

DISCLOSURE STATEMENT

Name of Trading Cooperative

Kanjini Co-Op Ltd.

VALID FOR A PERIOD OF 12 MONTHS

From 13/03/2013

DISCLOSURE STATEMENT

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NAME OF TRADING COOPERATIVE

Kanjini Co-Op Ltd.

LIABILITY AND FINANCIAL INVOLVEMENT

Section 70(2) of the Cooperatives Act states that "a member of a cooperative with a share capital is liable to the cooperative for the amount, if any, unpaid on the shares held by the member together with any charges payable by the member to the cooperative as required by the rules of the cooperative. Attach a list of rights and liabilities attaching to shares.

1 Details of Liability and financial involvement

1.1 Shares

1.1.a Full Share:

- i. Nominal value per full share: \$ 100,000.00
- ii. Can be paid off after a deposit of 20% (Interest payable on outstanding balances)
- iii. Dividends will be earned on the percentage of share value paid
- iv. Right to be accommodated on Co-Op land at minimal costs (see Maintenance Contribution Schedule)
- v. Full Voting rights
- vi. Ability to sell or trade the share as described in s18 Rules
- vii. Each member can hold only one full share or one foundation share

1.1.b Foundation Share:

- i. There are only eleven Foundation shares unless there are more than these numbers applying for full membership before or at the foundation meeting, in which case all of them will be foundation members.
- ii. Nominal value per foundation share: \$100,000.00
- iii. This class of share has all of the benefits and liabilities of a full share

This class of shares has the following additional benefits:

- iv. To acknowledge their contribution in forming the cooperative, foundation shareholders will receive non-specific bonus shares to the value of 15% of the part of their share that is paid up within three weeks of the acceptance of their membership application. These bonus investment shares will be issued only once the cooperative can issue sufficient bonus shares under [s 266(1)(b) and s 273 of the Act].
These bonus investment shares cannot be sold or traded until:
A) the foundation share is paid in full, and
B) the number of full shareholders is larger than the number of foundation shareholders, and
C) not earlier than five years after the formation meeting, unless the cooperative resolves at a general meeting that these bonus investment shares become tradable earlier.
- v. The prior approval in writing by at least 72% of active members who hold a foundation share is required before the board seeks the Registrar's approval of draft documents for a change of rules, winding up, takeover or merger of the cooperative. This last right is transferable onto any other full shareholder by notifying the Cooperative in writing. If a foundation share holder has not transferred this right before her/his death or as part of her/his will, the next general meeting will assign this right to another full share holder. No allocation of bonus investment shares is associated with this voting right and it's transfer (see s24(7) Rules)

1.1.c Introductory Share:

- i. Nominal value per introductory share:\$ 10,000.00
- ii. This class of share is for people who intend to acquire, but do not have the deposit for a full share and are willing to work towards that aim
- iii. Can be paid off after a deposit of 20% (Interest payable on outstanding balances)
- iv. Introductory shares give the to be accommodated on Co-Op land at minimal costs (see Maintenance Contribution Schedule)
- v. this share cannot be sold or transferred and expires after 33 months.
- vi. Before this type of share expires, the shareholder can elect to have the share value converted towards a deposit for a full share.

- vii. If the shareholder wishes to withdraw or is asked to leave, (s)he might apply for a refund, which cannot exceed the paid up value of the share minus any maintenance contributions saved as compared with a visitor. The cooperative can defer or refuse such refund if it would have to borrow money to do so.
- viii. An Introductory shareholder is an in-active member and as such has no voting rights until he/she becomes a full share holder (see 5. (1) (a) Rules).
- ix. An Introductory shareholder has the right to attend general meetings, but may speak only if invited to do so by a cooperative director.
- x. This share does not earn any dividends.

1.1.d Investment shares

- i. Nominal value per investment share: \$500.00
- ii. Only paid-up full members and foundation members can purchase additional investment shares
- iii. This class of shares must be paid in full
- iv. Ability to sell or trade the share as described in s18 Rules
- v. The only limit to the number of investment shares a member can hold is that no member can hold more than 20% of the cooperative's total issued share value.
- vi. No voting right
- vii. Investment shares can be project targeted, non-specific or self-interest

A) Project targeted

If all or part of a specific project is funded with the help of project targeted investment shares, an equivalent portion of net returns (profits) of that project will be distributed as follows, unless a general meeting decides on a different arrangement:

one third is kept by the Co-Op and two thirds are paid as dividends to the project targeted shares associated with that specific project.

Project targeted shares will also receive general dividends.

B) Non-specific

Non-specific investment share values will be doubled for dividend purposes (so a non-specific investment of 10,000 dollars will be treated as 20,000 dollars for dividend calculation purposes)

C) Self-interest

If a project is of self-interest (eg fixed asset to the members living space) the investment shares will not receive any dividends as long as they are used by that shareholder.

Whenever the project becomes income producing for the cooperative (for example if the share-holder is on holidays and this house is occupied by another member or guest with a Maintenance Contribution Agreement), project targeted dividends will be paid on those shares.

- viii. If a project is funded by cooperative funds, 1/2 goes to all shares (all paid up portions of full shares plus all investment shares), 1/2 goes to the cooperative

1.1.e Shares can be issued and/or traded, repurchased or repaid at a premium and the board may increase the premium on 1st October each year by the CPI of the previous financial year, and/or at any other time and by any other premium as the board may decide from time to time. [s147]

1.1.f Interest earned on members paid-up share capital until the cooperative purchases its first property will be paid as dividends to those members within one month of the property purchase (proportional to time and amounts paid).

NOTE: This has been delayed until the question of interest charged on outstanding share capital from date of foundation until date of first property purchased has been clarified with the auditor and the Office of Fair Trading.

1.2 Annual Subscriptions Levies etc.

\$ 1100.00 for full and foundation shareholders and \$ 550.00 for introductory shareholders **plus** 10 hours/week of labour for residents (proportional for part-time residents)

1.3 Outgoings, Charges

\$ N/A

1.4 Other

Application fee of \$ 150.- for Introductory, Foundation and Full shareholders (non-refundable). Application fee of \$10.- for Investment shares (no matter how many)

1.5 Any contracts, guarantees and indemnities, contingent liabilities, unresolved or pending law suits which the cooperative will assume once formed are listed below: (A copy of relevant contracts and other documents (if any) are to be included by way of annexure)**N/A**

1.6 Where an existing organisation is seeking to register as a cooperative, indicate its current name below and attach copies of the last two years' profit and loss accounts and balance sheet. **N/A**

2 WHO CAN BE A MEMBER OF THE COOPERATIVE

Active Membership: The Cooperatives Act, requires that a trading cooperative's rules specify in the way in which and the extent to which a member must use or support an activity of or maintain a relationship or arrangement with, the cooperative, for carrying on a primary activity of the cooperative (or a combination of primary activities). Members are obliged to use or support an activity, or activities, of a cooperative in order to retain the right to be a member, including the right to vote.

2.1 The cooperative's active membership rule identifies the cooperative's basic reason for existence, or primary activity or activities, as being:

- **Primary Production**
- **Providing accommodation for members and visitors**

2.2 and to maintain **active membership of the cooperative**, a member shall:

- a) Hold a minimum of one full or foundation share
- b) Pay an application fee as outlined in the disclosure statement
- c) Commit to pay annual subscription levy as outlined in 1.2
- d) Keep up to date with payments due
- e) Commit to provide labour as per Labour and Food schedule Annexe
- f) Commit to Maintenance Contribution Agreements as per Maintenance Contribution Schedule Annexe
- g) Provide a proxy when required
- h) Commit to abide by the rules
- i) Provide valid contact details to the cooperative at least once a year
- j) Adhere to the Conflict Resolution Policy Annexe
- k) Abstain from stealing and/or physical violence on any property owned or leased by the cooperative
- l) Commit to participate in the equivalent of a one week residential workshop with all members once a property has been purchased, or commit to a three month residential trial period.

- 2.3** A cooperative may also have objects in addition to primary activities.
- Living together peacefully and cooperatively and with environmental and personal awareness
 - Research, development, marketing and sale of alternative products and technology
 - Showcasing Sustainable Development
 - Educative and research facilities (see vision statement)
 - Forestry

3 HOW THIS TRADING COOPERATIVE PERFORM ITS ACTIVITIES

The following demonstrates the need for the trading cooperative, the resources available and the benefits expected to flow from its formation.

- 3.1** The cooperative intends to carry out its Primary Activity(ies)/Objects as follows:
- Broad-acre food production using permaculture design and practices, bio-dynamics and other organic farming techniques
 - To provide educative facilities for sustainable development and technology, agriculture and aquaculture, forestry, architecture and renewable energies
 - To construct buildings on the cooperative's properties in harmony with the landscape and develop them for the benefit of future generations
- 3.2** The members will have the following role in the cooperative's functioning (*eg supply produce; use common services*)
- The members shall provide financial resources and labour for the effective functioning of the cooperative.
- 3.3** The following physical resources will be used to carry out the activities of the cooperative (*eg office or factory space, furniture, equipment, plant, vehicles*).
- Lot 66 and 67 on RP 896904 and lot 68 on RP 896905, all in the Parish of Danbulla, County of Nares in the State of Queensland, have been purchased, including:
- One 3-4 bedroom house and one 2 bedroom cottage;
One 400 sqm industrial shed, one 8 bay machinery shed, one small green shed, one hay shed.
- The Cooperative will construct more buildings for accommodation, production, education, storage, office and community facilities
The Cooperative will acquire machinery, vehicles, plant, energy producing facilities and whatever other physical resources that are required to fulfil the aims of the cooperative
- 3.4** The following products or services are to be provided to members by the cooperative.
- Accommodation (with a Maintenance Contribution Agreement), utilities, food produced on cooperative land, reasonable access to cooperative assets and dividends where applicable.

