not only for yourself and your neighbors, but for all of your children and grandchildren.

The following material, like the financial information, does not lend itself to general discussion. It is what you need to form a neighborhood or regional association after you have decided you want to do so. You should have your legal counsel review it to make certain it conforms to your state laws.

(a neighborhood development association)

ARTICLES OF INCORPORATION

We, the undersigned natural persons of the age of twenty-one years or more and residents of Missouri, residing as follows:

Name	Number	Street	City	State

associate ourselves together for the purpose of forming a not for profit incorporated association, without capital stock, under the provisions of Chapter 355 of the Revised Statutes of the State of Missouri.

ARTICLE I

The name of the association shall be:

ARTICLE II

The association is formed for the following purposes and shall have the following powers:

(a) To improve living conditions and neighborhood relations within the geographic area set forth at the end of this Article II and to encourage and assist members and non-members residing or owning property within such area to improve such conditions and relations.

(b) To lessen neighborhood tensions, combat community deterioration and endeavor to make available better housing and more stimulating living conditions without regard to age, sex, race, income or other social differences by assisting neighborhood development association members to (i) obtain necessary financing, (ii) purchase, rehabilitate and resell or lease housing in their respective neighborhoods, (iii) improve and develop property in such area without purchase, (iv) engage in other self-help or cooperative purchasing, producing or marketing plans or plans for provision of prepaid or cooperative exchange of services.

(c) To offer stimulating living conditions in such area to as wide a variety of people as possible without regard for age, sex, race, income or any other social differences.

(d) To borrow money without limitation as to amount of corporate indebtedness or liability and to give security by encumbering or pledging any of its property in any manner permitted by law.

(e) To draw, make, accept, endorse, guarantee, execute and issue promissory notes, bills of exchange, drafts, warrants, certificates, and all kinds of obligations and negotiable or transferable instruments for any

Charles F. Latham
Community Watch
Chairman

purpose that is deemed to further the objects for which this association is formed and to give a lien on any of its property as security therefor.

(f) To cooperate with other similar associations in forming and becoming a member of regional or national not for profit, tax-exempt associations formed for the purposes for which this association is formed, and to become a member or stockholder of such associations as now are or hereafter may be in existence.

(g) To have and exercise, in addition to the foregoing, all powers, privileges, and rights conferred on ordinary not for profit incorporated associations under Chapter 355 of the Revised Statutes of Missouri and all powers and rights incidental or conducinve to carrying out the lawful purposes for which this association is formed, except such as are inconsistent with the express provisions of Chapter 355 of the Revised Statutes of Missouri.

PROVIDED, that the purposes of the corporation are limited so that, (i) the corporation shall at all times and in every case be operated and conducted as a charitable or educational organization within the meaning of Section 501(c) (3) of the Internal Revenue Code of 1954 or the corresponding provisions of any subsequent federal tax law and (ii) no part of the net earnings of the association shall ever inure to the benefit of any member or any private individual, except that the association may pay reasonable compensation for services rendered.

PROVIDED FURTHER, that no substantial part of the activities of the association shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the association shall not participate in, or intervene in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office.

PROVIDED FURTHER, that, notwithstanding any other provisions of these Articles of Incorporation to the contrary, (1) the association shall distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Internal Revenue Code of 1954, or the corresponding provisions of any subsequent federal tax laws; (2) the association shall not engage in any act of self-dealing as defined in Section 4941(d) of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent federal tax laws; (3) the association shall not retain any excess business holdings as defined in Section 4943(c) of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent federal tax laws; (4) the association shall not make any investments in such manner as to subject it to tax under Section 4944 of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent federal tax laws; and (5) the association shall not make any taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent federal tax laws.

PROVIDED FURTHER, that this association shall not acquire an interest in any real estate except real estate located within the following boundaries: on the North, on the East, on the South, on the West, all located within the limits of Kansas City, Jackson County, Missouri.

ARTICLE III

The initial registered office of the association in the State of Missouri shall be located at City of Kansas City, County of Jackson, and its initial registered agent at such address shall be

ARTICLE IV

This association shall have perpetual existence until dissolved in accordance with these Articles and with law.

ARTICLE V

The number of directors to constitute the Board of Directors from time to time hereafter shall be as fixed by the bylaws, but shall not be less than five. Directors shall be elected or appointed for such term and shall be divided into such classes as shall be provided by the bylaws.

The number of directors of the first Board of Directors of the association shall be five unless altered by an amendment to the Bylaws. The names and addresses of the members of the first Board of Directors, who shall serve until their successors are elected and qualified, are:

Name	Address

ARTICLE VI

This association shall not have any capital stock, but shall admit applicants to membership in the association upon such uniform conditions as may be prescribed by the Board of Directors of the association, and set forth in its bylaws. This association shall be operated for the mutual benefit of the general public of Kansas City, but membership in the association shall be restricted to persons who reside or own property within the boundaries set forth in the second paragraph of Article II of these Articles.

Charles F. Latham
Community Watch
Chairman

ARTICLE VII

In all matters other than election of at large directors submitted to the members, each member shall have one vote. In voting upon at large directors, each member shall have three votes and shall have the right to cast one, two or three of such votes for any candidate or candidates nominated to be at large directors, so long as the total votes cast by him for at large directors at such election does not exceed three.

ARTICLE VIII

The bylaws of the corporation may be adopted, repealed, amended or modified in whole or in part by two-thirds of the directors, subject in all cases to the paramount power of the members to disaffirm such action or adopt, repeal, amend or modify such other or additional bylaws at any annual or special meeting called and held, in accordance with the bylaws and with law.

ARTICLE IX

Upon dissolution in accordance with law, the assets of the association shall be applied and distributed as follows:

(a) All liabilities and obligations of the association shall be paid satisfied and discharged, or adequate provision shall be made therefor obligations to non-members and suppliers to be paid first.

(b) That portion of the remaining assets which represents accumulated net earnings of the association shall be distributed to trusts, societies organizations, or corporations having purposes similar to those of the association and which shall qualify as tax exempt organizations under Section 501(c) (3) of the Internal Revenue Code or corresponding provisions of any subsequent federal tax laws, as the Board of Directors shall determine, provided, that the members may, at the meeting at which dissolution is authorized, direct the Board to distribute under this subparagraph (b) any remaining assets or some portion of the remaining assets greater than the portion herein specified, in which case the Board shall promptly distribute said assets among such trusts, societies, organizations or corporations as meet the qualifications set forth above in the manner determined by the Board.

(c) If the members so direct at the meeting at which dissolution is authorized, or if no contrary direction is given, those assets remaining after satisfying all liabilities and obligations as provided in subparagraph (a) hereof which do not represent accumulated net earnings of the corporation shall be distributed to the members pro rata in proportion to their respective membership fees and contributions; provided, that prior notice of such distribution shall be given to the appropriate public official of the State of Missouri as required by the General Not for Profit Corporation Law of Missouri and, provided further, that if such official shall determine that

such distribution would result in a diversion of assets from not-for-profit purposes to the profit of any person, organization or corporation as prohibited by Missouri law, such assets shall be distributed in accordance with the instructions of such official to the members or to such tax exempt organizations as qualify under subparagraph (b) hereof.

IN TESTIMONY WHEREOF, we have hereto set our hands this day of , 197

Charles F. Latham
Community Watch
Chairman

(Neighborhood Development Association)

Bylaws

ARTICLE I – PRINCIPAL OFFICE

Section 1. The principal office of the Association shall be located at , Kansas City, Missouri.

ARTICLE II – MEMBERSHIP

Section 1. Qualifications. Any person eighteen years of age or older who resides, owns an interest in real property, or owns an interest in a firm, partnership or corporation which owns property or operates a business or any institution owning property or operating in the area bounded by on the North, on the East, on the South and on the West which is within the area served by the Kansas City Regional Development Association, may apply on the form adopted by the Association for membership in the Association to the Board of Directors. The Board shall have the power to specify additional qualifications and conditions of membership. Upon acceptance by the Board of Directors or the person or persons given the power to approve memberships by the Board, such person shall become a member upon payment of the first year's membership fee of $5.00. The Association shall issue a non-transferable certificate of membership to each member which shall be in such form as may be prescribed by the Board of Directors.

Section 2. Termination or Resignation. If, following a hearing, the Board of Directors shall find that a member has ceased to be eligible for membership or for any reason related to the overall good of the Association, it may terminate his membership. If a member wishes to resign from the Association for any reason he has the right to do so at any time.

