

My dear Wiley: I think this should be in effect the basis of the "Home Guaranty and Loan Association" the proper title of:

(1) - Stock #10 a share.

~~(2) - Stockholders to have 6 per cent each which is to be preferred to all other claims except current expenses.~~

(3) - Profits
(2) ~~Income~~ to be divided as follows: (a) Current expenses, (b) 6 per cent to stockholders (c) ^{any there} ~~to be held as a reserve fund~~ ^{due} ~~plus to be shared~~ ^{between} stockholders and purchasers according to amount paid by each for a specific year, that is the interest on the stock investment and the interest on the loan investment, which are the two earning increments. ^{Bar} ~~to buy interest~~ ^{owner's interest to terminate when he wishes}

3- Stockholders to choose first board of directors. After first year one-third of Board to be chosen by borrowers.

4- Board of Directors to choose officers and name Executive Board. No purchase or sale to be made except by written assent of two of Executive Board. made on written report of terms. Reports of purchases and sales to be made to board of directors, quarterly.

5- land may be rented only while awaiting sale, never more than two years in succession. The purpose is to create owners, not renters.

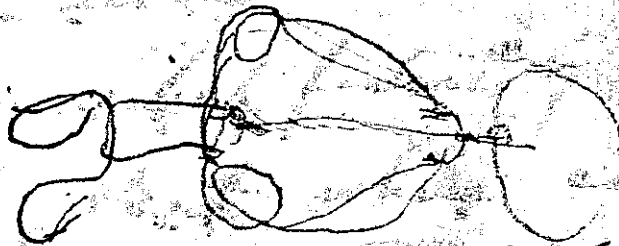
6- Expenses must be approved by Executive Board, and after the ^{second} first year must not exceed — percent of earnings.

- 7- Stock must be paid in cash. No land or other property ~~also~~ to be taken in exchange for it.
- 8- No money shall be loaned, except to purchasers and then only to prepare a homestead for occupancy or to outfit a purchaser ^{to pay taxes} to make a crop. Such loans must be secured by mortgage and approved by the Executive Committee.
- 9- No money shall be borrowed, except that ^{with the unanimous consent of two-thirds} of the Executive Committee and the approval of a majority of the Board of Directors, not

more than ^{two thirds} ~~one half~~ of the mortgages
held by the company at any time,
may be hypothecated for ~~any~~ ~~other~~
~~purpose~~ ~~except~~ general purposes.

[Faint, mostly illegible handwritten text, possibly a continuation of the legal document.]

CHAUTAUGIA COUNTY NY HISTORICAL SOCIETY 2013



The Association to be wound
up ^{at any time after ten years} when one-third of
the stockholders may de-
mand by the sale of all
lands and distribution of
all funds after deducting
cost of proceeding, &c., to
the stockholders.

There seem to me to embody
the principal features of the plan, we
need. But where can it be
safely incorporated? From some I
know of no State where it can
be done under general laws.
Had we not better prepare and
have it incorporated by the legisla-
ture next winter?