4 HOW THIS COOPERATIVE IS MANAGED?

4.1 The board of directors or the members will meet at least once a month.

4.2 Board of Directors:

The names of those who have consented to be nominated for election as member directors to fill the positions provided for in the rules, being six in number, are shown below (Note: Directors must be over 18 years of age)

- (a) Name; Address
Occupation; Relevant Experience

Svargo Klaus Freitag; 303 Koah Rd, Kuranda QLD 4881
Company director & manager; company director & business manager

Shiralee Betuel; 303 Koah Rd, Kuranda QLD 4881,
Administration; Property manager/ company director & manager / Administrative Officer level 5

Chaitanya Freitag; 9 Parkway Street, Trinity Park QLD 4879
Tiler; managing work-sites & running a business

Susanna Wilkerson; 290 Wooroora Road Ravenshoe, QLD 4888
Company and Business owner/manager/Naturopath

Christopher Iain Huth:13 Withington St, East Brisbane, QLD 4169
Draftsman, Transport Logistics and Administration

- A. Will any of the promoters or any of the proposed directors or members have a direct or indirect interest in any contract or proposed contract with the cooperative, other than an interest in a contract referred to in section 230 of the Act? NO
- B. Will any of the proposed directors have a conflict of duty or interest within the provisions of section 227 of the Cooperatives Act 1997? If so, specify by way of annexure. NO

4.3 Day-to-Day Management

The name of the person who has agreed to be responsible to the board of directors for day-to-day management of the cooperative and brief details of his/her experience are as follows:

Shiralee Betuel, 303 Koah Rd, Kuranda 4881

Property owner/manager; company director/manager; Administrative Officer L5

Management is to be (X) paid, or () voluntary

Management is to be () full time or (X) part time

4.4 Accounting

- A. The person named below has agreed to be responsible for general accounting and financial functions of the cooperative
Svargo Freitag, 303 Koah Rd, Kuranda QLD 4881
- B. This person has the following qualifications and experience relevant to this responsibility or this person belongs to a firm having the following qualifications and experience:
Company Director/Manager and company accounting

4.5 Auditing

(Note that the auditor must be a registered company auditor within the meaning of the Corporations Law, unless exempt under section 233 of this Act)

- a) The person named below has agreed to be responsible for auditing the cooperative's accounts:
Paul Davis - Accountants and business advisers
- b) Attached is written evidence of approval from the office of Fair Trading, as the cooperative's auditor **See ANNEXURE ONE**

5 Detailed Financial Information

5.1 Funding

- a) Internal Source of Funds
The number of persons who qualify for membership of the cooperative is currently six persons and one other approved entity.

A list of the people who are members and the number of shares each person is subscribing (if the number of persons is only 5) is shown as an annexure marked "Members and Shares"
- b) The total number of shares subscribed to by these persons is 7 shares
- c) Total share Capital subscribed is \$ 700,000.00
Total entrance fees received are \$ 1,500.89
Total membership fees received are \$ 18,062.95
- d) Total other charges \$....NIL.....
- e) External Sources of Funds
If the cooperative is to use grants, subsidies, donations or other financial support to be viable, documents of funding received or requested should be given as an annexure marked "Grants and Subsidies". N/A
- f) The cooperative has borrowed the following funds:

Loan from Bendigo Bank	\$1,000,000.-
Loan from Surdham Pty Ltd	\$400,000.-
Loan from Svargo K. Freitag	\$470,000.-

and attach, as an annexure marked "Loan Funds", a copy of the offer to extend finance and the terms of such loan(s).

5.2 Property and Assets

- a) If the cooperative is to purchase property or major assets, indicate here the current market value of the property or assets:
Lot 66 and 67 on RP 896904 and lot 68 on RP 896905, all in the Parish of Danbulla, County of Nares has been purchased. They have been valued prior to purchase at \$1,900,000.-..Kanjini Co-Op exercised a first offer to purchase at the same price which another buyer offered to the vendor.
- b) If arrangements have been made, or are under negotiation, to lease property or major assets by the cooperative, evidence of this availability should be shown as an annexure marked "Property - Assets - Leasehold) - N/A
- c) Improvements to the property or assets (for example, renovations, furnishings, plant or equipment), if they are to be made, are estimated to cost:
\$ 4,200,000.-
Estimates for these costs are detailed in annexe "Property - Assets - Improvements"

- d) Shown below are details of property or major assets other than any property or major assets it will own or lease that the cooperative have the use of: N/A
(Evidence of such arrangements must be provided by a letter of authorisation from the owner).

5.3 Demand for Proposed Cooperative's Goods/Services

See attached ANNEXURE "Business Plan"

5.4 Formation Expenses

N/A

5.5. Forecast Cashflow Budget and Forecast Profits and Loss Statement

- a) Annexure "Cash Flow Budget Forecast" attached
- b) Annexure "Profit and Loss Forecast" attached

FURTHER INVESTIGATION:

Further investigation by the prospective member may be necessary. This disclosure statement is not necessarily a full statement of the liability and financial involvement of a prospective member. Prospective members please note the disclaimer below.

DISCLAIMER OF LIABILITY

No responsibility as to the contents of : (i) the Disclosure Statement and attachments and annexures that form part of this document; and (ii) the associated Rules which all collectively make up the formation documentation, is to be taken by the Registrar of Cooperatives, the Department of Tourism, Fair Trading and Wine Industry Development or by any of its servants or agents.

Each prospective member is advised to make any investigations (including the obtaining of professional advice) which that person believes to be necessary to satisfy himself or herself about the contents of this a formation documentation or the decision of whether or not to join the proposed trading cooperative.

It should be clearly known that the Registrar of Cooperatives, the Department of Tourism, Fair Trading and Wine Industry Development or any of its agents or servants are not engaged in the provision of legal or other professional services to the public, prospective members or cooperatives. If legal or other expert advice is required, the services of a competent professional person should be sought.

CERTIFICATION

We the undersigned, certify that this is a copy of the disclosure statement which is current at March 2013 for the purpose as a trading cooperative :

.....Chairperson
Signature

..... Secretary
Signature

Note: This certification is signed as above and the Disclosure Statement have been approved by the Registrar and returned to the sponsors of the proposed cooperative.

6 ANNEXURES

Show here which annexures are attached to this disclosure statement (tick appropriate boxes)

	Contracts Etc	<input type="checkbox"/> N/A	Feasibility Study	<input type="checkbox"/> N/A	
	Existing Organisation Accounts	<input type="checkbox"/> N/A	Business Plan	<input checked="" type="checkbox"/> Yes	SEVEN Page 28
	Activities	<input type="checkbox"/> N/A	Property - Assets - Freehold	<input type="checkbox"/> N/A	
	Board of Directors (see 4.2 above)	<input type="checkbox"/> N/A	Property - Assets - Leasehold	<input type="checkbox"/> N/A	
	Director/Promoter's Interest in Contract	<input type="checkbox"/> N/A	Property - Assets - Improvements	<input checked="" type="checkbox"/> Yes	EIGHT Page 33
ONE	Auditors Letter	<input checked="" type="checkbox"/> Yes Page 11	Property - Assets - Other	<input type="checkbox"/> N/A	
TWO	Members and Shares INCL Rights and Liabilities attaching to shares	<input checked="" type="checkbox"/> Yes Page 12 Page 15	Formation Expenses	<input type="checkbox"/> N/A	
	Grants and Subsidies	<input type="checkbox"/> N/A	Cash Flow Budget Forecast	<input checked="" type="checkbox"/> Yes	NINE Page 35
THREE	Active Membership requirements	<input checked="" type="checkbox"/> Yes Page 16	Forecasted P&L Statement	<input checked="" type="checkbox"/> Yes	TEN Page 36
FOUR	Market Research Supporting Documentation - Organics	<input checked="" type="checkbox"/> Yes page 17 Page 18	Conflict Resolution Policy	<input checked="" type="checkbox"/> Yes	ELEVEN Page 37
FIVE	Maintenance Contribution Schedule	<input checked="" type="checkbox"/> Yes Page 22	Labour and Food Schedule	<input checked="" type="checkbox"/> Yes	TWELVE Page 38
SIX	Vision Statement	<input checked="" type="checkbox"/> Yes Page 23	Loan Funds	<input checked="" type="checkbox"/> Yes	THIRTEEN Page 39

ANNEXURE ONE – APPROVAL OF Auditor

Contact Officer Corrina Tautali
Telephone (07) 3239 6324
Our File Ref QC0310

19 December 2011

Mr Paul Davis
Suite 5
Ground Floor
70 Grafton St
CAIRNS QLD 4870

Dear Mr Davis

COOPERATIVES ACT 1997

Kanjini Co-operative Limited

Reference is made to your application for approval for the purposes of the Act in relation to the audit of the above cooperative's financial reports.

You are approved for the purposes of the Act in relation to the audit of the financial reports of Co-operative Limited subject to the following terms and conditions -

- You must maintain the minimum criteria as set out in the "Administrative Guidelines for Auditor's Qualification Requirements under the Act"; and
- Upon appointment by the cooperative, you must undertake the audit in accord with the *Corporations Act 2001* provisions adopted by the *Cooperatives Act 1997*.

Enclosed is a circular on the annual financial reporting and auditing requirements for a cooperative.

Should you have any queries please contact me.

Yours sincerely

Corrina Tautali

DELEGATE OF THE REGISTRAR OF COOPERATIVES

ANNEXURE TWO – MEMBERS and SHARES
Including Rights and Liabilities attaching to shares .

Kanjini Co-Op have a tiered Share structure. Shares can be paid off after a minimum deposit.

STATEMENT OF THE RIGHTS AND LIABILITIES
ATTACHING TO SHARES UNDER THE COOPERATIVES ACT 1997
AND THE RULES OF THE COOPERATIVE

TYPES OF SHARES

Each member can hold only one full share or one foundation share or one introductory share.