Upon termination of membership in the Association all rights and privileges of such member in the Association shall cease and such member shall be entitled only to payments as outlined in the contractual arrangements with the Association. No membership fees shall be refunded in either event.

Section 3. Classes ("Blocks"). Members shall be divided into classes or "blocks" based upon the geographic sub-area or neighborhood of their residence or, if non-resident owners, the location of their respective property located within the area defined in Section 2 above. Such blocks and the name of each neighborhood within which they are located shall be as set forth on the map attached hereto as Exhibit A. This map may be revised from time to time to change boundaries of blocks or to add blocks in new

neighborhoods by a two-thirds vote of the directors; provided that there shall be no fewer than fifteen (15) "blocks" in a neighborhood and provided further that blocks shall contain a minimum of twenty-five (25) resident member families and a maximum of fifty (50) resident member families and provided further, that a revision shall be made at least once in each year and not less than thirty (30) days prior to each annual meeting.

The rights, privileges and obligations of the members of different blocks shall be identical except in the election or removal of directors.

ARTICLE III – MEETINGS OF MEMBERS

Section 1. Annual Meeting. The annual meeting of the members of this Association for the election of directors and transacting such other business as shall come before the meeting shall be held at the principal office of the Association at 10:00 o'clock a.m., on the 31st day of March of each year, or at any other place or any other date which the Board of Directors shall designate.

Section 2. Special Meetings. Special meetings of the members of the Association may be called at any time by order of the Board of Directors, and shall be called at any time upon written request of at least five percent (5%) of the members, provided, however, that in no case shall the required number of signatures to such request be less than fifteen (15). The request shall state the time, place and purposes of the meeting.

Section 3. Notice of Meetings. Written or printed notice of every regular or special meeting shall be prepared and mailed to the last known post office address of each member not less than five (5) nor more than forty (40) days before such meeting. Such notice shall state the purpose or purposes thereof and the time and place of meeting. No business shall be transacted at special meetings other than that referred to in the notice.

Section 4. Voting. In all matters submitted to the membership (other than the election of "at large" directors) each member shall be entitled to only one vote regardless of his interest or investment in the Association. In the election of "at large" directors, each member shall be entitled to three votes and may cumulate such votes among one, two or three nominees for such office in the manner in which he sees fit. Absent members may vote on specific questions other than the removal of directors by ballots transmitted to the secretary by mail and such ballots shall be counted only in the meeting at the time such vote is taken, provided that all members have been notified in writing, prior to action by the Board of Directors of the exact wording of the motion or resolution upon which such vote is taken. Voting by proxy or cumulative voting shall not be permitted except as expressly authorized hereby.

Section 5. Quorum. Ten percent (10%) of the membership, present in person or represented by written vote on all items on the agenda, shall

Charles F. Latham
Community Watch
Chairman

stitute a quorum for the transaction of business at any meeting of the Association except for the transaction of business concerning which a different quorum is specifically provided by law or by these bylaws; but in the event a quorum is not present, such meeting may be adjourned from time to time by those present until a quorum is obtained. The act of a majority of those present in person or represented by written vote shall constitute the act of the membership.

Section 6. Presiding Officer. The President, or in his absence one of the Vice Presidents (in the order of their election), shall call meetings of members to order and act as Chairman of such meetings. In the absence of all of such officers, any member may call the meeting to order and a Chairman shall be elected. The Secretary or any Assistant Secretary shall act as Secretary of all meetings of members. In the absence of all of such officers the Chairman shall appoint a Secretary of such meeting.

ARTICLE IV – DIRECTORS

Section 1. Responsibility. The management of the affairs of the Association shall be the responsibility of the Board of Directors, which shall determine all policy not inconsistent with law or with the bylaws for the guidance of the members, officers and committees of the Board.

Section 2. Qualifications. All directors must be members of the Association and block directors representing a certain block must in addition be permanent residents of the sub-area constituting such block. At large directors must in addition represent and advocate a certain program of activities for the Association. No person who is a director, officer, employee, agent, shareholders or member of, or affiliated (except as a creditor) with, an association having purposes similar to and conflicting with the purposes of this Association shall be eligible to serve as a director or officer of this Association. Upon a finding of such a conflict by a two-thirds majority of the Board, such person shall be removed from office (or stricken as a nominee for the position of director) by the Board and the vacancy filled as provided below.

Section 3. Classes, Number, Term. Directors shall be divided into two classes, "at large" directors and block directors. Block directors shall in turn be divided into as many subclasses as the directors have designated sub areas to be represented by block directors. All directors of every class or subclass shall serve two year terms (provided that the first board shall serve only until the first annual meeting of members and provided further that one half of the blocks shall elect their block directors for a one year term at the first annual meeting of members, such one-half to be determined by the first board prior to the mailing of notice of the first annual meeting of members) and the rights and responsibilities of directors of every class and subclass shall be identical, the only distinction between classes being the manner of their election and removal.

There shall be two block directors for every sub-area (a voting block director and an alternate block director) the number of directors to constitute the first board being that number of directors which equals two times the number of blocks then constituting the membership. There shall be that number of at large directors as shall receive the required number of votes from each sub-area, but in no case more than ten. No at large directors shall be elected until the first annual meeting of members.

No director shall serve on the Board for more than three consecutive terms.

Section 4. Manner of Election. At any time between January 15 and February 15 of each year, any member in good standing may submit to the Secretary, in writing, nominations of qualified persons for the office of director. Such nominations shall specify whether the nomination is for an at large or a block directorship and if a block directorship, the home address of the nominee. Such nomination (unless a self-nomination) shall also be approved in writing by the nominee and, if for an at large directorship, shall contain a detailed outline (and a summary in 100 words or less) of the program to be advanced by such nominee. The Board shall determine if the nominees meet the express qualifications of Section 2 above. The names of those nominated who are found to be qualified and the summary programs submitted by or on behalf of the nominees for at large directorships shall be included in the notice of the annual membership meeting as mailed by the Secretary. Notwithstanding such provisions, qualified persons may be nominated from the floor at such meetings and write-in ballots of qualified persons not nominated shall be considered a nomination as well as a vote and shall be accepted and tabulated.

At large directors shall stand for election at large; that is, members of every subgroup shall be permitted to vote for at large directors. Persons shall become at large directors only if they receive ten percent (10%) of the total ballots cast by the aggregate membership at such election.

The voting for block directors shall be by block, and in accordance with the following procedure. Only members residing in the same block as the respective block directors to be elected shall be permitted to cast ballots for such position. Each member shall vote for only one person for the position of block director. Two directors shall be elected by every block, the person receiving the highest number of votes becoming the principal or voting block director representing such block and the person receiving the second highest number of votes becoming the alternate block director representing such block. If only one person receives votes from a certain block, he shall be elected a voting block director. If a tie occurs for highest number of votes the person who has not been a voting director before shall be declared the voting block director, otherwise a coin flip shall determine who shall be the alternate block director.

Section 5. Voting and Other Rights. Both voting and alternate block directors shall serve on the Board and be eligible to serve and vote on its commit-

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tees as co-equals; provided that subclass of block directors representing a certain block shall have only one vote at meetings (or in actions) of the full Board of Directors and that vote shall be cast in the discretion of the voting block director representing such block unless he is absent (or declines to act). In the absence of the voting block director for any reason (or upon his refusal to act), the alternate block director shall have full power to vote and represent the block.

At large directors shall have one vote at meetings (or in actions) of the full Board or of the committee(s) on which they serve.

Section 6. Vacancies. Vacancies among at large directors occurring for any reason shall not be filled. Vacancies occurring among alternate block directors by death or resignation shall not be filled until the next annual meeting of members. Vacancies occurring among alternate block directors by reason of their removal may be filled by a vote of the block represented by such directors at the meeting at which such directors were removed. Vacancies occurring among voting block directors shall be filled by the alternate block director representing the same block as the removed director or, if the alternate block directorship for such block is also vacant, by a vote of the block affected at a special meeting of the members of such block, which shall be called by the Secretary in such event.

Section 7. Removal. Directors of any class may be removed at any time for cause by a vote of two-thirds of the members of the Board. "Cause" shall include, but without limitation, failure to attend three or more consecutive meetings of the Board without reasonable excuse.

At large directors may be removed at any time with or without cause by a vote of a majority of the members present in person or by written ballot at a meeting of the membership duly called and held.

