

MEMORANDA OF AGREEMENT.

A. K. Owen; for himself as a stockholder, and as Chairman of the Board of Directors of The Credit Foncier Company, agrees with the Colonists resident upon the lands of the Company and all others whom it may concern, as follows, to wit:—

(1st).—It is agreed that permanent re-organization of The Credit Foncier Company shall take place the first Monday in February, A. D., 1893.

[2nd].—Pending such re-organization, it is agreed that the people of the Ditch Camps shall nominate three resident members of the Colony, one for head of Department of Transportation and Communication; one for head of Department of Agriculture, Forestry, Game, Fish-culture and Preservation, and one for head of Department of Medicine, Surgery, Pharmacy, Hygiene, Supplies and Commissariat; the three so nominated to be appointed members of the Board of Directors of The Credit Foncier Company, by A. K. Owen as Chairman, thereof, to fill vacancies in the said Board of Directors.

It is agreed that the several departments shall be co-ordinate one with the other, and each Department shall stand upon its own merits, and regulate its affairs on terms of mutual contract with individual members, or groups of members thereunder.

Each Department to be under the entire control of the members thereof, a majority of whom shall, at any time, have power to remove said head of Department and nominate his or her successor.

A. K. Owen agreeing to discharge the said head of Department and appoint the successor so nominated at any time on demand of a majority of the members of such Department. It being agreed that as Chairman of the Board of Directors, this power shall be vested in him, on demand of the resident members of any Department.

It is further agreed that the amended Charter of the permanent re-organization shall embody these

**Cardinal Principles.**

**Land.**

The land and all natural resources shall be held by the Corporation in trust for the use of its members, subject to such rules and regulations as the members, from time to time, make. It shall, however, under no circumstances, be sold, mortgaged, or alienated by the Corporation or any of its members.

**Medium of Exchange.**

The medium of exchange shall be based upon service—"a service for a service." The adjustment of relative values of products to be left to the good sense of the resident members and to the general economic laws of the cost of production to members, and supply and demand to outsiders.

**Public Utilities.**

Public Utilities are to be owned by the Corporation and held in trust for the use of its members, the producers always having full control of their products through the agency of the Corporation, making monopoly and exploitation impossible.

It is further agreed by A. K. Owen that in said permanent re-organization he pledges that his entire stock vote (1500 shares) shall be always cast in favor of the most stringent Charter, Constitutional and By Laws provisions, embodying these "Cardinal Principles," and insuring the most absolute protection and control of the producer in his or her products through the agency of said Corporation; and that he will never consent to the adoption of any plan of permanent organization that does not place every head of Department absolutely under the control of the resident membership of each Department, and subjected to removal for cause, on demand of a majority of the resident members of said Department.

This safeguard shall be embodied in a referendum if such referendum can be legally established and enforced, otherwise a plan of organization shall be made that will embody these Principles.

It is agreed that not to exceed 10 per cent of all unearned increment derived from the sale of land and lot uses shall be set aside to pay dividends on Capital stock; the remainder, not otherwise appropriated, to be devoted to public improvements, utilities, insurances, etc.

A. K. Owen agrees to take up and cancel all indebtedness of The Credit Foncier Company held by John W. Lovell, D. D. Chidester and himself against the said Company, estimated to be about \$15000, by the issue of Capital Stock of the said The Credit Foncier Company, at par, to the said creditors in full payment thereof, and that all other liabilities of said Company, shall be paid up and cancelled by the said A. K. Owen upon his own account, and without cost to the Company, except the outstanding units of accounts, or service credits now due the members, which service credits it is agreed shall be paid either by the issue of Income Bonds in The Mexican Western Railway Company, as per a former proposition of A. K. Owen, in which case the said credits are to be cancelled by A. K. Owen, without cost to The Credit Foncier Company, or be paid, in cash, out of a fund for that special purpose, to be created by setting aside 5 percent of the unearned increment derived from the sale of land and lot uses, at the option of the holders thereof. All outstanding credits on the books of the Company to be considered as funded, and to be paid in the manner herein specified, the object being to start the re-organized Company, without embarrassing liabilities: Provided any member holding cash credits, may, at option, have Capital Stock issued therefor, in lieu of either of the above methods of payment.

I have read the above agreement and fully endorse the same, this 16th day of March, A. D., 1892.

ALBERT K. OWEN,

Chairman of The Credit Foncier Company.

The undersigned committee, appointed by the people of the Ditch Camps to confer with A. K. Owen and to formulate an agreement as a basis for temporary and permanent re-organization of The Credit Foncier Company, do hereby approve of the above principles, plans, and agreements.

T. J. WHITZEL,  
W. A. WOTHERSPOON, } Committee.  
W. H. SPROUT.