Share	Cost	Voting	Liabilities & Conditions	Rights & Benefits	Dividends
Full Share	\$ 100,000 Can be paid off after a deposit of \$20,000.- (Interest payable on outstanding balances)	Full Voting rights	Annual membership levy: \$1000 Maintain <u>active membership</u> Contribute labour as per <u>Labour and Food Schedule</u> (only when residing on Co-Op land) Must be at least 18 years of age	Right to reside in any class of accommodation at minimal cost - maintenance contribution. (<u>see maintenance contribution schedule</u>) Ability to sell/trade share as described in s18 Rules	Receives dividends for paid up value, which can be used by members to pay up shares
Foundation Share There are only eleven foundation shares available.	\$100,000 Can be paid off after a deposit of \$20,000.- (Interest payable on outstanding balances)	Full Voting rights The prior approval in writing by at least 72% of active members who hold a foundation share is required before the board can seek the Registrar's	This class of share has all of the liabilities of a full share. The special voting right is transferable onto any other full shareholder. If a foundation share holder has not transferred this right before her/his death or as	This class of share has all of the rights and benefits of a full share. To acknowledge their contribution in forming the cooperative, foundation shareholders will receive non-specific bonus shares to the value of 15% of the part of their share that is paid up within three weeks of the acceptance of their	Receives dividends for paid up value, which can be used by members to pay up shares.

		approval of draft documents for a change of rules, winding up, takeover or merger of the cooperative.	part of her/his will, the general meeting will assign this right to another full share holder. No allocation of bonus investment shares are associated with this voting right and it's transfer.	membership application. These bonus investment shares will be issued only once the cooperative can issue sufficient bonus shares under [s 266(1)(b) and s 273 of the act]. See 1.1.b.4 in Schedule 1 of the rules for limitations on trading those bonus shares.	
<p>Introductory Share</p> <p>This class of share is for people who intend to acquire, but do not have the deposit for a full share and are willing to work towards that aim.</p>	<p>\$ 10,000</p> <p>Can be paid off after deposit of \$2,000</p> <p>Interest payable on outstanding balances</p> <p>Non-refundable, but can be converted to deposit for full share.</p>	<p>An Introductory share holder is an inactive member and as such has no voting rights until he/she becomes a full share holder (see 5. (1) (a) Rules).</p>	<p>Annual membership levy: \$500</p> <p>Maintain <u>active membership</u></p> <p>Contribute labour as per <u>Labour and Food Schedule</u> (only when residing on Co-Op land)</p> <p>Must be at least 16 years of age</p> <p>Introductory shareholders cannot be directors and/or office holders.</p> <p>This share cannot be sold or transferred and expires after 33 months.</p>	<p>Introductory shares give the right to live on Co-Op land in accommodation at minimal cost - maintenance contribution. (<u>see maintenance contribution schedule</u>)</p> <p>Before this type of share expires, the shareholder can elect to have the share value converted towards a deposit for a full share.</p> <p>If the share holder wishes to withdraw or is asked to leave, (s)he might apply for a refund, which cannot exceed the paid up value of the share minus any rent saved as compared with a visitor. The Co-Op can defer or refuse such refund if it would have to borrow money to do so.</p>	<p>This share does not earn any dividends</p>

Investment shares	Capital cost per investment share \$500 Only paid-up full members and foundation members can purchase additional investment shares	No additional voting rights	No annual fee The only limit to the number of investment shares a member can hold is that no member can hold more than 20% of the Co-Op's total issued share value. Can be project targeted or non-specific or self-interest (see below table for more details). This class of shares must be paid in full	Ability to sell or trade the share as described in s18 Rules	
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Types of Investment shares

- Project targeted	If a project is funded by targeted investment shares only, 1/3 of net returns (profits) are divided pro-rata to those investment shares targeting the project, 1/3rd goes to all shares (all paid up portions of full shares plus all investment shares), 1/3rd goes to the Co-Op.
-Non-specific	Non-specific investment share values will be doubled for dividend purposes (so a non-specific investment of 10,000 dollars will be treated as 20,000 dollars for dividend calculation purposes)
-Self-interest	If a project is of self-interest (eg fixed asset to the members living space) the investment shares will not receive any dividends as long as they are used by that shareholder. Whenever the project becomes income producing for the Co-Op (for example if the share-holder is on holidays and this house is used by visitors or other membes), project targeted dividends will be paid on those shares. Ability to sell or trade the share as described in s18 Rules
Please Note:	If a project is funded by Co-Op funds, 1/2 of the profits go to all shareholders (all paid up portions of full shares plus all investment shares), the remaining 1/2 goes to the Co-Op budget.

Please Note: The capital cost and value of all shares will be increased each year by the CPI of the previous financial year.

Labour Contribution

Each member (including those in their acceptance period) living on Co-Op land is required to contribute ten hours/week. Part time residents are to contribute proportionally, however for full members this is accounted for on a yearly basis for more flexibility.

RIGHTS and LIABILITIES ATTACHING TO SHARES

1 Nature of shares in the cooperative

A share in the cooperative is personal property; and is transferable or transmissible as provided by the Act and the rules of the cooperative; and is, subject to the rules of the cooperative, capable of devolution by will or by operation of law. (s142)

2 Cancellation of membership of an inactive member and forfeiture of shares held under Part 6 of the Act or resignation of a member under rule 20(4). On the cancellation of membership of an inactive member under part 6, shares are to be forfeited and within 1 year after the date of cancellation, the amount owing including any amount paid up for shares forfeited is to be – paid to the former member; or required by the rules of the cooperative. (s70) [rules 7, 14 and 71].

3 Charge over shares

The shares are subject to a charge by the cooperative in relation to any debt payable by a member or former member to the cooperative. (s75) [rule 26]

4 Calls on shares

The board may make calls on the members for amounts unpaid on the shares (whether on the nominal value of the shares or by way of premium). (s145(2))[rule 15] Where calls are unpaid the shares are liable to be forfeited. [rule 21]

5 Forfeited shares

A person whose shares have been forfeited under the rules remains liable to pay to the cooperative all amounts which (as at the date of forfeiture) were payable by the person to the cooperative for the shares. This is apart from calls in default. [rule 22]

6 Forfeiture for non-payment of subscription

The shares of a member whose periodic fee (subscription) under rule 7 has not been paid may be forfeited by resolution of the board. [rule 23]

7 Additional shares

The board may require a member to take up or subscribe for additional shares under a proposal approved by the members by special resolution. (s149) [rule 13(5)]

8 Winding-up membership cancellation

A former member of the cooperative who had their membership cancelled under part 6, within 2 years before the start of a winding-up of the cooperative, shall be liable on the winding-up to contribute to the property of the cooperative the nominal value of shares forfeited under that cancellation. (s314(1))

9 Winding-up share repurchase

If a member had a share repurchased or the whole or part of the amount paid up on a share repaid by the cooperative under section 170, within 2 years before the start of a winding-up of the cooperative the member or former member shall be liable on the winding-up to contribute to the property of the cooperative the amount paid by the cooperative together with any amount unpaid on the shares immediately before the purchase or repayment. (s314(2)).

ANNEXURE THREE - ACTIVE MEMBERSHIP REQUIREMENTS

To maintain active membership of the cooperative, a member shall:

1. Hold a minimum of one Full or Foundation share
2. Pay an application fee as outlined in the Disclosure Statement
3. Commit to pay Annual Subscription levy as outlined in the Disclosure Statement
4. Keep up to date with payments due
5. Commit to provide labour as per Labour and Food schedule
6. Commit to Maintenance Contribution agreements as per Maintenance Contribution Schedule
7. Provide a proxy when required
8. Commit to abide by the Rules
9. Provide valid contact details to the Co-Op at least once a year
10. Adhere to the Conflict Resolution Policy (Disclosure Statement Annexure)
11. Abstain from stealing and/or physical violence on any property owned or leased by Kanjini Co-Op
12. Commit to participate in the equivalent of a one week residential workshop with all members once a property has been purchased or commit to a three month trial period.

ANNEXURE FOUR – MARKET RESEARCH

Organic produce is now the fastest growing agricultural market in the world.

"While many agricultural commodities are going through an extended period of historically low prices, the growing demand for organic products has seen good premiums paid for many commodities. One of the advantages of being part of an expanding industry, is better long term viability for farmers and their communities." *Lehmann (2000)*

Affluent local and interstate markets are demanding products, that are produced from environmentally friendly or sustainable systems. Kanjini products and production processes will be consistent with Ecologically Sustainable Development (ESD) principles and likely to reap long term economic advantages.

Four local retailers, Access Organics, Neil's Organics, Joan's Organic Produce, The Edge Veg and Fusion Organics, Community Foods Cooperative were studied. Their main source of fruit and vegetables currently is from United Organics in Brisbane. We noted that many items are grown in the region and transported to Brisbane and then transported back to Cairns. It is envisaged that Kanjini Co-Op will establish and maintain very good trade partnership with these retail outlets. There are also regular farmers markets in the region. Furthermore good markets exist for processed fruit and nuts, particularly if organically certified.

Competition

There are several certified organic farms in the region but these are not seen as competition as they wholesale to Brisbane and do not supply local markets.

The need for our products is apparent in the region with an increasing demand for local organic food.

Industrial Hemp Oilseed and Pumpkin Seed Oil can be grown on consignment and no competition exists.

Marketing Strategy

Kanjini will

- focus initially on producing seasonal annual crops (see *Appendix One ~ Letters of Support*)
- develop orchards of a few selected specialties.
- establish a reputation for quality products.
- establish relationships with specialty distributors, who will purchase our products for distribution to high-end restaurants, natural food stores and/ or gourmet shops.
- supply our customers with recipes and storage tips.
- develop secondary outlets for our crops and value added merchandise
- allocate a percentage of our acreage or gross income each year to experiment with new products

Promotion and advertising

LOGO ~ stamping our personal identity on our products will build consumer trust and confidence.

