

**Membership Contract and Operating Agreement
for Down-To-Earth Eco L.L.C.**

I. FOUNDATION

1. **Effective Date:** This operating agreement of Down-To-Earth Eco L.L.C., effective June 11, 2015, is adopted by the members whose signatures appear on Membership Certificates and are listed in the Membership Log section of the LLC's record book.
2. **Formation:** This limited liability company (LLC) was formed by filing articles of organization with the LLC filing office of the state of California on June 11th, 2015. A copy of this organizational document has been placed in the LLC's record book.
3. **Our Vision:** We come together to create intentional community where we practice democracy and sustainability to achieve more harmony in our lives, amongst each other and with the Earth.
4. **Our Mission:** We will develop land toward the purpose of creating an intentional and sustainable community. We will integrate beautiful, resilient and affordable homes into the land for our members. The buildings will demonstrate energy efficiency and comfort while being built from non-toxic, sturdy and sensible materials. The land and structures will be designed with great consideration for water conservation. We will grow organic fruits and vegetables and raise animals with thoughtful consideration for their health and well-being. We will meet regularly to practice self-governance as community that collaborates on policies and practices to optimize resources for the highest good of all individuals. All members and residents will work together on a regular basis on projects that are decided upon by our group decisions. We will have regular

training, workshops, discussions, play and meals together. We will restore native species and provide refuge for wilderness. We will build a place to help others replicate this work through educational programs, celebrations and strategic support. Innovation, inspiration and modeling true sustainability will be an ongoing intention of community action.

5. It is understood that the foregoing statement of purposes shall not serve as a limitation on the powers or abilities of this LLC, which shall be permitted to engage in any and all lawful business activities. If this LLC intends to engage in business activities outside the state of its formation that require the qualification of the LLC in other states, it shall obtain such qualification before engaging in such out-of-state activities.
6. Duration of the LLC: This LLC has no termination date and will be operating in perpetuity.
7. Further, this LLC shall terminate when a proposal to dissolve the LLC is adopted by the membership of this LLC or when this LLC is otherwise terminated in accordance with law.

II. MEMBERSHIP

A **Member** = one person who owns one membership and has one vote.

1. A member purchases a membership and signs the Down-To-Earth Eco LLC Membership Contract and Operating Agreement.
2. A member will receive an equal share in the company's annual profits.
3. A member will be 18 years or older to be able to enter the legally binding agreement of this Membership Contract and Operating Agreement.
4. A member will pay taxes on profits and claim deductions at his or her individual tax rate.

A **Membership** = a legal claim to partial ownership in the company and its assets in equal proportion to all other members.

1. A membership is a non-interest bearing and no-specified term loan to Down-To-Earth Eco LLC.
2. Members do not have claim or title to any property of Down-To-Earth Eco LLC, but rather have claim to memberships to the company that owns titles to properties.

Probationary Membership:

1. After the first year of starting our company, new member applicant will serve as a Probationary Member no less than 6 months.
2. A probationary membership application will include background check and interviews with provided references.
3. A probationary member is voted into regular membership only by unanimous decision from all current members.
4. A membership is purchased with the agreement of all current members for a financial contribution that will be assessed at the time of purchase. The purchase is in the form of a non-interest bearing, no-term loan to Down-To-Earth Eco LLC. The initial purchase price of membership will be set (as of 7-19-2015) at a cost **\$50,000.00** U.S.
 - a. New membership price will be calculated by all current membership costs + membership fees to date + additional capital contributions + member labor contributions to date divided by current number of members.
 - i. The Community Labor hourly rate as of 12-10-2015 shall be set at \$40 per hour (as a "Pioneer" rate)
 - ii. Labor hourly rate will be lowered (suggested to be set at \$10 per hour at a "Settler" rate) once utilities and basic living conditions are established. The time for community labor rate change will be designated by current members when and if they deem appropriate.
 - iii. For example, the calculation for a new member applicant as of 2016/07/24 would go as follows:

1. There are 6 original members who all paid \$50,000 X 6 = \$300,000;
 2. All membership dues to date are 8 (months) X 6 members at \$100 each = \$4,800;
 3. Additional capital contributions to date = \$1,200;
 4. Member labor contributions are 1,404 X \$40 (Pioneer Rate) = \$56,160;
 5. So, \$300,000 + \$4,800 + \$1,200 + \$56,160 = \$362,160 divided by 6 = **\$60,360.00**
5. A member may provide consideration other than cash to the company in exchange for membership costs. These assets will be priced and agreed upon by all members.
 6. The company may decide to finance a loan to a new member to help cover the price of the membership. The membership, nor any of the company's assets, can not be used as collateral for private loans without the written consent of all members.
 - a. The minimum down payment for a new membership is 10% and the minimum interest rate is 5% at a term not to exceed 30 years. No early payoff fees would be applied. An example of company newly financed membership fee would go as follows:
 - i. Initial purchase price of \$60,360: less \$6,036 down payment = Principal of \$54,324 at 5% interest
 1. On a 10 year term = \$576.19 per month
 2. On a 15 year term = \$429.59 per month
 3. On a 20 year term = \$358.51 per month
 4. On a 30 year term = \$291.62 per month
 - b. A financed membership is not entitled to private use structure allowances until the membership is paid in full.
 - c. A financed membership is given all the voting rights of a regular membership.
 - d. A financed membership is entitled to equal profit distributions as with a regular membership.
 - e. All financed memberships shall have account balances listed in the LLC's record book.

f. A new member may be credited for up to \$5,000 on the cost of his or her membership in exchange for volunteer hours served to the company before the membership purchase date at a credit rate of \$10 per hour. This credit will be deducted from the initial purchase price and the deduction shall not be included for cash reimbursement if that membership is terminated.

Regular Membership:

1. A member pays a monthly membership fee to cover operating costs which include but are not limited to taxes, insurance, utilities, etc. The monthly membership fee is non-refundable and required of all members regardless of his or her residential status.

a. The monthly membership fee (as of 7-19-2015) shall be set at a rate of \$100.

b. A monthly membership utility fee (as of 7-20-2016) shall be set at a rate of \$100 for any member staying on the property or storing personal property for more than 2 weeks in any calendar month. An additional \$100 utility fee shall be paid by the member for each approved guest of that member.

- i. A member's guest is any relative, friend or other acquaintance who is not a member.
- ii. All guests must sign a company Waiver and Release form.
- iii. A member will be responsible and liable for all fees and actions on behalf of his or her guest(s).
- iv. A member may not sublease or rent a private use structure or any building on the property owned by Down-To-Earth Eco LLC.
- v. A member's guest(s) has permissive use only to property owned by Down-To-Earth Eco LLC and can be asked by any current member to leave at any time and that guest will not be allowed to return to the property until a group meeting can be held

regarding the visitation status of that guest to the property.

2. A member contributes to work that is decided upon by all members. Member work contribution will begin at a minimum of 4 hours per week rate per member. Work contribution time can be banked for up to 1 year.
 - a. A member must be current on his or her work contribution hours by the end of each calendar year or an penalty fee of \$10 per hour missed will be charged to the member.
3. A member may only be excused from work contribution and meeting requirements in the case of medical emergency to himself or herself or immediate family member or if hours are banked beforehand, dues and fees are current, and a two week notice to all members is made.

Terminating Membership:

1. A membership transfer may only be approved by the unanimous approval of all other existing members. Thus, a terminating membership cannot be transferred or inherited from a member.
2. Failure to pay fees or meet any of the membership requirements can lead to termination of the membership.
3. A member can be allowed through the unanimous agreement from all other members to trade extra work for utility fees, but work cannot be substituted or exchanged for a loan repayment or the monthly membership fee.
4. A membership can only increase in value at a maximum rate of 10% per year of that member's original purchase date and original base price for up to a maximum of 10 years from the original purchase date. Thus, a membership can not be sold, traded or reimbursed for more than double the member's original purchase price with the exceptions of a Voluntary Buy-Out or Liquidation and Dissolution of the company.
5. A Member wishing to terminate his or her Membership must give Down-To-Earth Eco LLC a 30 day written notice.