Block directors may be removed at any time with or without cause by a vote of a majority of the members present in person or by written ballot at a meeting of the members of the block represented by the respective block director. The Secretary shall call a special meeting of the members of such block for the purpose of considering the removal of a block director at any time he shall have received a written petition for the holding of a block meeting for such a purpose signed by not less than twenty percent (20%) of the members of such subgroup or twenty members of such block, whichever shall be the lesser number.

Section 8. Committees of the Board. At the first meeting of the first Board and thereafter at the first meeting of the Board following each annual meeting of members (or as soon thereafter as is practicable), the Board shall by a vote of a majority of the whole Board, designate the specialized committees of the Board and appoint the members to serve thereon at the pleasure of a majority of the whole Board. Each of such specialized committees shall consist of not less than three (3) nor more than fifteen (15) directors and shall have the power to exercise the full authority of the Board in the management of the affairs of the Association, within the sphere of the matters delegated to such committee, unless the Board specified otherwise.

At large directors shall be appointed to the specialized committee of their choice and the Board shall respect their requests for the creation of new committees with sufficient delegated power to carry out the program for which they were elected. At large directors may in addition be appointed to other committees by a majority of the whole Board. Other members of the committees shall be appointed by a majority of the whole Board in their discretion; provided that each director, regardless of class or whether an alternate or voting director, shall be appointed and shall serve on at least one specialized committee. In making appointments to specialized committees, the Board shall appoint directors to each committee from as many different geographic areas as is feasible so that all blocks will be represented on as many committees as is practicable.

Failure of any director to attend three or more consecutive meetings of any specialized committee to which he is assigned without reasonable excuse shall be deemed "cause" sufficient to remove the director from all position or office with the Association.,

Section 9. Election of Officers. At the first meeting of the first Board and thereafter at the first meeting of the Board following each annual meeting of members, the Board shall elect from their number a president, vice president (neighborhood activities), vice president (regional activities), secretary, treasurer (or secretary-treasurer) and such other officers as they deem necessary or appropriate, each of whom shall hold office until his successor is elected and qualified, but at the pleasure of the Board. Vacancies in such offices shall be filled by the Board.

Section 10. Meetings of the Board and Notice. The first meeting of the first Board shall be held at the call of the incorporators as soon as practicable following incorporation. The annual or organization meeting of each subsequent Board shall be held immediately following each annual meeting of the members at the place designated for the membership meeting. No notice of the time, place or purposes for such meeting need be sent.

In addition to such organizational meetings, regular meetings of the Board shall be held quarterly on such date at such time and at such place as fixed by the Board at its organizational meeting each year. If such meetings are held at such time and place fixed at the organizational meeting of the Board, no notice need be sent to directors, otherwise a written notice of the time and place of meeting shall be mailed or delivered personally to each director by the Secretary not less than two (2) days prior to the date of the meeting.

Special meetings of the Board may be called by the President or not less than one-fifth (1/5) of the members of the Board. Each call for a special meeting other than by the President shall be in writing, signed by the person or persons making the same, mailed to the Secretary at the principal office of the Association at least five (5) days prior to the proposed date of the meeting, and shall state the time, place and purposes for the meeting. Written notice of the time, place and purposes of special meetings shall be mailed or

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delivered personally to each director by the Secretary not less than two (2) days prior to the date of the meeting.

Notice of any meeting may be waived by signing a written waiver of notice and appearance at a meeting shall be deemed a waiver of notice thereof.

All meetings of the Board shall be open to any interested member and, except as expressly limited by the Board, to the general public as well.

The Board may act upon written consent without a meeting if two-thirds of the number of directors elected at the last annual meeting (or of the number named in the Articles if no annual meeting has been held) sign a written document setting forth the action so taken. Copies of such actions by consent shall be mailed to each director who did not sign the actions by the Secretary within three (3) days following their respective effective date.

Section 11. Quorum. One-third of the number of directors from time to time in office (but not less than one-third of the number elected at the last annual meeting of the members) shall constitute a quorum at any meeting of the Board; provided that less than a quorum may successively adjourn a regular or annual meeting for not more than seven (7) days at a time until such a quorum is obtained. Except as otherwise provided in these bylaws or bylaw, the act of a majority of the directors present at a meeting at which a quorum is present shall be deemed the act of the Board.

Section 12. Compensation. The compensation of directors and of committee members, if any, shall be set by the members of the Association at any annual or special meeting.

Section 13. Depository. The Board shall have the power to select from time to time one or more banks or savings and loan associations to serve as depositories of the funds of the Association and to determine the manner of receiving, depositing and disbursing the funds of the Association and the person or persons authorized to sign checks, bills of exchange or other orders for payment.

Section 14. Employees. The Board shall have power to employ a manager, define his duties, fix his compensation and to dismiss him with or without cause at any time. The manager shall have chief operating control of the business or businesses of the Association, subject to the direction of the Board, its committees and the President. The Board shall employ or authorize the employment of such other employees, agents and counsel as it from time to time deems necessary or advisable in the best interest of the Association and shall prescribe their duties and fix their compensation.

Section 15. Bonds and Insurance. The Board shall require the manager, the Treasurer and any other officer, agent or employee charged with the responsibility for or custody of any of the funds or negotiable instruments of the Association to give bonds in such amounts and with such companies as may be approved by the Board. The Association will pay all cost of such bonds. The Board shall also adequately insure the property of the Association and in addition secure adequate insurance covering liability for accidents to all employees and to the public.

Section 16. Audits. At least once in each year the Board shall retain a competent and disinterested public auditor or accountant, who shall make a careful audit of the books and accounts of the Association and render a report in writing thereon, which report shall be submitted to the members of the Association at their annual meeting. This report shall include at least (1) a balance sheet showing the true assets and liabilities of the Association, and (2) an operating statement for the fiscal period under review.

ARTICLE V – COMMITTEES

Section 1. Meetings and Notice. The organizational meetings of the Board committees shall be held within seven (7) days following the first meeting of the Board and each organizational meeting of the Board at the call in writing of any two (2) members of such committee which call shall be delivered to the Secretary of the Association and each member of the committee and shall state the time and place of the meeting.

In addition to such organizational meetings, regular meetings of each such committee shall be held at least once in each month at such place and time or times as set forth in a schedule adopted by the committee at its organizational meeting and filed with the Secretary of the Association. No notice of such meetings need be sent unless the time and place of the meeting is to be changed, in which case, written notice shall be mailed or personally delivered to each committee member not less than two (2) days prior to the date of the meeting.

Special meetings may be called by the committee chairman or any two (2) members of the committee by delivering a request to the Secretary in writing stating the time, place and purposes for such a meeting at least five (5) days prior to the proposed date of the meeting. The Secretary will then mail or deliver personally written notice of the time, place and purposes of such meeting to each committee member not less than two (2) days prior to the date of the meeting.

Notice of any meeting may be waived by signing a written waiver of notice and appearance at a meeting shall be deemed to be a waiver of notice thereof.

Written minutes of all meetings of the committees of the Board, including the Executive Committee, shall be kept by the secretary of the committee and promptly transmitted to those committee members who were absent and to the Secretary of the Association. Written minutes of the meetings of the Executive Committee shall in addition be mailed to all directors within seven (7) days following such meeting.

All meetings of the committees of the Board shall be open to any interested member and, except as expressly limited by the committee, to the general public as well.

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Chairman

Section 2. Quorum. A majority of the members of the committee shall constitute a quorum at any meeting of the committee and the act of a majority of committee members present at a meeting at which a quorum is present shall be deemed the act of the committee.

Section 3. Officers of Committees. At each organizational meeting, each committee shall elect one of their number to be chairman (except the Finance Committee whose voting chairman shall always be Treasurer elected by the whole Board), vice chairman and secretary, respectively, of such committee. The secretary of such committee shall keep minutes of all its meetings and be responsible for keeping committee members and the Secretary of the Association informed as to its activities. The chairman of such committee, or in his absence the vice chairman, shall preside at all meetings of the committee and the chairman of each specialized committee shall in addition serve on the Executive Committee of the Board of Directors of the Association. The chairman, or in his absence the vice chairman, shall report on and obtain approval and ratification of all activities of the committee at every regular Board meeting.

Section 4. Executive Committee. The Executive Committee of the Board shall consist of the chairmen of the various specialized committees of the Board; provided, that the members of the Executive Committee shall be confirmed or removed by a majority of the whole Board at its second meeting and at the second meeting following each annual meeting of the members. If any members are removed, they shall be replaced by other directors serving on the committee represented by the removed chairman whenever practicable.