Our logo will be used on packaging, letterhead, containers, business cards, brochures and direct-mail pieces and road signs.

EDITORIALS ~ We will utilize all the free publicity and promotion available by way of editorial coverage. Stories about our products and our farm operations will be in a variety of media.

BRANDING ~ Consistent quality and produce grading will be crucial to branding our products. Marketing will focus on CSA (Community Supported Agriculture), local sales to speciality retailers, restaurants and Farmers Markets. Also regional, national and export potential exist.

ANNEXURE FOUR CONTINUED - SUPPORTING DOCUMENTATION

Organics – An Overview

The Australian organic industry encompasses a vastly diverse array of organic products. Furthermore, the range is expanding on a daily basis because of consumer interest and demand. In light of strong international competition and the fact that much of Australia's traditional agri food markets have been eroded by lower priced competitors, Australian farmers are now seeking a means to differentiate their products and achieve a premium for them.

To many, organic production is considered to be a viable solution because organic products attract a premium and there are acute supply shortages for a number of categories in many markets. *There exists an increasing demand for fresh, in-season, local organic produce. In addition, a number of organic producers actually process their products onsite or operate boutique food businesses in keeping with the low food mile ideology of the organic movement in that products should spend minimal time in the supply chain to remain fresh.*

Export Potential for Organics – opportunities and barriers

Publication No. 06/061, Project No. MCK-3A

2006 Rural Industries Research and Development Corporation.

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Organics is one of the fastest growing sectors in the food industry overall, experiencing double digit growth in most developed markets compared with 1-2% growth rate for conventional food products. Both the field research and literature search confirm that there is a large amount of latent unsatisfied demand for organic foods. The key constraining factors to industry growth are:- the lack of availability of suitable quality food on a year-round basis.

Demand for organic foods is being driven by:

- growing consumer concern about chemicals in food and the environment
- health consciousness
- specific dietary and allergy conditions
- the perception of organic tasting better
- the desire to get 'back to basics'.

In terms of identifying market prospects, the report concludes that the key driving factors of demand are:

- population; consumer affluence and sophistication; degree of environmental and health consciousness;
- the safety and integrity of local food supply; and the availability of a local organic industry supply chain.

Most large format supermarkets in developed countries now stock at least a minimum organic range. This usually includes leafy vegetables and some organic processed foods and dairy products. In some cases, in the more developed countries, organics is now becoming established as a mainstream category in its own right. The organic range is expanding dramatically driven by manifest consumer demand. Typically, supermarkets devote a whole area to the shelf stable organics as well as a section within the fresh food areas for organic fruit and vegetables, and other perishables.

Key drivers of demand for organics

Essentially, demand for organics is driven by two sets of factors - the emotional and the rational.

Emotional factors

To a large extent, the demand for organics is driven by emotional factors, which include:

- **Perceptions of naturalness:** Avid buyers of organic foods claim strongly that organic foods have a much better taste and are much healthier in a nutritional sense.
- **Getting back to basics:** There is a strong emotion among people in developed countries, particularly in urban areas, to get back to basics and get in touch with the natural ways of life. The spiritual and emotional aspects of food are becoming more important, e.g. being able to say 'I grew it myself'.
- **Environmental sustainability and environmental friendliness:** There is a growing concern about the environment and sustainability of farming practices. This is particularly true amongst younger people who are being made more environmentally conscious by the education system and the media.

Rational factors

There are a number of strong rational factors that are driving demand for organic foods. These are:

- **Concerns about long-term health benefits:** Increasingly, life-threatening diseases, particularly cancer, are being traced to over-consumption of foods containing toxic chemicals. People generally believe that organic foods are free of chemicals and therefore consumption of them will make one healthier and contribute to longevity and better appearance.
- **Specific allergies and health complaints:** There is a growing percentage of the population who have specific allergies that can be traced back to chemicals in foods. With improved diagnostic techniques, the medical profession is now better able to trace the causes of allergies and health complaints. People on special or restrictive diets are a large and growing proportion of organic food buyers. It is believed that the organic products are preferred for their more sensitive systems.

There is also an increasing crossover between food and nutraceuticals as evidenced by the growing popularity of naturopathy and natural remedies - organics feature strongly here.

- **Better taste:** In many cases, there is a strong feeling and perhaps a reality that organic foods, particularly fruits and vegetables, have a better taste. There may be a number of reasons for this including the possibility that older, more traditional varieties are sometimes used, (e.g. Heirloom tomatoes) are often handpicked and therefore harvested when tree-ripened and at optimum eating quality. Because of the shorter supply chains, the produce can be purchased in optimum condition.

Strong local industry

Demand for organics is likely to be more developed where there is a strong local organic production industry and there has been a tradition of availability of organic foods. The resulting volume of supply ensures that economies of scale can be achieved in supply chains. The reliable availability of local organic produce is a key reason for the strong demand for organic foods.

Despite this, the range of processed organic foods available from Australian-based operations is quite varied. Examples of processed fruit and vegetable products include:

- canned goods, such as organic baked beans, tomatoes and chickpeas
- processed corn products, such as corn thins and corn chips
- sauces and syrups, such as pasta sauce, sate sauce, maple syrup
- spreads and jams including fruit preserves, peanut butter and honey
- oils and vinegars, particularly olive oil and balsamic vinegar, organic salad dressings

Honey

Australian honey is popular in Continental Europe and the UK, particularly the unique varietal types such as yellow box, etc. Australia does have a significant cost disadvantage, vis-à-vis competitors in honey, particularly Argentina, but with its uniquely Australian products it can command a price premium.

Dried fruit

Australia has traditionally been a major player in conventional dried fruit, although increasingly it is losing market share to lower cost producers such as Turkey, Greece and Iran. The limiting factor for organics is the availability of supply. Opportunities are for counter-seasonal supply.

Fruit and vegetable drinks

There is an opportunity for Australia to be a major supplier of organic fruit and vegetable drinks, particularly in the Southeast Asian region.

Other processed foods

There are major export opportunities for processed organic foods such as canned vegetables, frozen vegetables, sauces and syrups, spreads and jams, and oils and vinegars. Australia has done quite well with unique jams and condiments and there is no reason why this shouldn't cross over into the organic sector.

The opportunity here comes from the fact that processed foods generally have greater shelf stability and have easier market access in many instances over fresh product.

There is an opportunity to be a major supplier of organic fruit and vegetable drinks, particularly in the Southeast Asian region.

Organic food sales up 80pc: report by Environment reporter [Sarah Clarke ABC](#)

A new report has found that organic produce growers have experienced an 80 per cent growth in farm-gate sales over the last four years, despite the widespread drought.

The report also reveals that Australia now accounts for the largest amount of organic farmland in the world. The report on the state of the organic market says it is now worth around \$230 million a year and there are 2,750 certified growers in Australia.

The report found that as most farmers battle with drought and low sales, the organic market is showing significant growth.

Andrew Monk of the Biological Farmers of Australia says "Growth is up significantly....sales of fruit and vegetables are growing."

"Growth seems to be about 80 per cent since the last report in 2004 so that's an 80 per cent growth in farm-gate sale receipts for certified organic products across every sector from horticulture to beef," he said.

"And Australia now accounts for the largest amount of certified organic farmland in the world.

Australian Organic Industry Worth Around 600 Million Dollars

The Australian Organic Market Report 2008 shows that the industry is worth almost \$600 million with around 30% growth per annum for some sectors since the OFA initiated report in 2004. 2007 farm gate values were estimated to be in excess of \$231 m Australian dollars – an 80 % increase on 2004. Major retailers now carry in excess of 500 different organic lines in fresh and grocery categories. OFA members Dr Paul Kristiansen from the University of New England and Alasdair Smithson of Organic Knowledge conducted the research for Biological Farmers of Australia. The number of certified organic operators has increased by an annual 5 % average net over the last 5 years. This is in contrast to ABARE figures on all farms in Australia that show a decline in the numbers. Over 40 % of consumers now buy organic food, which should be compared to research data showing that 86% of consumers oppose GMOs.

Markets will be seeking increasing assurance and verification of quality claims including claims regarding environmental impacts of production. Verification systems will require "chain of custody" or audit trails from paddock to plate to be credible, as well as rigorous and detailed systems for measuring environmental effects. Building and maintaining credible systems of verification, chain of custody, and environmental measurement will be central to continuing growth in the organic industry.

ORGANIC STATUS

Australia's organic industry is well developed and there are currently seven approved certifying organisations, which accredit and annually audit organic operators in accordance with the Australian National Standard for Organic and Biodynamic Products (ANS). The Australian National Standard was developed and is maintained by the Australian Quarantine and Inspection Service (AQIS) and is in line with other major international standards such as IFOAM and the EU Regulations. All Australian exports of organic produce must be produced in accordance with the Australian National Standard as well as with importing country requirements.

Core Truths on the Major Benefits of Organic Food and Farming

Core Truths is a ground breaking compilation of the most current research on organic agriculture. This highly readable and graphically stunning 108-page coffee table book documents the verifiable health and environmental benefits of organic products.

Core Truths includes fascinating research about why:

Organic often tastes better

Organic produce contains, on average, 30 percent higher levels of antioxidants

Organic farming can cut mycotoxin risk by over 50 percent

Organic food dramatically reduces pesticide exposure

Organic farms typically use less energy www.organic-center.org

ANNEXURE FIVE- MAINTENANCE CONTRIBUTION SCHEDULE

Kanjini Co-Op aims to be financially abundant from income producing activities. At that time, some or all fees might be covered by income from Kanjini Co-Op activities. Until such time, Kanjini requires nominal Maintenance Contribution from all members.