- a. A leaving member will be reimbursed at the above mentioned rate of Original purchase price plus no more than 10% gain per year from the original purchase date for up to 10 years and the LLC has up to 1 year to reimburse the leaving member in full or in payments which are agreed upon by all members.
 - b. If the LLC can not pay the leaving member within 1 year after the 30 day notice, the company must liquidate as many assets as are necessary to pay the leaving member.
 - c. A leaving member has no claim for payment due for his or her work unless it was contracted in writing prior to the member leaving.
 - d. Personal Conflict Buy-Out: The only conditions wherein a member in good standing can "name his or her price" for his or her membership is when that member is not voted out by all other members, and/or he or she is not requesting to leave or surrender the membership. In this case, a buy-out purchase can only be made only by a unanimously approved member applicant or an already existing member or existing members. If an existing member or members should buy-out another member at an agreed upon price, that purchased membership will be dissolved into the LLC without any compensation going to the purchasing member(s) as no member may own more than one membership in the LLC. A dissolved membership places a financial and work burden upon all remaining members, so the equity increase in the company shall be deemed due compensation for the loss of any dissolved membership.
6. The monthly membership fees and utility fees are non-refundable.
 7. If a member is voted out of the LLC by unanimous decision of all other members, less the member being voted out, then the above formula for compensation will be applied.
 8. A member may be voted to surrender his or her membership immediately if that member has been found through unanimous decision to have violated any of the following community behavioral standards:

- a. Violence: Intentionally causing or threatening harm to another member that may result in serious bodily injury or death.
 - b. Rape: Violating the sexual rights of another.
 - c. Destructive behavior: Intentionally inflicting damage to personal property of another member or company property.
 - d. Stealing: money and/or property.
 - e. Lying: Deceiving other members with malicious or negligent intent.
 - f. Subversion: Actions that intentionally break contractual agreements outlined in this document, or work in clear defiance against approved motions by the members.
 - g. Willfully breaking the operating agreement and/or contract of his or her membership for Down-To-Earth Eco LLC.
9. A leaving member will also be reimbursed any private loans to the LLC that were made in writing and approved by all members.
10. Restrictions on the Transfer of Membership: A member shall not transfer his or her membership in the LLC unless all non-transferring members in the LLC first agree to approve the admission of the transferee into this LLC. Further, no member may encumber a part or all of his or her membership in the LLC by mortgage, pledge, granting of a security interest, lien, or otherwise, unless the encumbrance has first been approved in writing by all other members of the LLC. Notwithstanding the above provision, any member shall be allowed to assign an economic interest in his or her membership to another person without the approval of the other members. Such an assignment (as to an heir) shall not include a transfer of the member's voting or management rights in this LLC, and the assignee shall not become a member of the LLC.
11. Nonliability of Members: No member of this LLC shall be personally liable for the expenses, debts, obligations, or liabilities of the LLC, or for claims made against it.

III. MANAGEMENT

1. All non-members visiting or using the property of Down-To-Earth Eco LLC shall sign an approved WAIVER AND RELEASE form before any visit or usage may take place.
2. Members may not hire or make contracts with anyone or any company for any work, services or products that shall take place on the property of Down-To-Earth Eco LLC without the written permission of all members.
3. Reimbursement for Organizational Costs: Members shall be reimbursed by the LLC for organizational expenses paid by the members. The LLC shall be authorized to elect to deduct and amortize organizational expenses and start-up expenditures as permitted by the Internal Revenue Code and as may be advised by the LLC's tax adviser.
4. Management: This LLC shall be managed exclusively by all of its members or member selected officers or delegates.
5. Membership Voting: Each member shall have one vote on any matter submitted to the membership for approval. This LLC will operate under democratic decision-making processes that will range from majority rule to consensus, and each member must be trained in the consensus model in order to maintain a fair, participatory, and cooperative process. All decisions of the LLC shall be made by majority rule unless stated otherwise in this membership contract as related to new members, removal of membership, or on matters where an additional financial burden will be required of all members.
6. Compensation: Members shall not be paid as members of the LLC for performing any duties associated with such membership, including management of the LLC. Members may be paid, however, for any services rendered in any other

capacity for the LLC, whether as officers, employees, independent contractors, or otherwise.