The Executive Committee shall have and exercise between meetings of the Board all of the power and authority of the Board in the management of the business and affairs of the Association and all officers, agents, employees and specialized committees shall be subordinate to it; provided, that the Executive Committee is not to originate programs, which responsibility is expressly delegated only to the various specialized committees. Any new program brought before the Executive Committee shall be referred to the appropriate committee for consideration on its next scheduled meeting.

The Executive Committee shall hold its organizational meetings within thirty (30) days following the first meeting of the Board and each annual meeting of the Board at the call of the Secretary of the Association. Such notice shall be mailed or delivered personally to each committee member after each specialized committee has met and elected a chairman and not less than two (2) days prior to the date of the meeting. Other meetings shall be called and held in accordance with the procedure set forth in the preceding section of this ARTICLE V.

ARTICLE VI – OFFICERS

Section 1. Duties of President. The president shall (1) preside over all meetings of the Association and of the Board of Directors, (2) call special meetings of the Board of Directors, (3) preside as non-voting chairman of the Executive Committee, (4) perform all acts and duties usually performed by an executive and presiding officer, and (5) sign all membership certificates and such other papers of the Association as he may be authorized or directed to sign by the Board of Directors. The president shall perform such other duties as may be prescribed by the Board.

Section 2. Duties of the Vice Presidents. In the absence or disability of the president, the vice presidents shall perform the duties of the president (the vice president – neighborhood activities being first in succession) and shall perform such other duties as may be prescribed by the Board.

Section 3. Duties of Secretary. The secretary shall keep a complete record of all meetings of the Association, the Board and its committees and shall have general charge and supervision of the books and records of the Association. He shall sign all membership certificates with the president and such other papers pertaining to the Association as he may be authorized or directed to sign by the Board of Directors. He shall serve all notices required by law and by these bylaws and shall make a full report of all matters and business pertaining to his office to the members at the annual meeting. He shall keep the corporate seal and all books of blank certificates, complete and countersign all certificates issued, and affix the corporate seal to all papers requiring a seal. He shall keep complete membership records. He shall act as secretary of the Executive Committee. He shall make all reports required by law and shall perform such other duties as may be required of him by the Association or the Board of Directors. Upon the election of his successor, the secretary shall turn over to him all books and other property belonging to the Association that he may have in his possession. The secretary shall perform such other duties as may be prescribed by the Board.

Section 4. Duties of Treasurer. The treasurer shall perform such duties with respect to the finances of the Association as may be prescribed by the Board. In addition, the Treasurer shall also serve as voting chairman of the Finance Committee.

ARTICLE VII – DUTIES OF MANAGER

Section 1. In General. Under the direction of the Board of Directors the manager shall have general charge of the ordinary and usual business operations of the Association, including the purchasing, marketing, and handling of all products and supplies handled by the Association. He shall, so far as practicable, endeavor to conduct the business in such a manner that the members will receive just and fair treatment. The manager shall [illegible] all

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money belonging to the Association which comes into his possession in the name of the Association in a bank selected by the Board of Directors, and if authorized to do so by the Board shall make all disbursements by check therefrom for the ordinary and necessary expenses of the business in the manner and form prescribed by the Board. Upon the appointment of his successor, the manager shall deliver to him all money and property belonging to the Association which he has in his possession or over which he has control.

Section 2. Duty to Account. The manager shall be required to maintain his records and accounts in such a manner that the true and correct condition of the business may be ascertained therefrom at any time. He shall render annual and periodical statements in the form and in the manner prescribed by the Board of Directors. He shall carefully preserve all books, documents, correspondence and records of whatever kind pertaining to the business which may come into his possession.

Section 3. Control of Employees. Subject to the approval of the Board, the manager shall employ, supervise and dismiss any or all employees of the Association but not agents or counsel specifically employed by the Board.

ARTICLE VIII – AFFILIATION WITH REGIONAL COMMUNITY DEVELOPMENT ASSOCIATION

Section 1. Regional Membership. The Board of Directors shall cause the Association to become a member of the "City-Wide" Kansas City Regional Development Association (the "Regional") and shall direct the officers to take all steps necessary or appropriate to maintain such membership hereafter, including the payment of membership fees and compliance with such other conditions of membership as may be imposed by the bylaws or by resolution of the Board of such Regional from time to time hereafter.

Section 2. Regional Directors. At each organizational meeting of the Board of this Association, the directors shall elect from the members of this Association that number of directors of the Regional as the Regional's secretary shall specify in the notice of annual meeting of the Regional's membership. Any such directors may be removed at any time with or without a meeting by the vote of two-thirds of the members of the Board of this Association with or without cause.

ARTICLE IX – UNCLAIMED MONEY

A claim for money against the Association shall be subject to the provisions of this section whenever the Association is ready, able and willing to pay such claim, and has paid or is paying generally claims arising under similar circumstances, but payment of such claim cannot be made for the reason that the Association does not know the whereabouts or mail address of the one to whom it is payable or the one entitled to payment. If such claim be not

actually paid within a period of two (2) years after it became payable as herein provided, the Association shall remove the claim as a liability on its books; provided that no such removal shall be made unless at least thirty (30) days prior thereto the Association shall have sent by registered United States mail, return receipt requested, a written notice of the proposed removal, addressed to the person appearing from the Association's records to be entitled to payment of such money at the last address of such person shown by the records of the Association. If any such claim be removed of record after giving such notice, the claim shall be deemed extinguished but the Association shall continue to maintain a memorandum record of such claim and shall pay the principal amount thereof without interest to any claimant who subsequently establishes to the satisfaction of the Association his right to receive payment.

ARTICLE X – FISCAL YEAR

The fiscal year of this Association shall commence on the first day of January each succeeding year and shall end on the last day of December of each succeeding year.

ARTICLE XI – MISCELLANEOUS PROVISIONS

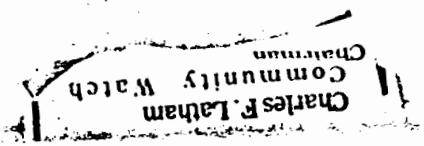
Section 1. Bylaws Printed. After adoption, these bylaws preceded by the Articles of Incorporation, shall be printed in pamphlet form and a copy thereof shall be delivered to each member and to each person who later becomes a member of the Association as shown on the books of record.

Section 2. Seal. The corporate seal of this Association shall have inscribed on it the name of the Association and the state of incorporation.

Section 3. Proxies. In all matters other than the election of directors, the President of the Association (or in his absence or disability, either Vice President) shall have the power to vote or consent to matters submitted to members or shareholders of associations of which this Association is a member or shareholder, as the true and lawful proxy of this Association, with the prior approval of the Board.

ARTICLE XII – AMENDMENTS

If notice of the character of the amendment proposed has been given in the notice of meeting, these bylaws may be altered or amended at any regular or special meeting of the directors by a two-thirds vote of the directors present or at any regular or special directors' meeting of the members by the affirmative vote of a majority of the members present or voting by mail.



I, the undersigned, being the duly elected Secretary of , do hereby certify that the foregoing is a true and complete copy of the bylaws of , adopted by the directors at their first meeting held on , 19 . Dated this day of , 19

KANSAS CITY

REGIONAL DEVELOPMENT ASSOCIATION

ARTICLES OF INCORPORATION

(a general not for profit corporation)

Honorable James C. Kirkpatrick
Secretary of State
State of Missouri
Jefferson City, Missouri 65101

We, the undersigned, being natural persons of the age of twenty-one years or more and citizens of the United States of America, and residing at the following addresses:

Name	Number	Street	City	State

associate ourselves together for the purpose of forming a not for profit incorporated association, without capital stock, under the provisions of Chapter 355 of the Revised Statutes of the State of Missouri.

ARTICLE I

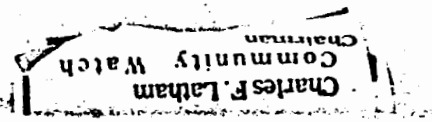
The name of the association shall be: Kansas City Regional Development Association.

ARTICLE II

The association is formed for the following purposes and shall have the following powers:

(a) To improve living conditions and neighborhood relations within the metropolitan Kansas City area and to encourage and assist neighborhood development association members to improve such conditions and relations.

(b) To lessen neighborhood tensions, combat community deterioration and endeavor to make available better housing and more stimulating living conditions without regard to age, sex, race, income or other social differences by assisting neighborhood development association members to (i) obtain necessary financing, (ii) purchase, rehabilitate and res or lease housing in their respective neighborhoods, (iii) improve and develop property in such areas without purchase; provided that such members shall



make such services available to all residents of the areas served, without discrimination in favor of their members.