Kanjini Co-Op has an Annual membership Levy. The Levy together with Maintenance Contribution income is structured to cover the yearly Co-Op running expenses.

MAINTENANCE CONTRIBUTION SCHEDULE - Annexure to Disclosure Statement

The Co-Op welcomes short term visitors - food and Maintenance Contribution will be charged.

Kanjini Co-Op also welcomes WWOOF'ers working for up to five hours per day in exchange for food and dormitory accommodation.

Please Note: These figures are initial estimates only.

MAINTENANCE CONTRIBUTION SCHEDULE	Visitors	Introductory shareholders	Full shareholders
Own tent or caravan etc (per person)	\$15.-/night or \$75/week (powered site extra)	\$20/week	\$15/week
Dormitory bed	\$20.-/night or \$100.-/week	\$20/week	\$15/week
Room with shared amenities (single)	\$35.-/night or \$175.-/week	\$80.-/week	\$20/week
Room (extra occupants)	\$20.-/night or \$100.-/week	\$20.-/week	\$15/week
Outbuilding with own amenities (single)	\$50.-/night or \$250.-/week	N/A	\$30/week
Outbuilding (each extra occupant)	\$20.-/night or \$100.-/week	N/A	\$15/week
	<i>(these charges compare favourably with commercial accommodation) discounts might be given to long-stay visitors</i>	<i>(these charges ensure savings over a 2-3 year period on visitor rates)</i>	<i>(these charges together with membership fees are comparable to the running costs of a typical unit or house)</i>

- No sub-letting or sub-leasing allowed
- Food will be charged extra.
- Shareholders children will be charged at the same rate as the shareholder from age 15 until 18 and at half that rate from age 5 to 14 and one quarter from year 3-5
- Members can have family members or very good friends in their own space occasionally and for short terms at nominal Maintenance Contribution (eg \$5.- per night or \$15/week). If those people require separate accommodation, they will be charged like a residential share holder, subject to availability.

A person applying as full or introductory member needs to pay a twenty percent deposit plus a non-refundable application fee of \$150.-. The person will need to complete a three month trial period, during which (s)he will be charged Maintenance Contribution as a short term visitor. If the person is then accepted, all of the difference between the full visitors Maintenance Contribution paid during the trial period and the Maintenance Contribution (s)he would pay as a member (either full or introductory) will be accounted as paid-up part of her/his share. The rest is due immediately. However, a payment schedule which, will include interest, can be agreed on.

PLEASE NOTE: This Maintenance Contribution Schedule may be amended or changed from time to time by a general meeting.

ANNEXURE SIX - VISION STATEMENT OF KANJINI CO-OP Ltd

We intend to live together in a harmonious, joyful, cooperative and sustainable way while being pro-actively aware and respectful of our inner and outer environments.

Definitions:

'Cooperative' means sharing, working together, respecting each other, pooling resources and skills, working towards a common vision for mutual benefit

'Sustainable' means fulfilling the needs of the present without degradation of the ecosystem or compromising the ability of future generations to meet their own needs.

'Pro-actively' means being responsible, taking action rather than re-acting

'Inner environment' includes experiences, values, feelings, emotions, inner self

'Outer environment' includes landscape, fauna and flora, built and social environment, atmosphere and planet

Index:

- 1. COOPERATIVE**
- 2. LAND**
- 3. BUILDINGS – COMMUNAL & INDIVIDUAL**
- 4. INFRASTRUCTURE**
- 5. AGRICULTURE**
- 6. ECONOMICS**
- 7. TECHNOLOGY**
- 8. HUMAN INTERACTION**
- 9. EDUCATION AND RESEARCH**

1. COOPERATIVE

We have chosen a Trading Cooperative as a legal structure to pool our resources and work together. A Trading Cooperative, can legally make a profit, which allows us to create wealth and abundance unlike a Non- Trading Cooperative.

The increasing fragmentation of society (moving away from community and large families to smaller and smaller households) we feel is a main cause for the problems human society faces today.

Living cooperatively with many people will reduce our overall requirement of resources as well as improve human relationships, personal growth and caring for each other and our environment.

Further reasons for forming a Cooperative rather than a company are:

- A Co-Op gives a vote to each person, while a company for example gives a vote to each dollar.
- In a Co-Op, all decisions, including rules and membership, are made with at least 75% of votes, rather than simple majority.
- A Co-Op can buy back shares and can charge its members a fee to cover operational costs.
- All cooperatives are governed by a legislated act and a set of model rules. We have adapted the latter to suit our special requirements.

2. LAND

Kanjini Co-Op owns a large property (settlement date 21.12.2012) with areas of prime agricultural soil, plentiful water, areas of cleared land and natural habitat, bordering on State Forest and World Heritage.

Our aim in managing the land is to maintain or increase its biodiversity in harmony with the natural landscape and habitat.

We consider ourselves to be the guardians rather than just the owners of the land and intend to leave it to future generations in a better state.

3. Buildings

3.a. General Features

3.a.1 Architecture

Our architecture will reflect an overall design harmony and practicality while allowing for individual and inspirational designs.

3.a.2 Design Features

Buildings will be integrated with the landscape, have minimum ecological footprint and be aesthetically pleasing. They will be designed with consideration to optimal light, space, openness, energy efficiency and overall simplicity. Some of these conditions will be achieved by such things as high ceilings, skylights, glass roofs, courtyards, and green spaces.

Design features will consider durability, low maintenance, passive solar heating and efficient and effective cooling/heating. Buildings will be designed to suit all age groups and physical abilities. Natural hydrology will be retained and maintained, valuable agricultural land will be preserved for agricultural purposes rather than buildings. Fencing will be kept to a minimum with the primary purpose of containing animals. All development will be undertaken with awareness and sensitivity.

3.a.3 Building Materials

Preference is given to obtaining materials, organic where possible, from sustainable renewable local sources and producers. Use will be made of recycled materials such as timber for beams, trusses, and flooring; bricks; windows; and steel. Other materials may include such things as clay bricks (mud or fired), bamboo, hempcrete, rocks, adobe or wattle & daub, and steel. Usefulness, cost, longevity and environmental impact of the product over its lifespan will be considered.

3.b Communal Buildings

Our vision is to provide buildings to house communal amenities such as a commercial kitchen, dining hall, office spaces, showers and toilets, a laundry and a cyclone shelter. These are our first priorities but we also envision having a reception area, a library, a seminar/workshop area, a recycling place and maybe even a shop for basic needs of members and to sell our produce.

3.b.1 Plant and Equipment will be housed in a machinery and tool shed and shelter for communal vehicles will be provided. Additional storage spaces will be provided in accordance to need.

We envisage having specific areas to process food and for storage, a clay oven for baking and a honey house to process bee products.

3.b.2 Health and Well-being facilities will ultimately include a common prayer/meditation area, retreat areas and healing space, a multi-purpose community hall with dance floor and a stage, an arts and craft centre, a pottery kiln, a heated pool, sauna and spa, education and sports facilities.

3.b.3 Accommodation

Some community buildings will provide sleeping accommodation for singles and doubles in rooms and dormitories, both for members and guests.

3.b.4 Children and youth spaces

We envisage some spaces to be dedicated as children and youth spaces. Children and youth will be invited to participate in the decision making process affecting their communal spaces.

3.b.5 Animals and Gardens

Additionally there will be buildings and shelters in relation to animal husbandry, horticulture and other community activities.

3.c Individual Living Spaces

It is envisioned that individual accommodation will be minimal in size and design, ranging from one room huts to multi-bedroom accommodation, with verandas or decks, designed with consideration of connectedness with the environment. Sample designs with various floor plans will be provided, however, within the parameters of the co-op guidelines/covenant, there will be freedom to create individual designs. Individual spaces will need to be designed to respect privacy, both visual and auditory, for both the occupant(s) and neighbours as well as considering adjacent shelters, gardens, and co-operative areas. There will also be common houses with individual rooms but shared amenities.

3.c.1 Domestic Animals

The Co-Op does not encourage or prohibit the keeping of dogs and cats. All non-native pets will need to be strictly controlled. It is the responsibility of the owner to ensure the pet does not hunt any wildlife or disturb people. If such a problem persists, a general meeting can decide the removal of problem animals.

4. INFRASTRUCTURE

Infrastructure will service and inter-connect private members' areas and guest or public areas.

4.a. Transport

Within the settlement car movements will be kept to a minimum and be speed-limited. Walkways, bicycles and electric vehicles will be encouraged for internal transport. Consideration will be given to cost, toxicity and necessity of dirt, gravel or bitumen. There will be a pool of communal vehicles for external use and specified car parking areas.

4.b. Water

Of high priority in our vision is permanent running, abundant and good quality water for supply and recreation. The property has a large existing lake / dam (20acres) and the potential for the construction of further dams.

A gravity fed reticulation system is preferred; where pumping is necessary alternatives to petrol pumps will be given priority. Additional water may be obtained from springs, bores, and rainwater tanks. Water conservation and waste water management incorporating a natural grey water treatment system will also be prioritised.

To enhance the aesthetics of the settlement water features will be included. Consideration will be given to harvesting and selling of excess water.

4.c. Hot Water

Top of the list are solar hot water systems combined with rock filled underground tanks for long term heat storage. Other options include thermal bores, parabolic mirrors, and back-up hot water systems attached to slow combustion stoves.

4.d. Waste/recycling

It is envisaged that waste will be recycled as much as possible and that there will be minimal non-organic waste. Glass and metal can be melted and reused using the technology of a parabolic mirror. Paper and cardboard can be used for making new paper products, used in biogas plants or fed to worms or as mulch.