7. Officers: The LLC may designate one or more officers, such as a manager, secretary, and treasurer. Persons who fill these positions need to be members of the LLC. Such positions may be compensated or non-compensated according to the nature and extent of the services rendered for the LLC as a part of the duties of each office.
 - a. Officers serve for 1 year and will be elected at the first quarterly meeting of each calendar year. Officers of the LLC shall be designated by majority vote of all attending members. In the event of a tied vote for the same officer position, the current officer of that position will remain in said position.
 - b. Ministerial services only as a part of any officer position will normally not be compensated, such as the performance of officer duties specified in this agreement, but any officer may be reimbursed by the LLC for out-of-pocket expenses paid by the officer in carrying out the duties of his or her office.
8. All Necessary Acts: The members and officers of this LLC are authorized to perform all acts necessary to perfect the organization of this LLC and to carry out its business operations expeditiously and efficiently. The secretary of the LLC, or other officers, or all members of the LLC, may certify to other businesses, financial institutions, and individuals as to the authority of one or more members or officers of this LLC to transact specific items of business on behalf of the LLC.
 - a. Any purchase made by an officer outside of regular maintenance and taxes that exceeds a cash value of \$200 must be by the consent of majority vote of members.
9. The following officers will perform the following duties:
 - a. Company Manager: Shall conduct and facilitate all regular monthly and quarterly meetings. The company manager shall oversee operations of the company and projects related to company property unless these responsibilities are delegated to another member with

the consent of a majority member vote. The Company Manager and at least one other company officer shall provide authorized signatures for any approved contractual agreements related to Down-To-Earth Eco LLC.

- b. Secretary: Shall take minutes of all regular monthly and quarterly meetings. These minutes will be kept in the company records and are available for review by any member. An online copy of meeting minutes will be provided within one month of the meeting. Each meeting shall begin with review, discussion, amending and accepting the minutes from the prior meeting.
- c. Treasurer: Shall provide a current treasurer's report for each quarterly meeting with copies available to all members. The treasurer is responsible for keeping accounts current and notifying members of delinquent fees or dues or loan payments to Down-To-Earth Eco LLC. The treasurer will manage bank accounts for the company and oversee payments from and taxes related to the property and activities of Down-To-Earth Eco LLC.

IV. MEETINGS

- 1) The LLC shall provide for regular members' meetings. However, any member may call a meeting by communicating his or her wish to schedule a meeting to all other members. Such notification may be in person or in writing, or by telephone, email, or other form of electronic communication reasonably expected to be received by a member, and the other members shall then agree, either personally, in writing, or by telephone, email, or other form of electronic communication to the member calling the meeting, to meet at a mutually acceptable time and place. Notice of the business to be transacted at the meeting need not be given to members by the member calling the meeting, and any business may be discussed and conducted at the meeting. Meetings may be held in person, by phone, by skype, or by another a similar medium.

- a) Regular monthly events: work parties/meetings/trainings will be held from 10:00 -- 14:00 on the 2nd Sunday of each month. Each member must attend a minimum of 9 of these events per year.
 - b) Phone conference meetings shall be scheduled on the Tuesday before the second Sunday of each month from 19:00 - 20:00.
 - c) Members must be physically in the meeting place together for at least three of the quarterly meetings on the second Sunday of the months of January, April, July, and October beginning at 14:00.
- 2) Within the first year of membership, members are to get basic training in the facilitation process in order to balance the participatory nature of meetings. Time for group evaluation shall be allotted at the conclusion of each meeting.
 - 3) Written minutes of the discussions and proposals presented at a members' meeting, and the votes taken and matters approved at such meeting, shall be taken by the secretary or one of the members designated at the meeting.
 - a) A copy of the minutes of each meeting shall be placed in the LLC's records and a digital copy will be available online for all members to access.
 - b) A record of decisions related to Down-To-Earth Eco LLC shall be written in the minutes of meetings in the Solution Log.

V. TAX AND FINANCIAL PROVISIONS

1) Tax Classification of LLC: The members of this LLC intend that this LLC be initially classified as a partnership for federal and, if applicable, state income tax purposes. It is understood that subject to federal and state law requirements, all members may agree to change the tax treatment of this LLC by signing, or authorizing the signature of, IRS Form 8832, Entity Classification Election, and filing it with the IRS and, if applicable, the state tax department within the prescribed time limits.

2) Tax Year and Accounting Method: The tax year of this LLC shall be January 1 - December 31. The LLC shall use the cash method of accounting. Both the tax year and the accounting period of the LLC may be changed with the consent of all members if the LLC qualifies for such change, and may be affected by the filing of appropriate forms with the IRS and state tax authorities.