(c) To borrow money without limitation as to amount of corporate indebtedness or liability and to give security by encumbering or pledging any of its property in any manner permitted by law.

(d) To draw, make, accept, endorse, guarantee, execute and issue promissory notes, bills of exchange, drafts, warrants, certificates, and all kinds of obligations and negotiable or transferable instruments for any purpose that is deemed to further the objects for which this association is formed and to give a lien on any of its property as security therefor.

(e) To cooperate with other similar associations in creating central or national associations for any of the purposes for which this association is formed, and to become a member of stockholder of such associations as now are or hereafter may be in existence.

(f) To have and exercise, in addition to the foregoing, all powers, privileges, and rights conferred on ordinary not-for-profit incorporated associations under Chapter 355 of the Revised Statutes of Missouri and all powers and rights incidental or conducive to carrying out the lawful purposes for which this association is formed, except such as are inconsistent with the express provisions of Chapter 355 of the Revised Statutes of Missouri.

The enumeration of the foregoing powers shall not be held to limit or restrict in any manner the general powers which may be had or exercised by such association under the above-mentioned laws of Missouri, all of which are hereby expressly claimed;

PROVIDED, that the purposes of the association are limited so the (i) association and its property shall at all times and in every case be operated, held and used exclusively for charitable and educational purposes within the meaning of Section 501(c) (3) of the Internal Revenue Code of 1954 or corresponding provisions of any subsequent federal tax law, and (ii) no part of the property of the association shall ever inure to the benefit of any private individual or person (except that the association may pay reasonable compensation for services rendered), and (iii) no substantial part of its activities shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the association shall not directly or indirectly participate in or intervene in (including the publishing or distributing of statements), any political campaign on behalf of any candidate for public office; and

PROVIDED FURTHER, that, notwithstanding any other provisions of these Articles of Incorporation to the contrary, (1) the association shall distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent federal tax laws; (2) the association shall not engage in any act of self-dealing as defined in Section 4941 (d) of the Internal Revenue Code of

1954, or corresponding provisions of any subsequent federal tax laws; (3) the association shall not retain any excess business holdings as defined in Section 4943(c) of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent federal tax laws; (4) the association shall not make any investments in such manner as to subject it to tax under Section 4944 of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent federal tax laws; and (5) the association shall not make any taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent federal tax laws.

ARTICLE III

The initial registered office of the association in the State of Missouri shall be located at , City of Kansas City, County of Jackson, and its initial registered agent at such address shall be

ARTICLE IV

This association shall have perpetual existence until dissolved in accordance with these Articles and with law.

ARTICLE V

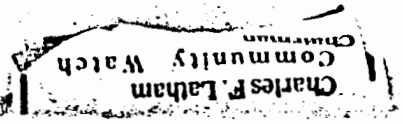
The number of directors to constitute the Board of Directors from time to time hereafter shall be as fixed by the bylaws, but shall not be less than five. Directors shall be elected or appointed for such term and shall be divided into such classes as shall be provided by the bylaws.

The number of directors of the first Board of Directors of the association shall be five unless altered by an amendment to the bylaws. The names and addresses of the members of the first Board of Directors, who shall serve until their successors are elected and qualified are:

Name	Address

ARTICLE VI

This association shall not have any capital stock, but not-for-profit, incorporated neighborhood development associations shall be admitted to membership in the association upon such uniform conditions as may be prescribed by the Board of Directors of the association, and set forth in its bylaws. This association shall be operated for the general advantage of the public of the Kansas City region and membership in the association shall be restricted to those not-for-profit neighborhood development associations which qualify as tax-exempt charitable or educational organizations under Section 501(c) (3) of the Internal Revenue Code of 1954 (or the corres-



ponding provisions of any subsequent federal tax laws) and which have adopted, and are operating in accordance with, the uniform articles of incorporation and bylaws promulgated for use by members of the association.

ARTICLE VII

The bylaws of the association may be adopted, repealed, amended or modified in whole or in part by two-thirds of the directors, subject in all cases to the paramount power of the members to disaffirm such action or adopt, repeal, amend or modify such other or additional bylaws at any annual or special meeting called and held, in accordance with the bylaws and with law.

ARTICLE VIII

Upon dissolution in accordance with law, the assets of the association shall be applied and distributed as follows:

(a) All liabilities and obligations of the association shall be paid, satisfied and discharged, or adequate provision shall be made therefor, obligations to non-members and suppliers to be paid first.

(b) That portion of the remaining assets which represents accumulated net earnings of the association shall be distributed to trusts, societies, organizations, or corporations having purposes similar to those of this association and which shall qualify as tax exempt organizations under Section 501(c) (3) of the Internal Revenue Code or corresponding provisions of any subsequent federal tax laws, as the Board of Directors shall determine, provided, that the members may, at the meeting at which dissolution is authorized, direct the Board to distribute under this subparagraph (b) any remaining assets or some portion of the remaining assets greater than the portion herein specified, in which case the Board shall promptly distribute said assets among such trusts, societies, organizations or corporations as meet the qualifications set forth above in the manner determined by the Board.

(c) If the members so direct at the meeting at which dissolution is authorized, or if no contrary direction is given, those assets remaining after satisfying all liabilities and obligations as provided in subparagraph (a) hereof which do not represent accumulated net earnings of the corporation shall be distributed to the members pro rata in proportion to their relative membership fees and contributions; provided, that prior notice of such distribution shall be given to the appropriate public official of the State of Missouri as required by the General Not for Profit Corporation Law of Missouri and, provided further, that if such official shall determine that such distribution would result in a diversion of assets from not for profit purposes to the profit of any person, organization or corporation as prohibited by Missouri law, such assets shall be distributed in accordance with the instructions of such official to the members or to such tax exempt organizations as qualify under subparagraph (b) hereof.

IN TESTIMONY WHEREOF, we have hereto set our hands this day of , 1974.

KANSAS CITY REGIONAL DEVELOPMENT ASSOCIATION

BYLAWS

ARTICLE I – PRINCIPAL OFFICE

Section 1. The principal office of the Association shall be located at Kansas City, Missouri.

ARTICLE II – MEMBERSHIP

Section 1. Qualifications. Any neighborhood development association which has organized under and in accordance with the uniform articles of incorporation and bylaws for neighborhood groups promulgated by the Board of Directors of this Association, or which has amended its articles of incorporation or bylaws so as to conform to the uniform instruments so promulgated, may apply for membership in the Association to the Board of Directors, on the form for admission approved by the Board. The applicants must be incorporated under the not-for-profit corporation laws of Missouri or Kansas at the time of application and must submit certified copies of their articles, and bylaws at such time. The applicant shall show that such instruments state precisely the boundaries within which it will operate, that the area contained by such boundaries contains no less than 1000 residents, that such area does not overlap the area of any other member or prior applicant for membership in the Association and, unless waived by the Board, that the area has acquired a distinct identity in the minds of the general public of the Kansas City metropolitan area. The applicant shall further submit a copy of its form membership agreement and all formal or informal rules, regulations, guidelines or policies which will guide its operations and relationships with its members, together with a list of all its members. The applicant shall further satisfy the Board that it is, or shall become, representative of the area it serves and that it agrees to cooperate with other member associations to achieve the purposes of this Association and promote its programs. The Board shall have the power to specify additional qualifications and conditions of membership including the payment of an annual membership fee of $1.00 per member of such member association. Upon acceptance by the Board of Directors or the person or persons delegated the power to approve memberships by the Board, such neighborhood development association shall become a member upon payment of the first year's membership fee of $1.00 per member of such member association ($5.00 minimum). This Association shall issue a non-transferable certificate of membership to each member which shall be in such form as may be prescribed by the Board of Directors.

Section 2. Termination or Resignation. If, following a hearing, the Board of Directors shall find that a member is operating contrary to the purposes of its Articles or of the Articles of this Association, it may terminate its member-

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Community Watch
Chairman

ship. If a member wishes to resign from the Association for any reason it has the right to do so at any time.

Upon termination of membership in the Association, all rights and interests of such member in the Association shall cease and such member shall be entitled only to payments as outlined in contractual arrangements with the Association. No membership fees shall be refunded in any event.

Section 3. Classes. For voting purposes, each member shall constitute a separate "class" of the membership. Each such member-class shall be entitled to elect two voting directors and two alternate directors to serve on the Board of Directors of the Association. Such directors shall be elected or recalled by their respective member-class in the manner provided below.

