VALOR CO-OPERATIVE ASSOCIATION

AGREEMENT

BETWEEN

VALOR COOPERATIVE ASSOCIATION

AND

MEMBERS

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**AGREEMENT OF VALOR COOPERATIVE ASSOCIATION**

**INTERPRETATION:**

All words and expressions used in this agreement and defined by article of the cooperative Article of Association of the Law of Colorado shall have the meaning respectively assigned to them below:

1. **Financial Year:** means the period of twelve months beginning on January 1st and ending 31st December the same year.
2. **Officer:** includes a president, secretary, treasurer, members of committee or other persons empowered under the regulations or article of association in regard to the business of the society
3. **Person:** includes any company or association or body of person or cooperative or incorporation
4. **Regulations:** means regulation made under the Law or amended from time to time
5. **Management Committee:** means the governing body of the Cooperative Association to whom the general management of its affairs is entrusted
6. **Committee:** means an elected body of person within the cooperative association to whom specific duties are obligated by the association
   1. If there shall arise any doubt regarding the meaning or intention of these law, the manner shall be referred to secretary of the State for his ruling’

**NAME, ADDRESS AND AREA OF OPERATION**

1. **Name and Address:** This Cooperative Association shall be called the “**VALOR COOPERATIVE ASSOCIATION LTD**” and its address shall be **16758 E. ILIFF AVENUE AURORA, CO, 80013**
2. **Area of Operations:** The area of Valor Cooperative shall be……

**OBJECTIVE**

The objective of the Cooperative is to promote the economic interest of members by the provision of facilities for regular thrift savings by members without such savings being removed from their control.

**MISSIONS**

The creation of funds to be lent to its members at fair and reasonable rates of interest for provident or productive purposes

**VISIONS**

To encourage among its members, the spirit and practice of thrift mutual and self help

**MEMBERSHIP**

The members shall consist of:

1. The person who join in the application for registration
2. Person admitted in accordance with the agreement

**QUALIFICATION**

Every member of the Cooperative Association must be ordinary resident in Colorado or having the following common bond of association:

1. Occupation, worship, cultural affinity: but a member who leaves the field of membership of his society may retain his membership therein, but may not borrow there from in excess of his savings or credit balance with the association
2. Of good character
3. Of not less than 18 years of age except in the case of a minor heir of a deceased member and where the registrar SOS grants exception from this qualification
4. Not a member of any other society group the primary object of which is grant loan to its members except with the permission of the SOS.

**ADMISSION**

1. Application for membership shall be in writing and shall be disposed of by the management committee who may grant or release admission, and one of refusal shall state their reasons. Any applicants refused shall be informed in writing. He may appeal through a member of the society to the next general meeting of members, which may take such decision if thinks fit.
2. Every member on admission shall pay an entrance or membership fees of …. and
3. Shall sign or thumbprint the membership and attendance register.

**DECLARATION OF OBLIGATION**

Every member shall on joining the Valor Cooperative Association render to the management committee a true and complete statement of his indebtedness outside the society.

**LIABILITY**

The liability of members for the debt of the society shall be limited to $10 per member

**LIABILITY TO PAST MEMBER**

1. A past member shall be liable for the debt due by the society or association as they existed on the date when he/she ceased to be a member, for a period of two years from the date on which he ceased to be a member
2. The estate of a deceased of member shall be liable for the debt due by the society as they existed at the date of his/her deceased for a period of two years after his decease.

**NOMINEE OF BENEFICIARY**

1. Every member shall nominate in writing a person or person to whim should he die or become permanently disable or disability the amount standing to his credit shall be transferred. The member may at any time change his beneficiary by paying a nominal fee of twenty dollars. The name of the beneficiary shall be entered in the register of members and any alteration shall be signed by the member. If not admitted to membership, the beneficiary shall in the case of death or permanent disability of the member be paid the value of the member savings or interest less any sum due to the society.
2. When no beneficiary had been appointed prior to death, the management or Executive Committee shall repay the aforementioned sum to the person who after due examination appears to be the legal personal representative of the deceased.

**TERMINATION OF MEMBERSHIP**

Membership shall terminate by:

* Death
* Permanent Disability
* Where a specific employment or residence is in condition for membership ceased to be so employed
* Expulsion by two-third majority of a general meeting
* Completely withdrawing ordinary savings and any other deposits

**EXPULSION**

A member maybe expelled for:

1. Repeated failure to make thrift savings as laid down in the By-Law
2. Repeated failure to pay debt due from him to the society
3. Conviction on a criminal offence invading dishonesty
4. Misconduct or other acts contrary to the stated object of the association on the interest of cooperative movements.