3) Annual Income Tax Returns and Reports: Within 60 days after the end of each tax year of the LLC, a copy of the LLC's state and federal income tax returns for the preceding tax year shall be mailed or otherwise provided to each member of the LLC, together with any additional information and forms necessary for each member to complete his or her individual state and federal income tax returns. If this LLC is classified as a partnership for income tax purposes, this additional information shall include a federal (and, if applicable, state) Schedule K-1 (Form 1065, Partner's Share of Income, Deductions, Credits) or equivalent income tax reporting form. This additional information shall also include a financial report, which shall include a balance sheet and profit and loss statement for the prior tax year of the LLC.

4) Bank Accounts: The LLC shall designate one or more banks or other institutions for the deposit of the funds of the LLC, and shall establish savings, checking, investment, and other such accounts as are reasonable and necessary for its business and investments. One or more members of the LLC shall be designated with the consent of all members to deposit and withdraw funds of the LLC, and to direct the investment of funds from, into, and among such accounts. The funds of the LLC, however and wherever deposited or invested, shall not be commingled with the personal funds of any members of the LLC.

5) Title to Assets: All personal and real property of this LLC shall be held in the name of Down-To-Earth Eco LLC, not in the names of individual members.

6) Tax & Reporting Requirements:

To maintain good standing with the state of California, the LLC shall act in accordance with the following form submission and fee deadlines as listed below:

1. Pay annual \$800 tax by April 15th Use form FTB 3522
2. Estimate and pay the annual fee by June 15 Use form FTB 3536
3. File Form 568 Limited Liability Company Return of Income by April 15
4. File Statement of Information (to get tax forms go to ftb.ca.gov). This must be done every 2 years.

VI. CAPITAL PROVISIONS

1) Capital Contributions by Members: Members have made the following contributions of cash, property, or services shall be listed in the company records at their fair market values.

2) Additional Contributions by Members: The members may agree, from time to time by unanimous vote, to require the payment of additional capital contributions by the members, on or by a mutually agreeable date.

3) Failure to Make Contributions: If a member fails to make a required capital contribution within the time agreed for a member's contribution, the remaining members may, by majority vote, agree to reschedule the time for payment of the capital contribution by the late-paying member, setting any additional repayment terms, such as a late payment penalty, rate of interest to be applied to the unpaid balance, or other monetary amount to be paid by the delinquent member, as the remaining members decide. Alternatively, the remaining members may, by 2/3rds majority vote, agree to cancel the membership of the delinquent member, provided any prior partial payments of capital made by the delinquent member are refunded by the LLC to the member promptly after the decision is made to terminate the membership of the delinquent member.

4) No Interest on Capital Contributions: No interest shall be paid on funds or property contributed as capital to this LLC, or on funds reflected in the capital records of the members. Capital contributions related to the original purchase of membership may increase in value no more than 10% per calendar year and can not exceed double the amount of the original purchase price. For example: a membership cost of \$50,000 can not be reimbursed for more than \$55,000 for the first year and may not exceed a cap price of \$100,000 at any time after 10 years from original purchase.

5) Capital Account Bookkeeping: A capital account shall be set up and maintained on the books of the LLC for each member. It shall reflect each member's capital contribution to the LLC, increased by each member's share of profits in the LLC, decreased by each member's share of losses and expenses of the LLC, and adjusted as required in accordance with applicable provisions of the Internal Revenue Code and corresponding income tax regulations.

6) Consent to Capital Contribution Withdrawals and Distributions: Members shall not be allowed to withdraw any part of their capital contributions or to receive distributions, whether in property or cash, except as otherwise allowed by this agreement and, in any case, only if such withdrawal is made with the written consent of all members.

7) Allocations of Profits and Losses: No member shall be given priority or preference with respect to other members in obtaining a return of capital contributions, distributions, or allocations of the income, gains, losses, deductions, credits, or other items of the LLC. The profits and losses of the LLC, and all items of its income, gain, loss, deduction, and credit shall be allocated to members equally.

8) Allocation and Distribution of Cash to Members

Cash from LLC business operations, as well as cash from a sale or other disposition of LLC capital assets, may be distributed from time to time to members in accordance with each member's percentage interest in the LLC, as may be decided by 2/3 of the members.

9) Allocation of Non-cash Distributions: If proceeds consist of property other than cash, the members shall decide the value of the property and allocate such value among the members in accordance with each member's percentage interest in the LLC. If such non-cash proceeds are later reduced to cash, such cash may be distributed among the members as otherwise provided in this agreement.