The rights, privileges and obligations of the members of different classes shall be identical except in the election or removal of directors.

ARTICLE III – MEETINGS OF MEMBERS

Section 1. Annual Meeting. The annual meeting of the members of this Association for the election of directors and transacting such other business as shall come before the meeting shall be held at the principal office of the Association at 10:00 o'clock a.m., on the 31st day of October of each year, or at any other place or on any other date which the Board of Directors shall designate.

Section 2. Special Meetings. Special meetings of the members of the Association may be called at any time by order of the Board of Directors, and shall be called at any time upon written request of at least five percent (5%) of the members. The request shall state the time, place and purposes of the meeting.

Section 3. Notice of Meetings. Written or printed notice of every regular and special meeting shall be prepared and mailed to the last known principal office address of each member-organization not less than ten (10) nor more than forty (40) days before such meeting. Such notice shall state the purpose or purposes thereof and the time and place of meeting. No business shall be transacted at special meetings other than that referred to in the notice.

Section 4. Voting. In matters other than the election of directors, each member shall be entitled to only two votes regardless of its interest or investment in the Association. Only those member-organizations in good standing who tender the annual membership fee of $1.00 per certified member of such member-organization on or before the date of the annual meeting shall be permitted to vote at such meeting. Absent members may vote on specific questions other than the removal of directors by ballots transmitted to the secretary by mail, and such ballots shall be counted only in the meeting at which such vote is taken, provided that all members shall have been notified in writing, of the exact wording of the motion or resolution upon which such vote is taken.

Section 5. Quorum. A majority of the membership present in person (or represented by written vote as to items on the agenda) shall constitute a quorum for the transaction of business at any meeting of the Association unless a different quorum is specifically provided by law or by these bylaws; but such meeting may be adjourned from time to time by those present until a quorum is obtained. The act of a majority of those present in person or represented by written vote shall constitute the act of the membership.

Section 6. Presiding Officer. The president, or in his absence one of the vice presidents (the vice-president for regional affairs being preferred), shall call meetings of members to order and act as chairman of such meetings. In the absence of all of such officers, any member may call the meeting to order and a chairman shall be elected. The secretary or any assistant secretary shall act as secretary of all meetings of members. In the absence of all of such officers the chairman shall appoint a secretary of such meeting.

ARTICLE IV – DIRECTORS

Section 1. Responsibility. The management of the affairs of the Association shall be the responsibility of the Board of Directors, which shall determine all policy not inconsistent with law or with the bylaws for the guidance of the members, officers and committees of the Board.

Section 2. Qualifications. All directors must be members of a member organization which is in good standing and a director of such member organization; provided, that directors serving on the first board need not be members of, or represent, a member organization. All directors must in addition be permanent residents of the area served by such member-organization.

Section 3. Classes, Number, Term. Directors shall be divided into as many classes as there are member-classes to be represented by directors. All directors of every class shall serve two year terms (provided, that the first board and board members appointed by the first board shall serve only until the first annual meeting of members and, provided further, that 1/2 of the directors of each member-class elected at such first annual meeting shall be elected for one year terms) and the rights and responsibilities of directors of every class shall be identical, the only distinction between classes being the manner of their election and removal.

There shall be four directors for every member-class, two voting directors and two alternate directors, the number of directors to constitute the first board being that number as shall from time to time equal four times the number of member-classes then constituting the membership. Directors representing new member-classes admitted to membership after organization and before the first annual meeting shall be appointed by the Board but the

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choices of the founding members of that member-class shall be respected to the extent such choices appear to be representative of the geographic area to be served.

No director of any class shall serve on the Board for more than two consecutive terms.

Section 4. Manner of Election. Voting directors representing each member-class shall be elected by the Board of Directors of the member organization constituting such member-class at its annual organizational meeting, immediately following the election of officers of such member organization. The regional and neighborhood vice-presidents of the member-organization constituting such member-class shall be deemed elected alternate directors of this Association by virtue of their election to such respective offices. At its first such annual organizational meeting, each such board shall further indicate which voting director shall serve a one-year term as alternate director of this Association. The results of such election shall then be certified to the regional secretary, within ten days after such meeting, who shall then cast the unanimous vote of such member-class for such directors at the annual meeting of the members of this Association, at which time they shall be deemed elected.

Section 5. Voting and Other Rights. Both voting and alternate directors shall serve on the Board and be eligible to serve and vote on its committees as equals; provided, if present and not abstaining, the voting directors representing a certain member-class shall be the only directors representing such member-class entitled to vote at meetings (or consent to actions) of the full Board of Directors. In the absence of either of the voting directors for any reason (or upon his or their refusal to act), either or both alternate directors shall have full power to vote and represent the member-class.

Section 6. Vacancies. Vacancies occurring among alternate directors by death or resignation may be filled by a vote of board of directors of the member organization constituting the member-class represented by such directors. Vacancies occurring among voting directors shall be filled by the alternate director representing the same member-class and serving the same term. If such alternate directorship is also vacant, the new voting director shall be elected by a vote of the board of directors of the member organization constituting the member-class affected at a special meeting called for such purpose.

Section 7. Removal. Directors of any class may be removed at any time for cause by a vote of two-thirds of the members of the Board. "Cause" shall include, but without limitation, failure to attend three or more consecutive meetings of the Board without reasonable excuse. Directors of any class who have been removed from a directorship of a member organization in accordance with its bylaws shall be deemed removed as directors of this Association without the necessity of further action by any person.

Each director may also be removed at any time with or without cause by a vote of a majority of the board of directors of the member organization constituting the member-class represented by such director at any regular or special meeting of one of such boards or by means of a written action by consent.

Section 8. Committees of the Board. At the first meeting of the first Board and thereafter at the organizational of the Board following each annual meeting of members (or as soon thereafter as is practicable), the Board shall, by a vote of a majority of the whole Board, designate the specialized committees of the Board and appoint the members to serve thereon at the pleasure of a majority of the whole Board. Each of such specialized committees shall consist of not less than three (3) nor more than fifteen (15) directors and shall have the power to exercise the full authority of the Board in the management of the affairs of the Association, within the sphere of the matters delegated to such committee, unless the Board specifies otherwise. Members of each committee shall be appointed by a majority of the whole Board in their discretion; provided that each director, regardless of whether an alternate or voting director, shall be appointed and shall serve on at least one specialized committee. In making appointments to specialized committees, the Board shall appoint directors to each committee from as many different member-classes as is feasible so that all member-classes will be represented on as many committees as possible.

Failure of any director to attend three or more consecutive meetings of any specialized committee to which he is assigned without reasonable excuse shall be deemed "cause" sufficient to remove the director from all position or office with the Association.

Section 9. Election of Officers. At the first meeting of the first Board and thereafter at the organizational meeting of the Board following each annual meeting of members, the Board shall elect from their number a President, a Vice-President for Regional Affairs, a Vice-President for National Affairs, a Secretary and a Treasurer (or Secretary-Treasurer) and such other officers as they deem necessary or appropriate, each of whom shall hold office until his successor is elected and qualified, but at the pleasure of the Board. Vacancies in such offices shall be filled by the Board.

Section 10. Meetings of the Board and Notice. The first meeting of the first Board shall be held at the call of the incorporators as soon as practicable following incorporation.

The annual or organizational meeting of each subsequent Board shall be held immediately following each annual meeting of the members at the place designated for the membership meeting. No notice of the time, place or purposes for such meeting need be sent.

In addition to such organizational meetings, regular meetings of the Board shall be held monthly on the date and at such time and place as the Board shall determine. If such meetings are held at such time and place fixed at the

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organizational meeting of the Board, no notice need be sent to directors, otherwise a written notice of the time and place of meeting shall be mailed or delivered personally to each director by the Secretary not less than two (2) days prior to the date of the meeting.

Special meetings of the Board may be called by the President or not less than one-fifth (1/5) of the members of the Board. Each call for a special meeting other than by the President shall be in writing, signed by the person or persons making the same, mailed to the Secretary at the principal office of the Association at least five (5) days prior to the proposed date of the meeting, and shall state the time, place and purposes for the meeting. Written notice of the time, place and purposes of special meetings shall be mailed or delivered personally to each director by the Secretary not less than two (2) days prior to the date of the meeting.

Notice of any meeting may be waived by signing a written waiver of notice and appearance at a meeting shall be deemed a waiver of notice thereof, unless such appearance is for the express purpose of objecting to the meeting as being invalidly called or held.