Plastic use will be discouraged as will one way batteries. Rechargeable batteries and dynamos will be encouraged as well as a willingness to embrace new green technologies. High quality long life products will be considered over cheap short lasting ones. Organic waste will be utilised as much as possible by composting, feeding worm farms, producing biogas etc.

4.e. Electricity Generation

We envisage to be independent of the grid. Electricity will be generated by renewable energy systems including solar, hydro, wind, parabolic mirror, and other renewable sources. There will be a central system as well as individual ones utilising several different power sources. We will be encouraging electricity conservation by using energy saving light bulbs; sensors and dimmers; low wattage appliances and maximum use of natural lighting.

Preference to an underground power system will be given subject to considerations of economics and appropriateness.

Apart from household and industrial use the electricity generated can be used to run electric vehicles and machinery as well as whatever other alternative options our creative thinking can come up with. Excess can be stored and possibly sold.

We will remain open to new developments in the field of energy generation including the use of wind to compress air to drive tools, a generator and/or vehicles.

5. AGRICULTURE - horticulture, aquaculture, forestry, animal husbandry.

Agriculture will be engaged in for our own consumption as well as commercially. We will use permaculture, organic and biodynamic methods adapted to local conditions with a focus on seasonal and local foods, while aiming for long-term sustainability for future generations. We will grow a large variety of fruit trees and vegetables (with a preference to using non-hybrid and non GM seeds); spices; herbs for healing and cooking; flowers for scent, aesthetics, oils, and for attracting birds and butterflies; trees for timber, shade and bee food; bush tucker; mushrooms and fungi; bamboo (no running varieties); and industrial hemp. Aquaculture will be practiced both in our large dams as well as in smaller integrated systems incorporating algae, worms and vegetables.

We are committed to forestry both for long-term timber production as well as for carbon sequestration.

Animal husbandry may include poultry, livestock, aquaculture and bee keeping. All non-native animals will be strictly controlled and/or fenced.

We anticipate selling our surplus commercially including farmers' markets and food networks. We will be looking to value add by drying, preserving, distilling, brewing and otherwise processing our produce.

6. ECONOMICS

Kanjini Co-operative aims to be financially sustainable and abundant through the development of industries, primary production and other activities, creating income and internal employment.

Cooperative businesses will be encouraged over private ones.

Individual businesses are subject to Co-op approval and will need to lease facilities and give a small percentage of income to the Co-op.

An internal and external barter and trade system may be established. The cooperative shall not borrow against more than 10% of property value and only if unallocated income-streams can support repayments (unless the continued existence of the Co-Op is threatened by this limitation).

In addition to primary production, cooperative businesses could include guest accommodation, educational courses, classes and seminars (e.g. yoga, art, meditation, permaculture, alternative energy systems, sustainability), festivals, concerts and so on. WOOFERS are encouraged.

7. TECHNOLOGY

The Co-operative will use, research, develop and showcase a wide range of alternative technologies. For example, hybrid, electric and air-powered vehicles, alternative fuels, and other advances in transportation will be embraced where possible. *For further examples please refer to Section 4. Infrastructure.*

Mobile phone usage will be limited in certain places. TV and music system usage will be subject to guidelines regarding noise levels and visual aesthetics (eg. Satellite dishes).

8. HUMAN INTERACTION

We envision living harmoniously as a mutually supportive and diverse community. To manifest and enhance this concept, we will have regular communal dinners, shared meditations, meetings and activities.

We work together to create a sustainable future. We sing, dance, laugh and celebrate together to enhance and foster love, friendship, fun, tolerance, trust and truth. We commit to honesty with each other, clear communication and peaceful methods of conflict resolution.

We share knowledge, creativity and skills and intend that all our interactions to be imbued with compassion, respect, caring, warmth and affection to create an environment conducive to fostering the fullest development of human potential.

We respect the need for privacy while maintaining a commitment to community.

Our wish is to be a happy, healthy, and wise community striving for long-term sustainability and to value natural living, natural sounds and silence, including designated areas for nudity.

In making decisions we aim for unanimous consensus but require at least 75% agreement.

9. EDUCATION AND RESEARCH

One of the main aims of Kanjini Co-Op is to be a model for long-term sustainability, alternative technology and cooperative living, in harmony with nature and each other.

In order to educate the wider community we envisage forums and workshops, live-in courses and lectures and collaboration with like-minded and research organisations.

We will continuously research and promote these and associated issues, remaining open to new and fresh ideas.

ANNEXURE SEVEN - BUSINESS PLAN FOR EMERALD CREEK PROPERTY

1. Assets

Land Description: 545 Kay Road and 62 Adler Hill Road are zoned Rural under the Mareeba Shire Council Planning Scheme. The former Adler Hill Pastoral Holding comprises of 3086 hectares in three titles. There are about 60 acres of cleared arable land (with some re-growth) in several pockets on lots 66 and 68, additional to the 40 acres leased by Dole. A further about 60-100 acres are regrowth which could be cleared for farming. There are also a further ~100 acres of rich volcanic soil around Adler Hill on lot 66 and on the proposed subdivisions on lot 67. The remainder is natural bushland, mostly steep and of poor quality granite soil.

Buildings, Equipment, Plant and Machinery: 3 bedroom home, 2 bedroom workers quarters, old machinery shed and fairly new ~400sqm shed plus 2x ~70sqm A-frame covered decks near Emerald Falls.

Irrigation: The property has a water irrigation license from Emerald Creek of 192ML. There is a 1.5Kw electric pump on the river. Additionally there is a large diesel pump on the lake, which is leased to Dole including a 250meg usage allowance and irrigation system to cover 39 acres

Fencing: Existing Boundary and Internal fencing is 3-4 barb-wire with timber and steel posts in generally fair condition.

2. Potential and Actual Sources of Income

2.1 Agriculture

- i. The lease by Dole is currently returning in the vicinity of \$40,000 per year until mid-2016
- ii. We intend to start a commercial bee-keeping business as soon as possible, sized to utilise the whole of the land.
- iii. There is plenty of land and water to establish orchards and gardens for our own use and for sale at markets and to 'Real Foods' boxing system.
- iv. Cash crops like sweet potatoes, corn, pumpkins or passion fruit can be grown; ~30 - 70 acres of volcanic soil are immediately available for cropping
- v. By gaining Organic Certification Kanjini Co-Op will be able to achieve higher prices. Farm certification is expected to take three to four years to obtain.
- vi. There is scope to lease land to other growers (coconut sellers are interested to grow coconuts, Susanna is interested in growing commercial hemp and to lease part of the shed)
- vii. According to the real estate agent, the property can support ~500 head of cattle and large parts can be leased to a cattle farmer
- viii. There is scope for aquaculture utilising the existing ~20 acre dam

2.1.a. Possible cash crop example

Sweet Potatoes grown on 8ha (20 acres)

- Can be grown all year in the Mareeba area
- Yield is 20 tonne/ha or 1110 cartons
- 18kg/carton non-organic @\$8 to \$20 (average of \$14);
- United Organics sells organic sweet potatoes for up to \$64/carton
- total variable cost is \$15,523/ha (incl labour, transport (\$5716) & marketing)
- assuming \$20/carton for in-conversion organic sweet potatoes, gross profit is \$6697/ha
- water requirement is 5ML/ha (up to 20mm/week during first 4-6 weeks)
- one person can grow 8-12 ha
- potential return on 8ha is \$53,576

2.2 Accommodation

Currently the house is rented for \$270/week and the cottage is rented for \$210/week, both on 12 month contracts.

2.3 Membership Fees - Annual Subscriptions and Levies

Kanjini Co-Op has structured Annual Fees and Levies (\$ 1100.00 /year for full and foundation shareholders & \$ 500.00 /year for introductory share holders)

2.4 Sale of Land

Kanjini Co-Op does not require all of the 7500 acres for its business or its members. We definitely want to keep Lot 68 with the lake on it and we also would like to keep the houses and shed and most of the river frontage on both sides of lot 66. Adler Hill would also be nice to keep if possible.

However, and especially since we would have happily considered buying Lot 68 alone, we are committed to sell large parts of the land in order to reduce the bank loan.

We can put two of the three titles back on the market immediately.

However the size and shape of the property lends itself to subdivide up to eleven blocks along Emerald falls road. Subdividing land will allow us to either keep all of Lot 66 (if proceeds from subdividing Lot 67 are high enough) or at least to keep the most valuable parts of Lot 66.

2.4.a Selling Lot 67 and Lot 66

Kanjini Co-Op can sell lots 66 and 67 straight away without doing any subdivisions.

Even if sold at valuation price (\$450K & 680K), and that price would be GST inclusive (which the valuation says it is not) there will be \$1,017K available for loan repayments. The loan on Svargo's property can then be transferred into a 10-30 years interest and repayments loan.

If we can achieve a price proportional to what we paid for the land (\$520K & \$780K) minus GST, we can repay the Kanjini bank loan in full and the Surdham bank loan down to \$100k.

2.4.b. Subdividing all or part of Lot 67 and Lot 66

Kanjini Co-Op plans to subdivide Lot 67 into 8 allotments along Emerald Falls Road and sell them to help pay down the initial loan we need to take up so we can buy the property. To reduce up-front costs, this will be best done in two stages.

If proceeds from those sales do not reduce the bank loan far enough, we will also sell three more allotments off Lot 66 in stage three.

STAGE 1 (1st year)

To be able to subdivide we need to secure \$200k of funding. This can be secured by a second mortgage on lot 66 and we can up to 14% interest.

Subdividing is best done in 2-3 stages, with three blocks on the western side of lot 67 to be subdivided in stage 1.