10) Allocation and Distribution of Liquidation Proceeds: Regardless of any other provision in this agreement, if there is a distribution in liquidation of this LLC, Once all outstanding debts have been paid, all items of income and loss shall be allocated to the members' capital accounts, and all appropriate credits and deductions shall then be made to these capital accounts before any final distribution is made. A final distribution shall be made equally to all members.

VII. OPERATING AGREEMENT

1. All plants and animals on the property owned by Down-To-Earth Eco LLC shall be permitted by majority decision and must comply with the following requirements:
 - a. Plant or Animal shall not be dangerous or lethal to humans or other animals.
 - b. All approval of plants and animals on company property will be in accordance with the building and planning committee.
 - c. A member who brings Plants and/or Animals to the property shall be solely liable for their actions.

- d. Land Use and Ecological Guidelines: Land uses are to be conducted to minimize impact, alteration and damage to the natural environment. Toxic chemicals may not be used which may have negative effect to the water table or soil.
 - e. Policies for Dogs, Cats, and Other Pets: In order to minimize the impact outdoor pets have on both the wildlife and on other community members, house pets must be approved by unanimous vote with each house accommodating a maximum number of pets agreed upon unanimously by all members. Space shall be allocated for dog runs and the maintenance of these runs shall be the responsibility of dog owners. Aggressive, barking dogs will not be allowed to reside on the property. All cats shall be required to wear bells around their necks to warn wildlife of their presence.
2. Noise Policies: Quiet hours ensue on weekdays between 10 pm and 8 am, weekends between 1 am and 9 am. Any later night gatherings shall receive written permission three days prior to the event. No vehicles that make more than 70 decibels are allowed on the property without written permission including all two-cycle engines. All car alarms are to be disabled when entering the property.
3. Shared Tool Use: The LLC shall provide a tool library, emphasizing safety and best practices around tool use and care. All members must receive certification and/or training in proper use and maintenance policies before being granted permission to use the tool library. Any member using tools or equipment shall be personally liable and responsible for repairs or possible replacement if that member misuses equipment.
- a. All use, repair and maintenance of mechanized equipment shall be recorded on the appropriate equipment log and all users of mechanized equipment will be responsible for his or her records in the equipment log.
4. If available, a member can request extra land and structures from the company to conduct a private business

or for personal use upon the unanimous approval of all current members. The company shall not charge rent to any member.

- a. All private businesses and personal use will be in accordance with the Down-To-Earth Eco LLC Operating Agreement.
- b. Down-To-Earth Eco LLC is not a rental company and all company property including land, structures, utilities, plants, etc. is only used by the permission of majority decision of members. A member may not sublease or rent all or any part of a personal use structure.
- c. Down-To-Earth Eco LLC does not partner with or borrow from any individual or group or company on any permanent structure to be placed on company land so all private use structures and their permanent contents are the sole property of Down-To-Earth Eco LLC.
- d. A private use structure allotment of \$20,000 (in 2016 US dollars) shall be granted to each member from his or her completed membership purchase. Any additional costs incurred by the member for his or her private use structure is voluntary and a donation to the company.
- e. Up to one third of all member's labor requirement can be used for the construction of private use structures, but no private use structure is entitled to receive more than 400 hours of free community labor.
 - i. Community labor for private use structures is prioritized and dispersed on a first come, first serve basis.
 - ii. If a private use structure is being built, no second private use structure may request community labor simultaneously until the 400 hours toward the first structure is provided unless stated otherwise by majority vote of all members.

- f. No private use structure may be built by an outside contractor or built with non-member labor without written permission that can only be given through a majority vote of all members.
 - g. Sharing of Private Use Structure: Members may wish to merge their private use structure allotment for a larger or more expensive private use structure that they can share as long as the structure falls within the private use structure guidelines and limitations as identified by the operating agreement and the structure is approved of by majority vote of the members. Each member shall be entitled to the same financial and labor contributions for private use structures. For example: a married couple wishing to share a private use structure shall be entitled to \$40,000 (2016 dollars) building costs and 800 hours of community labor.
 - h. Additional utility fees and community labor contributions shall be placed on any member member having a guest share his or her private use structure as in the case with children, family member or friend.
 - i. All private structures shall be built to meet or surpass Uniform Building Codes for the State of California.
 - j. No private use structure on the property of Down-To-Earth Eco LLC shall be considered the private property of individual members.
 - k. No private use structure shall exceed 1000 square feet.
 - l. No private use structure may be visible from any direction (including above) for more than 1000 feet within two years of initiating construction or that visible part of the building must be designed and/or decorated to blend in with the natural environment.
 - m. No private structure may have a finished height above 10 feet of the average ground level.
5. Off-The-Grid Utility Restrictions: Water and power utilities, while developed for the entire community will be made available for members who pay the \$100 utility fee,