**SOURCE OF FUNDS**

1. Membership fees or Entrance fees
2. Members Savings
3. Deposits and loans from members and nonmembers
4. Surplus arising out of business of the society
5. Miscellaneous sources approved by the Registrar/management

**ORDINARY SAVINGS**

Every member shall contribute at the end of every month a sum of money to be known as ordinary savings. Member shall contribute whatever its convenient out of which 85% shall be credited to member savings and the balance of 15% to deposit. Payment of ordinary savings shall be affected by deduction from salary at source where practicable. In the case of salary earners or paid such meeting and date as maybe decided by the committee. Failure to pay for ordinary savings by due date may result in fine of not more than ten dollars for every month of arrears.

**DEPOSITS**

Members may make special deposit with the association for a period of not less than 7 days. Such deposits may earn interest at a rate to be fixed by the management or Executive committee, in no case shall interest on deposit exceed 3%

**DEPOSITS AND LOAN FROM NONMEMBERS**

The society shall not in cure any liability towards non-members to excess of a sum equal to three of the total aggregate value of the member’s Savings, Deposit, and all Resources and shall not begin to accept any such deposits or loan from non-members without written permission of Management Committee provided that the Association may borrow from a Credit of Unions or Banks of which it is a member to the extent laid down in the Agreement of such Organization.

**WITHDRAWALS**

**ORDINARY SAVINGS**

* No member shall have a right to withdraw part or all ordinary savings except on termination or final withdrawal of membership from the society

**DEPOSITS**

* Deposit shall be withdrawable provided a notice in writing of at least 14 days is given to the Management or Executive Committee

**CONSTITUTION AND DUTIES OF GENERAL MEETING**

The ultimate authority under the Law in all the affairs of the society shall be the general body of members who shall meet from time to time and at least once in three months to review and direct the work of the cooperative association.

**QUORUM**

1. The presence of at least one fourth of the members shall be necessary for disposal of any business at a general meeting provided that where the total number of members exceeds one hundred, twenty-five members shall suffice.
2. If no quorum is present at a meeting, an adjournment may be made for a date not less than 7 days or more than 15 days thereafter; the number of members present at any such adjourned meeting shall form a quorum regardless of the number present.

**ANNUAL GENERAL MEETING**

The Annual General Meeting shall be held during the meeting of October, November or December after the annual statement of account have been approved. The duties of the Annual General Meeting shall be:

1. To receive from the outgoing committee a report on the preceding year’s working of the society with the statement of accounts.
2. To decide upon the disposal of the surplus in accordance with the provision of the agreement or constitution.
3. To any communication received from the registrar or SOS
4. To elect the President, Vice President, Treasurer, and Secretary or committee for the ensuring year.

**ORDINARY GENERAL MEETING**

The duties of the Ordinary General Meeting shall be:

1. To elect suspend or remove officers and members of the committee
2. To confirm the admission or expulsion of members
3. To amend repeal any existing agreement or exact any new one in accordance with agreement or constitution
4. To fix the rate of interest to be charged on loan to members
5. To ratify the appointment or dismissal of the secretary on the recommendation of the management committee
6. To dispose of any other business brought before it.

**SPECIAL GENERAL MEETING**

A Special General Meeting may be called anytime by management committee. A majority of the management committee or supervisory committee or the president on the written request of at least fifteen members

**VOTING MEMBERS**

A VOTING MEMBERS, all questions shall be decided by majority vote of members present and voting. Each member shall have one vote only. The chairman shall have a casting vote which he can exercise when there’s tie.

**OFFICERS AND THEIR DUTIES**

The President, Vice President, Treasurer, and Secretary elected at the Annual General Meeting shall hold office for one year and shall resign at the next Annual General Meeting, but shall be eligible for re-election. They shall be ex-officio member of the committee. Any vacancy arising due to death, removal, withdrawal or transfer shall be temporarily filled by a majority vote of the remaining members of Management Committee.

**PRESIDENT**

The President shall preside at all General and Management Committee meeting of the association and shall have power to convene meeting. In the absence of the President, the Vice President, if any, shall be the Chairman and as such shall have all powers of the President in the absence of both of the management committee shall be elected Chairman of the meeting.

**SECRETARY**

The Secretary shall keep and maintain correctly and update he prescribed books and register. He or She shall procure from borrowers the due execution of bonds with security. The Secretary shall prepare all receipts, vouchers and documents required by the regulation or agreement or called for by the Management Committee. He or She shall sign on behalf of the society and conduct all its correspondence. He or She shall summon and attend all record and proceeding of such meeting and have them duly signed.