Estimated costs for 1st stage are as follows:

town planner & plan drawing	\$	4,000.-
referral fees etc	\$	2,500.-
PRE-APPROVAL COSTS	~\$	6,500.-
advertise	~\$	4,000.-
surveying	~\$	33,000.-
Engineering plans	\$	10,000.-
council required roadworks (480m gravel road upgrade)	\$	81,557.-
driveway access x4	\$	18,848.-
road network infrastructure charges x4	\$	14,672.-
Soil tests x4	\$	4,000.-
POST-APPROVAL COSTS	~\$	166,077.-
sundries and contingency funds	~\$	27,423.-
TOTAL COSTS	~\$	200,000.-

NOTE: only ~\$35K to \$40K is needed before approval and being able to sell blocks of the plan, so this is all that has been included in the first year capital expenses. The remaining subdivision costs can be paid from the proceeds of selling the first block off the plan

Blocks A1 to A3 will each have about 15-20 acres of rich volcanic soil and nice views to the south-west. These can be marketed as Hobby-Farms or even small commercial farms (as long as the bores produce enough water).

Potential sales prices for these three subdivision blocks is three times \$100-250k, allowing us to repay \$70K to \$330K of the bank loan.

STAGE 2 (2nd year)

subdivide the remainder of Lot 67 into five more blocks.

Estimated costs for the 2nd stage are as follows:

surveying	~\$ 50,000.-
council required roadworks (1020m gravel road upgrade)	\$ 168,912.-
driveway access x4	\$ 18,848.-
road network infrastructure charges x4	\$ 14,672.-
advertise	~\$ 4,000.-
sundries and contingency funds	~\$ 13,568.-
TOTAL COSTS	~\$270,000.-

Blocks B4 and B5 will each have about 15-20 acres of rich volcanic soil and nice views to the south-west. (\$110 - \$250k)

Block B5 and B6 will have the powerline going over them, although for block B5 this is only in the backcountry. (\$80 - \$230k)

Block B7 is about 1400 acres, almost all of which is useless, but it has some stunning views onto World Heritage and from Cooley Hill (\$200k - \$350k).

Block B8 is about 375 acres and includes a 27Meg water allocation, some good vistas, potential large dam site and a beautiful seasonal waterfall (\$250k - \$400k).

Selling all of Lot 67 will allow us to repay between \$450k and \$1180k of the bank loan (including stage A repayments), which is more than the \$360k to \$485k we could repay if we sell it without subdividing.

STAGE 3 (3rd year)

subdivide three more blocks on the north-eastern side of Emerald Falls road.

Estimated costs for the 3rd stage are as follows:

surveying	~\$ 40,000.-
driveway access x3	\$ 14,136.-
road network infrastructure charges x3	\$ 11,004.-
advertise	~\$ 3,000.-
sundries and contingency funds	~\$ 11,860.-
TOTAL COSTS	~\$ 80,000.-

block C9 will have a little bit of volcanic soil, some very good views and the powerline (\$100-230k)

block C10 will have emerald creek access, 10 megs of water and ~20 acres of rich volcanic soil. (\$200-350k)

block C11 will have ~20 acres of rich volcanic soil, emerald creek access and 10megs water allocation. It will also have Adler Hill on it, providing a prime elevated building site with 360 degree views of the tablelands, making it one of the best lifestyle properties on the tablelands. (\$250-400k)

Sale of these blocks would allow us to repay a further \$290-560K of the bank loan. **Selling all 11 blocks provides for repayments of \$740K to \$1740K.**

Notes: Surveying uses a quote from Gary Pozzi;

Road works and driveway costs according to quote by Ken Gregg; Bob Watto has verbally quoted 72k for stage 1 road works and 92k for stage 2, (50k less)

Advertising uses an estimate by Yadranka

minimum sales prices used are the average low estimates from three real estate agents averaged again with the very lowest estimate. maximum sales prices are the average high estimates from three real estate agents averaged again with the very lowest estimate.

Yadranka: A1, A2, A3, B4 @ 200-250k; B5, B6 @ 175-200k

Mark Gallo: 130-150K each for A1, A2, A3, B4, B5, B6; quick sale 65-80k

Elizabeth: A1, A2, A3, B4 @275K; B5, B6, C9 @ 235K; C11 @ 375K; C10 @ 325K; quick sale 50k less

By putting bores on the six SW blocks and B9 (cost about 10k each) and possibly 5kw solar systems (cost about 25k each) we can sell them for \$40-50k more or have at least a better chance to achieve the higher prices.

With low sales prices by selling all 11 blocks, we can repay 200k subdivision bridging fund, repay 810k of the Kanjini loan, thus releasing the mortgages on lot 66 and 68, and repay \$80k on Surdham loan (\$1280k – 200k - 1000k = 80k) Rest loan to the bank is \$192k with a mortgage on Svargo's land

If we can achieve medium sales prices and sell all eight blocks on Lot 67, we can repay 200k subdivision bridging fund and repay 926k of the Kanjini loan, thus releasing the mortgage on lot 68

(\$1126k -200k =926k). Rest loan to the bank is \$346k with mortgages on Svargo's land and on lot 66. If we have established sufficient farming income to service that loan, we can keep all of lot 67, otherwise by selling those three blocks at medium sale prices (\$490k), we can pay all of the bank loan back and have \$140k left over.

3. Property Purchasing Costs

Item	Costs
Land Purchase	\$2,200,000.00
Stamp duty	\$107,000.00
Legals, loan and valuations	\$20,000.00
Operating and Contingency Funds	\$23,000.00
Total estimated Budget	\$2,350,000.00

NOTE: these costs are without subdivision or farming.

For the subdivision we need to raise \$200k of share capital or bridging finance

For farming activities we need to raise \$50-100k of share capital or bridging finance

These property purchasing expenses will be raised as follows:

Item	Funds
Kanjini funds in bank less liabilities	\$480,000.00
Loan Bank @6.48%	\$1,000,000.00
Loan Svargo @5% (no payments for first 5 years)	\$470,000.00
Loan Surdham @6.01% (interest only for first 5 years)	\$400,000.00
Total funds	\$2,350,000.00

4. Estimated first 12 month Operating Income and Expenses

4.1. Estimated first 12 month expenses

Item	Estimated expenses
Auditors and accountants	\$5,000.00
Bank charges	\$267.00
Repairs and maintenance	\$3,000.00
Insurance	\$4,000.00
Rates	\$5,000.00
Bank - Interest @ 6.48%	\$64,800.00
Surdham - Interest @ 6.01%	\$24,040.00
Membership Fees BFA -annual	\$99.00
Annual organic Audit	\$994.00
Office & Telephone	\$1,000.00
Workers compensation	\$200.00
Total estimated Expenses	\$108,400.00

4.2. Estimated first 12 month income:

Item	Estimated income
Income from Dole leases (without GST)	\$41,797.96
Rental Income (12x270; 40x345; 7x210; 38x240; -GST)	\$24,867.00
Membership fees (7 members)	\$7,000.00
Shiralee interest & share capital payment	\$7,800.00
Susanna interest & share capital payment	\$19,200.00
Chris interest & share capital payment	\$9,600.00
Monika interest & share capital payment	\$11,400.00
Kanjini total guaranteed income	\$121,664.96
Total estimated Expenses	\$108,400.00
Estimated first year operating Profit/Loss	\$13,264.96

NOTE: these figures do not contain any subdivision sales profit or costs. As long as we sell the first subdivision lot for over \$230,000, that will cover all Stage 1 costs and not affect these figures negatively. Additional subdivision sales improve the above figures significantly.

ANNEXURE EIGHT - PROPERTY – ASSETS - IMPROVEMENTS

Kanjini Co-Op intends to make the following improvements to its Adler Hill Holding:

- 1) Subdivide lot 67 into ten subdivision lots ranging from 75 acres to about 1400 acres.
- 2) Establish a commercial bee-keeping operation on the remainder of the land
- 3) Establish commercial farming on parts of the land
- 4) Build a large community dwelling with commercial kitchen and restaurant facilities

1) For the subdivision budget please refer to the business plan annexure.

Costs are expected to be about \$500,000.- with returns expected to be in excess of \$1,500,000.-

2) The bee-keeping venture is estimated to cost about \$150,000.- to set up (for about 200 hives), most of which will be used to acquire second-hand bee-hives and equipment with the remainder needed to modify either part of the big shed or the small shed.

3) To establish a commercial farming enterprise it is expected to cost in the vicinity of \$150,000.- (machinery ~\$100,000.-; fencing ~\$25,000.-; irrigation ~\$25,000.-; aquaculture ~\$50,000.-).

It is noted here that we already have a diesel pump and are owed several kilometres of piping and sprinklers by Dole Australia.

4) Estimated costs for housing and infrastructure is:

\$ 750,000.- for individual accommodation (eg rooms and huts)*

\$ 400,000.- for communal facilities (eg kitchen, eating area, amenities, office, hall, laundry, sheds)

\$ 500,000.- for energy infrastructure

\$ 200,000.- for other infrastructure (eg fresh and waste water, roads)

\$ 1,950,000.- TOTAL housing and Infrastructure

* (Typical building cost is \$1000/m2 including labour)

TOTAL BUDGET:	\$4,200,000.-
Subdivision	\$ 500,000.-
Bee-Keeping	\$ 150,000.-
Farming	\$ 200,000.-
Housing and Infrastructure	\$1,950,000.-
Pay both bank loans off	\$1,400,000.-

These funds shall be raised as follows:

Subdivision Sales	\$1,500,000.-
New member's Share capital	\$2,700,000.-

It is noted that this budget is very conservative. To realise this budget, Kanjini will need to admit at least 27 new members.