but may be limited in their use and possibly rationed. Private use structures will share utilities with the entire community and when limited water and/or power is available. A 50/50 community and private use distribution will follow the examples below.

- a. For instance, as of 2016/7/24, only one well is in active use and only one 2500 gallon tank is available. The well at the time is known to produce enough water to fill the tank every two days. This means that 1250 gallons is the maximum available water supply for the entire community per day. 50% (or 625 gallons) shall be reserved for the common use while the other 50% may have to be distributed between the 6 current members (provided all members had a need at his or her own private use structure). This means that each member would have a 108 gallon per day limit to personal water use until conditions or further water supply development could increase the ration.
 - b. In the instance of power usage, if a community array of solar panels and power station can collect and store only 12 kilowatts per day, a minimum of 6 kilowatts will be reserved for common use and (provided there is a need from all 6 current members) then each member would be restricted to 1 kilowatt per day.
6. Community Policies for Children: The next generation is considered a sacred part of the community. Space shall be allocated for social and play areas, both indoor and outdoor. As much as possible, group childcare will remain an option for all members' children. No physical discipline towards others' children will be allowed. Families who want to have more than three children need to take into consideration the impact on the rest of the community and this discussion shall be brought to the rest of the members.
 7. Drug, Alcohol, and Tobacco Use: The health of the community is directly related to the health of its individuals, and so the LLC policies around substance use have been created to protect the health of the community at large. This gives

the community the right to bring up concerns at meetings, intervening in a case-by-case basis in the event that individuals are abusing or harming the community and/or its values. Permits are required for outdoor marijuana cultivation at residential sites and no indoor operations shall be allowed. There will be no selling of paraphernalia product from private use structures or garden areas. There will be no public illegal drug use, however ceremonial exceptions may be made with written permission after undergoing community approval. Out of respect for community health, only additive free tobacco may be allowed in designated outdoor spaces. Smokers must properly discard of all butts. Any substance abuse issues, including but not limited to violence, irrational and/or subversive behavior, elevated risk of theft, etc, shall be brought to community discussion for intervention. If an intervention is not followed which continues putting other members at risk, the unrepentant member's membership may be terminated by a unanimous vote from the other members.

8. Firearms Policies: Firearms and hunting tools shall be subject to a community process for pre-approval based upon safety and legality. Recreational firearm use will only be allowed in designated shooting range and may only take place between 10:00 am and 5:00 pm. No recreational shooting on Sundays.
9. Community Kitchen: Sharing of food and drink is a valuable part of building community culture. During group meetings, meals, snacks and drinks shall be organized by the Kitchen Committee.
 - a. Funds for food and drink are not to be taken from the LLC's business accounts. The Kitchen Committee shall keep a cash ledger of membership contributions.
 - b. Kitchen Committee will design menus with consideration to meet the dietary needs of all individuals and prices for regular meals shall be on a month to month basis.
 - c. A diverse selection of food producing plants and livestock shall be grown and raised by members when

feasible to maximize the percentage of community food independence.

- d. Livestock shall be raised for slaughter which will be performed with respect and regard to the animal experiencing the least amount of suffering possible.
 - e. No animal or livestock may be neglected or abused.
 - f. All food shared by the community shall adhere to organic standards, when economically feasible and available.
 - g. Community food costs will further prioritize purchasing from local organic farms.
10. Visitor Policies: Any visitor staying more than seven days shall contribute to the LLC a daily amount based upon a tiered level of impact that is previously agreed upon by all members. These visitors must sign a written agreement of the LLC's vision and mission statements and must abide by the Community Lifestyle Provisions of this Operating Agreement. Any visitor staying longer than one month must be approved after community discussion.
11. Behavioral Norms and Conflict Resolution Policy: All community members must abide by the LLC's Community Lifestyle Provisions in this Operating Agreement. Any person violating these norms shall be handled using following the LLC's Conflict Resolution Policy:
- a. Direct communication with the person;
 - b. A formal complaint shall be filed to the Community Health and Wellness Coordinator;
 - c. Two community meetings shall ensue to mediate the situation;
 - d. When no resolution can be reached, then the LLC reserves the right to terminate the membership of a non-compliant member.
12. Gender, Sexual Orientation, Race, Class, Generational, and Disability Non-Discrimination Policy: This LLC does not discriminate based on above-mentioned identities. Diversity is encouraged and the LLC is committed to hosting anti-oppression workshops for community members. All homes will meet ADA accessibility requirements, however the farm may not meet these codes.