**TREAURER**

The Treasurer shall charge of all money received by the Cooperative Association and shall make disbursement in accordance with the direction of the Executive or Management Committee. He shall sign all member passbooks. He shall deposit all funds or over the limit fixed by General Meeting in any bank approved for this purpose by the General Meeting. All funds shall be deposited in the name of Cooperative Association.

**TRUSTEES**

The President, Secretary, and if the General Meeting desire to one other member of management committee, shall be the trustee of the society. It shall be their duty to sign on behalf of the society all checks and legal documents including those concerned with transfer of funds acquisition and disposal of the Association’s property.

**FIDELITY INSURANCE**

The Association shall take a fidelity insurance for the secretary, treasurer, or any other officer who handle cash on behalf of the Cooperative Association.

**CONSTITUTION AND DUTIES OF THE COMMITTEES**

**MANAGEMENT COMMITTEE**

The Management Committee shall be subject of laws of the constitution and the resolution of the General Meetings. The Executive Management of the Association shall be vested in the Management Committee or Board of Directors.

**CONSTITUTION**

The Management Committee or Board of Director shall consist of at least members over the age of 21 years including the President, Treasurer, Secretary and one or more Vice Presidents. The members shall be elected for one year at the Annual General Meeting. All but one of the oldest in the office shall be eligible for election, but can stand for election after the lapse of one year.

**CREDIT OR LOAN COMMITTEE**

The Loan Committee shall consist of it member over the age of 21 years elected for one year at the Annual General Meeting. A quorum shall consist of three members meeting shall be held on the call of Chairman from time to time as the business may require or at the request in writing of at least two members of the committee.

**DUTIES OF THE CREDIT COMMITTEE** shall be:

1. To receive application for loans and examine them against the background of the financial conditions, personal habits, previous record of borrowing, purpose of loans, ability to repay fully and promptly the character and financial standing of the sureties, in doing so shall comply with agreement or constitution
2. To decide on the term of agreement in granting loans
3. To call for at regular intervals comparative statement of loans analysis of delinquent loans and reasons for them in to evaluate the quality of their work
4. The committee may at its discretion wave member’s contribution towards ordinary savings due to hardship on such member for his loan repayment. Alternatively, the committee may adopt a lever plan payment which enable borrowing members to continue to contribute a proportion of hid total payment to his ordinary saving while repaying his loan.

**SUPERVISORY COMMITTEE**

At the Annual General Meeting, there shall be elected three members as supervisory committee.

1. This committee shall meet at least once every three months to make or cause to be made an examination of the affairs of the society which examination shall include an adult of its books and an inspection of the securities, cash account and loans
2. Ascertain that all action by the Management Committee and any committee are in conformity with the ordinance and the constitution of the association
3. Make a written report to the executive or management committee of is finding following each examination
4. Make an Annual Audit and a written report and summit same to the Annual General Meeting
5. Verify the passbooks of the members with the accounts of the treasurer annually.

**LOAN**

Purpose of loans shall be restricted to members only, and shall be made for provision, productive purpose only upon such security and terms as the Credit Committee shall have approved.

**APPLICATION FOR LOANS:**

Application for loans shall be on forms prepared, furnished by the Management and shall set out the purpose for which the loans, the security, (if any), and such data as may be approved.

**CONDITION GOVERING LOANS**

No loan shall be granted:

1. To any individual other than a member a member of the association
2. To any member whose monthly are in arears
3. For a period exceeding the limit fixed by the General Meeting
4. If it would bring a member’s total indebtedness at the time of the loan to an amount exceeding his maximum credit limit.

**RATE OF INTEREST ON LOAN**

Rate of interest on loans shall be fixed from time to time by the management committee, and shall be in no case exceed 15 percent on unpaid balances in case default in repayment penalty interest at twice the normal rate may be charge.

**MAXIMUM CREDIT LIMITS**

The maximum credit limit of each application for a loan shall be:

The committee shall bear in mind the availability of funds, the principle of making credit available to as many members as are qualified, and the securities offered.

**BOND AND SURETIES**

Every burrower shall execute a bond or agreement and shall furnish two photo identifications, two sureties as guarantors who must be members of the Association, properties and two or three pay stubs (current). This will be the basis of credibility of individual to stand as surety for individual.

**DUTIES OF SURETIES**

A surety must be a reputable member of the Association and shall personally guarantee.

1. Repayment of loan if the borrower defaults
2. The correctness of the particulars which the value of the burrower’s securities is based
3. That the loan is used for the purpose stated by the burrower in his application misused of the loan shall be reported by the surety to the committee immediately.

**RECALL OF LOANS**

All loan shall be issued subject to the right of the Association to call for immediate repayment.