Below is a breakdown of estimated costs:

\$ 750,000.- for individual accommodation (eg rooms and huts)* plus shared facilities. accommodation allowance per member is \$17,000- * (Typical building cost is \$1000/m2 including labour)

\$ 400,000.- for communal facilities (eg kitchen, cool room, eating area, amenities, office, hall, laundry, sheds)

i. \$ 105,000.- 270m² Shed (Kit \$40,000 / Slab \$40,000 / Labour \$25,000)

ii. \$ 180,000.- 200m² Building for Kitchen/Communal area/Amenities/Laundry

iii. \$ 35,000.- Dormitory

iv. \$ 70,000.- Kitchen Facilities

v. \$ 10,000.- Cool Room

- \$ 500,000.- for energy infrastructure
 - \$480,000.- On-demand Solar Thermal electric Powerplant using graphite for heat storage
 - \$20,000.- Ancillary Costs: transmission lines etc
 - Likely future project: Windmill driven compressor (\$ not available yet)

- \$ 200,000.- for other infrastructure (eg fresh and waste water- treatment and dispersal systems, roads),
 - \$50,000.- Dam construction
 - \$10,000.- Biogas Plants for waste treatment (two)
 - \$20,000.- Rainwater Tanks
 - \$20,000.- Hot Water
 - \$100,000.- Roads

- \$ 200,000.- for food and income producing enterprises
 - vi. \$50,000.- Aquaponics System (~6.5kg fish/day)
 - vii. \$100,000.- Machinery
 - viii. \$25,000.- Irrigation
 - ix. \$25,000.- Fencing

Investment shares can provide additional funds if they are required for additional assets or improvements, or there are less than 35 members,

ANNEXURE NINE -CASH FLOW BUDGET FORECAST

Cash Flow Budget Forecast

ESTIMATES FOR 2012/13 YEAR OF OPERATION		2012/13 YEAR
		\$
	OPENING BANK BALANCE	\$334,552.55
CASH	Issues of Shares to members	\$140,000.00
IN	Loans	\$1,870,000.00
	Subscriptions & Donations	\$7,000.00
	Land Sale Revenue	\$500,000.00
	Interest	\$6,000.00
	Rent & Leases	\$24,896.00
	Members Repayments	\$30,330.00
+	TOTAL CASH RECEIPTS	\$2,578,226.00
CASH	Property purchase	\$2,189,155.00
OUT	Associated cost	\$127,000.00
	Wages & Salaries	\$10,000.00
	Insurance	\$6,000.00
	Repair & Maintenance	\$5,000.00
	Administration Expense	\$5,000.00
	Audit	\$5,000.00
	Interest on Borrowing	\$56,300.00
	Capital Expenditure (Subdivision costs)	\$210,000.00
	Tax	\$42,000.00
	Repay bank loan	\$200,000.00
	Sundries	\$5,000.00
	Dividends (interest earned before property purchase)	\$49,110.00
---	TOTAL CASH PAYMENTS	\$2,903,265.00
	Net Receipts	-\$275,039.00
==	CLOSING BANK BALANCE	\$59,513.55

ANNEXURE TEN –FORECASTED PROFIT and LOSS STATEMENT

details for the 2012/13 year of operation including where appropriate; sale, cost of goods sold, gross profit margin, rebates, dividends.

FORECASTED PROFIT AND LOSS STATEMENT

	2012/13 YEAR
SALES (2 lots @ \$250k each)	\$500,000.00
Less: Cost of Goods Sold	\$210,000.00
Income from Leases	\$24,896.00
Less Maintenance and costs	\$5,000.00
GROSS PROFIT	\$309,896.00
Add: Repayments	\$30,330.00
Add: Other Income	\$7,000.00
TOTAL INCOME	\$347,226.00
Less: Fixed Costs (property purchase costs)	\$127,000.00
Interest	\$56,300.00
Operational Costs	\$25,000.00
TOTAL EXPENSES	\$81,300.00
OPERATING PROFIT (LOSS)	\$138,926.00
Less: Income Tax attributable to Operating Profit	\$41,677.80
OPERATING PROFIT (LOSS) AFTER TAX	\$97,248.20
Less: Proposed Rebates/Dividends	\$49,110.01
RETAINED PROFITS	\$48,138.20

ANNEXURE ELEVEN - CONFLICT RESOLUTION POLICY

When confronted with conflict of any kind, the Co-Operative agrees to adhere to the conflict resolution principles and steps outlined below:

Problem Solving Ground Rules

All members agree to attempt to solve problems by first dealing directly with the person or persons with whom he/she is experiencing problems / conflict. Implicit in this agreement is a commitment to honest, non-violent communication and direct problem solving. All members will agree to the following ground rules when involved in conflict resolution efforts:

1. A commitment to mutual respect
2. A commitment to solve the problem
3. A commitment to non-violent communication
4. Agreement to use conflict resolution protocol, below.

I. Conflict Resolution Protocols

Co-Operative members in conflict will:

- Make a good faith effort to resolve the problem between / among themselves. If this does not work, the members in conflict will:
- Ask a mutually agreed upon member to help mediate and solve the problem with those having the conflict. If this does not work, the members in conflict will:
- Formally request assistance from the Co-Operative in solving the problem.
- If the Co-Operative is unable to assist in resolving the conflict, and all avenues of conflict resolution have been exhausted, then the Co-Operative may choose to engage in outside mediation or other modalities as they seem fit, to solve the problem.

III. Third Party Confidentiality

We recognize the importance of conflict resolution protocol outlined above and agree to abide by it in principal and practice. As non-involved parties, we will encourage conflicting parties to deal directly with one another. However, we also recognize the need, at times, to discuss, seek advice, or seek comfort from others while in the midst of conflict. Such a situation requires confidentiality. As "Third Parties" who are approached for solace, advice etc., we agree to provide these things in the spirit of helping to improve the situation.

We do not wish to contribute to the perpetuation of the problem. If a person who is experiencing a conflict with one or more people on the property approaches a neutral "third party" it is understood that person is responsible for keeping the health and well being of the Co-Operative in mind. That is, while maintaining confidentiality, the third party should remind the conflicted person of the conflict resolution protocol, if necessary.

In addition, by virtue of being privy to the conflict at hand, the third party is also responsible for monitoring the situation. If the feelings, issues etc., are leading to greater conflict or to weakening of the Co-Operative, then the third party should take steps toward facilitating resolution, even if this means exposing the fact (not details) of the problem at hand to others in the community.

IV. Confidentiality with Regard to Internal Co-Operative Conflict.

In the spirit of protecting the privacy and rights of members of the Co-Operative, we are committed to maintaining confidentiality regarding individual and Co-Operative issues of a sensitive nature when speaking with people outside the Co-Operative.

ANNEXURE TWELVE - LABOUR and FOOD SCHEDULE

LABOUR - Members labour input should cover at least all maintenance requirements of the Co-Op.

Estimated Co-Op maintenance labour requirements (Assuming 40 members):

Office work	~30 hours/week
Cleaning (excl. kitchen)	~40 hours/week
Gardening (incl. food garden)	~150 hours/week
Husbandry	~40 hours/week
Kitchen (incl. clean-ups)	~100 hours/week
[assuming shared dinner and buffet breakfast]	
Maintenance	~40 hours/week
TOTAL 400 hours/week (or ten full time people)	

This requires each member (including those in their acceptance period) living permanently on Co-Op land to contribute ten hours/week.

Part time residents are to contribute proportionally, however for full members this is accounted for on a yearly basis for more flexibility.

The Co-Op does not accept payment in lieu of labour, however trading between Members is permitted (eg you can pay someone else to do your share of labour). The Co-Op may agree for a third party to do part or all of a members volunteer work, but will not get involved in any negotiations between that third party and the member. If at the end of the year a member has not contributed all of his/her hours, a penalty of \$25/hour (which increases by the CPI each year) will be charged.

We encourage visitors living on Co-Op land to participate in Co-Op activities for at least two hours/week.

For comparison, a person living alone spends about twenty hours/week on the above chores (of which about ten hours are spent in the kitchen).

Many minds and hands cooperating is what will create abundance for all of us.

Working together is productive, rewarding and enjoyable.

FOOD - We will have one large shared kitchen (until the Co-Op out-grows it and constructs further infrastructure).

Rooms and outbuildings will not have their own kitchens (at least not in the beginning and until the Co-Op has a strong communal bond). This is firstly because a building with a kitchen is considered as a separate dwelling by council, attracting higher rates etc. Secondly more resources would be required for those kitchens and thirdly we wish to encourage everyone to come together for meals as often as possible.

Each person will have their own space in the cool-room and cupboard for private food items. While allowing for people to make their own special meals we encourage people to participate in group meals for dinner.

This is cheaper, uses less resources and facilitates togetherness.

To pay for the food used in shared meals, members are either charged an equal regular fee as decided by a general meeting from time to time, or the Co-Op might decide to sell food vouchers to members (especially once there are meals on offer which have very different values).

Visitors can be charged for food and any extra services etc by adding to their room tab, using monitored or honour systems.

Kanjini Co-Op aims to create abundance of food to share as well as to provide funds to cover other living costs and to create profit.

The above labour and food calculations as well as rent and membership fee calculations rely on members to carry all of the Co-Op requirements and do not consider other income streams.

As we create more wealth, we might choose to reduce membership fees, maintenance contributions and/or labour input required from members.

ANNEXURE THIRTEEN LOAN FUNDS

Loan Funds – List of Loans taken out by Kanjini Co-Op Ltd

<i>Lender</i>	<i>Address & Phone</i>	<i>Loan Amount</i>	<i>Term</i>	<i>Interest Rate</i>
Bendigo Bank	94 Byrnes Street Mareeba Qld 4880 Ph: 07-40862010	\$1,000,000.00	5 years interest only	6.48% variable
Surdham Pty/Ltd	303 Koah Rd, Kuranda, 4881 Ph: 07-40937755	\$470,000.00	5 years interest only	5.81% variable
Svargo Klaus Freitag	303 Koah Rd, Kuranda, 4881 Ph: 07-40937755	\$400,000.00	Interest added to principle for first 5 years	5% variable
TOTAL		\$1,870,000.00		