All meetings of the Board shall be open to the general public.

The Board may act upon written consent without a meeting if two-thirds of the number of directors elected at the last annual meeting (or of the number named in the Articles if no annual meeting has been held) sign a written document setting forth the action so taken. Copies of such actions by consent shall be mailed to each director who did not sign the actions by the Secretary within three (3) days following their respective effective date.

Section 11. Quorum. One-third of the number of directors from time to time in office (but not less than one-third of the number elected at the last annual meeting of the members) shall constitute a quorum at any meeting of the Board; provided that less than a quorum may successively adjourn a meeting until a quorum is obtained. Except as otherwise provided in these bylaws or by law, the act of a majority of the directors present at a meeting at which a quorum is present shall be deemed the act of the Board.

Section 12. Depository. The Board shall have the power to select from time to time one or more financial institutions to serve as depositories of the funds of the Association and to determine the manner of receiving, depositing and disbursing the funds of the Association and the person or persons authorized to sign checks, bills of exchange or other orders for payment.

Section 13. Employees. The Board shall have power to employ a manager, define his duties, fix his compensation and to dismiss him with or without cause at any time. The manager shall have chief operating control of the business or businesses of the Association, subject to the direction of the Board, its committees and the President. The Board shall employ or authorize the employment of such other employees, agents and counsel as it from time to time deems necessary or advisable in the best interest of the Association, and shall prescribe their duties and fix their compensation.

Section 14. Bonds and Insurance. The Board shall require the manager, the Treasurer and any other officer, agent or employee having custody of any of the funds of the Association to give bonds in such amounts and with such companies as may be approved by the Board. The Association will pay all cost of such bonds. The Board shall also adequately insure the property of the Association and in addition secure adequate insurance covering liability for accidents to all employees and to the public.

Section 15. Audits. At least once in each year the Board shall retain a competent and independent public auditor or accountant, who shall make a careful audit of the books and accounts of the Association and render a report in writing thereon, which report shall be submitted to the members of the Association at their annual meeting. This report shall include at least (1) a balance sheet showing the true assets and liabilities of the Association, and (2) an operating statement for the fiscal period under review.

ARTICLE V – COMMITTEES

Section 1. Meetings and Notice. The organizational meetings of the Board committees shall be held within seven (7) days following the first meetings of the Board and each organizational meeting of the Board according to a schedule adopted by the Board. Notice of the first such meeting shall be mailed to each member of the committee by the Secretary and shall state the time and place of the meeting.

In addition to such organizational meetings, regular meetings of each such committee shall be held at least once in each month at such place and time or times as set forth in a schedule adopted by the committee at its organizational meeting and filed with the Secretary of the Association. No notice of such meetings need be sent unless the time and place of the meeting is to be changed, in which case, written notice shall be mailed or personally delivered to each committee member not less than two (2) days prior to the date of the meeting.

Special meetings may be called by the committee chairman or any two (2) members of the committee by delivering a request to the Secretary in writing stating the time, place and purposes for such a meeting at least five (5) days prior to the proposed date of the meeting. The Secretary will then deliver written notice of the time, place and purposes of such meeting to each committee member not less than two (2) days prior to the date of the meeting.

Notice of any meeting may be waived by signing a written waiver of notice and appearance at a meeting shall be deemed to be a waiver of notice thereof.

Written minutes of all meetings of the committees of the Board, including the Executive Committee, shall be kept by the secretary of such committee and promptly transmitted to those committee members who were absent and to the Secretary of the Association. Written minutes of the meetings of the

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Executive Committee shall in addition be mailed to all directors within seven (7) days following such meeting.

All meetings of the committees of the Board shall be open to the general public.

Section 2. Quorum. A majority of the members of the committee shall constitute a quorum at any meeting of the committee and the act of a majority of committee members present at a meeting at which a quorum is present shall be deemed the act of the committee.

Section 3. Officers of Committees. At each organizational meeting, each committee shall elect one of their number to be chairman (except the finance committee, the voting chairman of which shall always be the Treasurer elected by full Board), vice-chairman and secretary, respectively, of such committee. The secretary of such committee shall keep minutes of all its meetings and be responsible for keeping committee members and the Secretary of the Association informed as to its activities. The chairman of such committee, or in his absence the vice-chairman, shall preside at all meetings of the committee and the chairman of each specialized committee shall in addition serve on the Executive Committee of the Board of Directors of the Association. The chairman, or in his absence the vice-chairman, shall report on and obtain approval and ratification of all activities of the committee at every regular Board meeting.

Section 4. Executive Committee. The Executive Committee of the Board shall consist of the chairmen of the various specialized committees of the Board; provided, that the members of the Executive Committee shall be confirmed or removed by a majority of the whole Board at its next meeting following the first meeting of such committee. If any members are removed, they shall be replaced by other directors serving on the committee represented by the removed chairman.

The Executive Committee shall have and exercise between meetings of the Board all of the power and authority of the Board in the management of the business and affairs of the Association and all officers, agents, employees and specialized committees shall be subordinate to it, provided, that the Executive Committee is not to originate programs, which responsibility is delegated only to the various specialized committees. Any new program brought before the Executive Committee shall be referred to the appropriate committee for consideration at its next scheduled meeting.

The Executive Committee shall hold its organizational meetings within thirty (30) days following the first meeting of the Board and each organizational meeting of the Board at the call of the Secretary of the Association, which notice shall be mailed or delivered personally to each committee member after each specialized committee has met and elected a chairman and not less than two (2) days prior to the date of the meeting. Other meetings shall be called and held in accordance with the procedure set forth in the preceding sections of this ARTICLE V.

ARTICLE VI – OFFICERS

Section 1. Duties of President. The President shall (1) preside over all meetings of the Association and of the Board of Directors, (2) call special meetings of the Board of Directors, (3) preside as non-voting chairman of the Executive Committee, (4) perform all acts and duties usually performed by an executive and presiding officer, and (5) sign all membership certificates and such other papers of the Association as he may be authorized or directed to sign by the Board of Directors. The President shall perform such other duties as may be prescribed by the Board.

Section 2. Duties of the Vice-Presidents. In the event of the absence or disability of the president, the Vice-President for Regional Affairs shall perform the duties of the President. In the event of the absence or disability of both the President and Vice-President for Regional Affairs, the Vice-President for National Affairs shall perform the duties of the President. Both Vice-Presidents shall perform such other duties as may be prescribed by the Board.

Section 3. Duties of Secretary. The Secretary shall keep a complete record of all meetings of the Association, the Board and its committees and shall have general charge and supervision of the books and records of the Association. He shall sign all membership certificates with the president and such other papers pertaining to the Association as he may be authorized or directed to sign by the Board of Directors. He shall serve all notices required by law and by these bylaws and shall make a full report of all matters and business pertaining to his office to the members at the annual meeting. He shall keep the corporate seal and all books of blank certificates, complete and countersign all certificates issued, and affix the corporate seal to all papers requiring a seal. He shall keep complete membership records. He shall attend and act as non-voting secretary of all meetings of the Executive Committee. He shall make all reports required by law and shall perform such other duties as may be required of him by the Association or the Board of Directors. Upon the election of his successor, the Secretary shall turn over to him all books and other property belonging to the Association that he may have in his possession. The Secretary shall perform such other duties as may be prescribed by the Board.

Section 4. Duties of Treasurer. The Treasurer shall perform such duties with respect to the finances of the Association as may be prescribed by the Board. In addition, the Treasurer shall always be the voting chairman of the finance committee.

ARTICLE VII – DUTIES OF MANAGER

Section 1. In General. Under the direction of the Board of Directors the Manager shall have general charge of the ordinary and usual business operations of the Association, including the purchasing, marketing, and handling of all products and supplies handled by the Association. He shall so far as

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practicable, endeavor to conduct the business in such a manner that the members will receive just and fair treatment. The Manager shall deposit all money belonging to the Association which comes into his possession in the name of the Association in financial institutions selected by the Board of Directors, and if authorized to do so by the Board shall make all disbursements by check therefrom for the ordinary and necessary expenses of the business in the manner and form prescribed by the Board. Upon the appointment of his successor, the Manager shall deliver to him all money and property belonging to the Association which he has in his possession or over which he has control.

Section 2. Duty to Account. The Manager shall be required to maintain his records and accounts in such a manner that the true and correct condition of the business may be ascertained therefrom at any time. He shall render annual and periodical statements in the form and in the manner prescribed by the Board of Directors. He shall carefully preserve all books, documents, correspondence and records of whatever kind pertaining to the business which may come into his possession.