1. If any misapplication is proved
2. If the borrower gives an indication of resignation
3. Persistently defaults for a period of over three months

**LOAN TO ANOTHER SOCIETY**

This is subject to the approval of the management or loan may be granted to another registered association or society.

**COMMITMENT AS SURETY**

A member’s commitment as surety shall not when taken together with his own existing borrowing exceed his maximum credit limit.

**USE AND CUSTODY OF FUNDS**

The fuds of the society may be deposited with the approval of management committee of the Cooperative Association such as Commercial Bank, Credit Union, Bank and Trust Companies operating in accordance with the law of the United State of America (Colorado) in any other financial society in which the cooperative is eligible to hold membership.

**INVESTMENT**

Such funds of the Association are not required for current use may be invested in any manner permitted by the law and regulations.

**OPERATION OF BANK ACCOUNT**

The Society or Cooperative Association Bank accounts shall be operated by trustee. Before money is withdrawn from the bank, the check or withdrawal slip shall be signed by the secretary and at least one of the trustee.

**DISPOSAL OF SURPLUS**

The annual net surplus of the Cooperative Association shall be appropriated in the following manner:

* Not less than 25% to reserve fund, unless a lower rate is prescribed by the management under the law
* 2.5 to the education fund
* Such honoraria donations or other appropriations as may be decided upon by the general meeting
* Divided on members saving and loan, rebate of interest
* General reserve.

**RESERVER FUND**

When the amount appropriated to the reserve fund is equals the total limited liability of member as contained in these bye-law or agreement no further contribution shall be made to the account, the reserve fund shall belong to the society or cooperative association and no one is entitled to claim a specific share in it except with written permission of SOS or management committee. It shall not be utilized in the business of the association or society but shall be funded and invested in the Commercial Bank or Credit Union Bank and other Banks approved by the general meeting.

**DIVIDEND**

Dividend at rate fixed by the management committee may be paid on members saving and total loans repaid on the basis of income earned during the year.

**EDUCATION FUND**

Not less than 2.5 of the year net surplus shall be carried to an education fund.

**AUDIT AND SUPERVISION FEE**

Audit and supervision fee at the rate assessed by the management committee and general meeting.

**BOOKS AND ACCOUNTS**

Prescribed book and Record

Account and Record shall be maintained in the forms prescribed by the management Cooperative Association and shall be as follows:

1. Membership and Attendance Register showing the name, address and occupation of every member, the rate of admission to membership, the nominee and members attendance at meeting
2. A cash Book showing receipts, expenditure and balance on each day business is done
3. General Ledger
4. Personnel ledger with account for each member Depositor or Creditor
5. Loan Register showing installment for repayment of loans
6. Minutes Book for preceding of General and Committee meeting
7. Loan Bond or Agreement file containing bond for all loan issued
8. Such others record as may be prescribed by the Cooperative Association.

**PASSBOOK**

Every member shall keep and maintain a passbook showing particulars of his account with the secretary.

**DISSOLUTION AND DIVISION OF THE COOPERATIVE ASSOCIATION**

At the anytime Secretary of State or Management Committee may be on the written request of not less than one third of the members, the number not being less than 25 or when the membership exceed 30 on the written request of at least 30 members authorized such members to form themselves into separate society of the same type and tot his shall be transferred the total saving of those members and proportionate amount of the original society funds and liabilities.

**DISPUTIES AND LIQUIDATION**

DISPUTIES

Any disputes arising or concerning the association, its members past or present or person claiming through them shall be refer to the SOS or management committee by arbitration as provided for in the ordinance.

**LIQUIDATION**

The Association shall not be liquidated except by order of the Secretary of State in accordance with the Law of the State. In case there is any surplus after meeting all liabilities of the Cooperative Association and repaying all sums to the credit of members such surplus shall be disposed off as decided by the general meeting with the approval in writing to SOS or Management.

**FINE**

Any members or office who absents him or herself from a general or committee meeting without reasonable excuse or otherwise act in a manner considered to be against the best interest of the society may be an amount not exceeding $5.00 - $10.00

**SEAL**

The Secretary shall hold in safe custody the seal of the society on behalf of the trustee the seal shall be of a pattern approval by the management committee. Document shall be seal at least by two of the trustee one whom must be the Secretary.

**AMENDMENT OF BYE-LAW OR AGREEMENT**

Any amendment of or addition to this bye-law shall be made by the general meeting of the Association in accordance with the Regulation and shall not be valid until such amendment or additions are registered by SOS.

I hereby certify the forgoing bye-laws of the Valor Cooperative Association

NO …………………………………………. Of …………….has been registered under SOS Law of Colorado.