Section 3. Control of Employees. Subject to the paramount power of the Board or of the President, the Manager shall employ, supervise, and dismiss any or all employees of the Association but not agents or counsel specifically employed by the Board.

ARTICLE VIII – UNCLAIMED MONEY

A claim for money against the Association shall be subject to the provisions of this section whenever the Association is ready, able and willing to pay such claim, and has paid or is paying generally claims arising under similar circumstances, but payment of such claim cannot be made for the reason that the Association does not know the whereabouts or mail address of the one to whom it is payable or the one entitled to payment. If such claim be not actually paid within a period of two (2) years after it became payable as herein provided, the Association shall remove the claim as a liability on its books, provided that no such removal shall be made unless at least thirty (30) days prior thereto the Association shall have sent by registered United States mail, return receipt requested, a written notice of the proposed removal, addressed to the person appearing from the Association's records to be entitled to payment of such money at the last address of such person shown by the records of the Association. If any such claim be removed of record after giving such notice, the claim shall be deemed extinguished but the Association shall continue to maintain a memorandum record of such claim and shall pay the principal amount thereof without interest to any claimant who subsequently establishes to the satisfaction of the Association his right to receive payment.

ARTICLE IX – FISCAL YEAR

The fiscal year of this Association shall commence on the first day of January each succeeding year and shall end on the last day of December of each succeeding year.

ARTICLE X – MISCELLANEOUS PROVISIONS

Section 1. Bylaws Printed. After adoption, these bylaws shall be printed in pamphlet form and a copy therof shall be delivered to each member of the Association.

Section 2. Seal. The corporate seal of this Association shall have inscribed on it the name of the Association and the state of incorporation.

Section 3. Proxies. In all matters other than the election of directors, the President of the Association (or in his absence or disability, either Vice-President) shall have the power to vote or consent to matters submitted to members or shareholders of associations of which this Association is a member or shareholder, as the true and lawful proxy of this Association, but only with the prior approval of the Board.

ARTICLE XI – AMENDMENTS

If notice of the character of the amendment proposed has been given in the notice of meeting, these bylaws may be altered or amended at any regular or special meeting of the directors by a two-thirds vote of the directors present or at any regular or special directors' meeting of the members by the affirmative vote of a majority of the members present or voting by mail.

I, the undersigned, being the duly elected secretary of Kansas City Regional Development Association, do hereby certify that the foregoing is a true and complete copy of the bylaws of said Association, adopted by the directors at their first meeting held on , 1974.
Dated this day of , 1974.

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SECTION IX

WHERE WILL IT ALL END?

WE HOPE IT WON'T HAVE AN END. THIS IS A PROCESS THAT SHOULD GO ON DEVELOPING AS LONG AS MAN EXISTS ON THIS EARTH. WE BELIEVE THAT WHAT WE HAVE OUTLINED IS ORGANIZATIONALLY AND HUMANLY SOUND AND THAT IT CAN HELP US ADAPT TO GOOD TIMES AND BAD.

WE BELIEVE THAT DEVELOPING SEMI-SELF-SUSTAINING NEIGHBORHOODS WITHIN URBAN CENTERS WILL HUMANIZE THESE MASSES OF PEOPLE WITHOUT LOSING THE BENEFITS OF MODERN URBAN LIVING.

We have divided this last section into two parts:

1. A parable on what could be in a cooperative future.
2. Some speculations on a cooperative future in national and international affairs.

We believe this is a fitting way to summarize where we are now and to start thinking about what could be, if we really cooperated.

PARABLE OF A COOPERATIVE COMMUNITY

In this parable on what could be in a cooperative future we will try to point out how you and various other people living on your block and in your neighborhood might benefit, if you were organized and in business for yourself.

We will build each person's story around their imagined interests and experiences and the needs that our "characters" have. We will assume that the neighborhood has been organized on a block by block basis and that various facilities such as a neighborhood restaurant, block gardens and other things described in various places in this book are available.

We suggest that you put yourself and other people you know in the roles we will describe and try to imagine how you and they might feel and act.

We will start with the senior citizens but will cover many ages and different kinds of people. Let's picture an elderly widow who has lived in the same house for many years but whose family and long time friends have moved away. The neighborhood is aging and not quite like it was when she and her husband were raising their family. She is lonesome and afraid even though she has sufficient funds to meet her needs.

If you have created a park in the middle of your block by moving the garages and fences, our little grandmother will be able to walk into a secure park from her back door, she can help watch over the children, visit with her neighbors and offer her experience to anyone who can use it. She may be a story teller, a great cook, a lonesome alcoholic or a very sick person, but she will have several roles to play on the block.

If your neighborhood has developed a medical/social security program, this little lady may well take advantage of it. If she does, you and your neighbors will have the opportunity and responsibility of caring for her so that others will care for you when your time comes.

Her children who are not there will not have to worry about her since they will know she is in good hands. It's quite possible that someone like this who is really supported by her neighbors, will want to leave part of her estate to your neighborhood so that it can carry on its work in her memory.

Since we have just referred to health care and geriatric services in the neighborhood, this gives us an opportunity to examine the roles that doctors and nurses living in the area could play.

If the neighborhood created a medical clinic it could offer some of these people an opportunity to practice right in the neighborhood and thus make family doctors available to members of the association.

This whole effort could be tied into existing medical insurance plans and with some minor adjustments cover medical check ups, medicine and other costs not covered by existing programs.

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In addition to all of this our young parents and their children will have access to many people in the neighborhood for consultation and social support if they choose to take advantage of the opportunities.

This is really the ultimate goal of our cooperative community program. We believe that all individuals and families need an extended family to back them up and to stimulate their development.

Now let's take a look at the young adults and children in your community. We see the neighborhood teenagers involved in all kinds of apprentice training programs, neighborhood maintenance and commodity recycling activities after school and during vacations. Since they will be able to earn money or labor bank credit while contributing to the development of the neighborhood in a physical way or by providing services such as babysitting and errand running, they should develop a sense of responsibility to the neighborhood and their neighbors. This will also effect their attitudes and actions at home and elsewhere.

Since being a teenager is a search for identity and since we find our identities in groups of people and accomplishments, your extended family neighborhood will provide your young people a fertile field in which to experiment and grow to maturity. Since teaching is probably the best way to learn, we see encouraging the neighborhood teenagers to pass on their experiences to the little people growing up behind them as a major neighborhood activity. This will involve all kinds of community school and church activities as well as Scouting and various other apprentice and leadership training programs.

The teenagers' activities and attitudes will rub off on the young children just as they have always done, so the younger children will learn from their exposure to many more people on their block and in their neighborhood, but they will also feel more secure in that they will know they belong and that many people besides their mother and father are interested in them.

We see the senior citizens or day care center actually putting the small children to work picking up trash in the neighborhood, feeding the birds, visiting the old and the sick and doing other things that

will make them aware of their responsibility to their neighbors and neighborhood.

We have reached a point in your community where individual births, bar'mitzvahs, marriages, divorces, sickness and death can be part of your personal and your extended family's experiences if you wish to share your joys and your sorrows with others. However, no one has to join your association or participate in any way. Each person will always have the right to fence himself or his family in or the rest of you out.

Your extended family will never close the door to these people, but it will not "hassle" them to join. Since the tribe and the village you are creating will be there long after those who choose not to belong, it can afford to be patient and wait until each individual sees something there for himself and decides to get involved for his own good.

The first rule of cooperation is voluntary participation. No one can cooperate for you, you have to do that yourself.

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We have no doubt that the world's major religious organizations, the United Nations and all kinds of world-wide trade and professional associations will see our international association of self sufficient neighborhoods and workers' cooperatives as an effective and sympathetic allies in any activity that would benefit mankind.

We see an international association of cooperating organizations as a stabilizing force in the world, so if each of us would start cooperating with our neighbors to build a better place to live or a better place to make a living, it would not be long before we would have a better, more stimulating and secure world-wide society in which to live and grow. We, the people, can lead our leaders towards national and international cooperation by doing it ourselves first, so we can all see it's a better way than the competitive and nationalistic approaches we are now using.

Cooperation could really be the way to the future and a way that each of us could wage peace in the world while developing our own block with our neighbors or our job with our fellow workers for our own good.

If you are sympathetic with what we have outlined here and would like to see it happen, then join us in our efforts at creating a cooperative society.

If we want to make this happen, we will have to do it ourselves, since there is no one else who can.

For your ideas on what could be