13. Transportation Issues: Each member may keep no more than one car or truck on the property for more than 1 week unless given unanimous permission by other members to do otherwise. Any vehicle left on the property without the owner being present will provide a spare key to Officers of Down-To-Earth Eco LLC and those keys are to be kept in the community vault that is in a secured location on the property.

- a. In the event that the LLC purchases vehicles for use of the members, vehicles may be rented by and used by members in accordance to community decided standards.
- b. While motorhomes and camping trailers are not considered personal transportation, they too may be used or stored by a member on the property for up to 1 year provided a spare key is kept in the community vault.
- c. Work trailers and/or motorized work vehicles may be stored on the property by the unanimous consent of the other members, keys for trailer locks and motorized work vehicles shall have a copy kept in the community vault.
- d. A golf cart and/or bicycle may be kept on the property by a member as these vehicles do not count as a car or truck.
- e. A motorcycle and/or any off-road vehicle may be used by members if the vehicle is compliant with noise policies.

14. Privacy Issues and Use of Common Spaces: A common kitchen and meeting space will be available. Private Use Structures will be locked with keys that will have a copy to be kept in community vault but community property and spaces will be secured using a coded lock when possible or all members will be informed of hidden keys.

- a. Reservations of the common spaces shall be made using a shared community calendar and the rental of community spaces can only be arranged with a majority approval.

15. Educational Issues: Ongoing education and training will be part of our community policies. At least one

educational or training meeting will be held every three months and members will be expected to attend at least three of these meetings every two years.

16. Political Issues: No political signage for a specific political party, issue or candidate may be posted in common areas without unanimous consent from all members.
17. Additional Business and Income Generation Policies: Common spaces and cabins may be used for businesses or rented through unanimous consent. Any illegal business being conducted by a member is subject to forfeiture of his/her membership.
18. Communication Agreements: All members will go through training for effective Non-Violent Communication Skills.
 - a. Immediate communication is sometimes necessary related to issues that need immediate action. If necessary, all members will be notified directly, or by phone, email or other commonly used electronic medium. If a member cannot or does not reply within 24 hours, that member's vote, whether voluntary or involuntary, shall be abstained from any decision to act in relation to the emergency. These emergency actions relate to the following instances:
 - i. Immediate safety issues
 - ii. Immediate care issues related to persons staying on the property or animals kept on the property
 - iii. Immediate physical endangerment to person or animal.
 - iv. Theft or damage of property owned by Down-To-Earth Eco LLC.

VIII. DISSOLUTION PROVISIONS

1) Events That Trigger Dissolution of the LLC

The following events shall trigger a dissolution of the LLC, except as provided:

- (a) the written agreement of all members to dissolve the LLC;
- (b) entry of a decree of dissolution of the LLC under state law.

IX. GENERAL PROVISIONS

1. **Mediation and Arbitration of Disputes Among Members:** In any dispute over the provisions of this operating agreement and in other disputes among the members, if the members cannot resolve the dispute to their mutual satisfaction, the matter shall be submitted to mediation. The terms and procedure for mediation shall be arranged by the parties to the dispute. If good-faith mediation of a dispute proves impossible or if an agreed-upon mediation outcome cannot be obtained by the members who are parties to the dispute, the dispute may be submitted to arbitration in accordance with the rules of the American Arbitration Association. Any party may commence arbitration of the dispute by sending a written request for arbitration to all other parties to the dispute. The request shall state the nature of the dispute to be resolved by arbitration, and, if all parties to the dispute agree to arbitration, arbitration shall be commenced as soon as practical after such parties receive a copy of the written request. All parties shall initially share the cost of arbitration, but the prevailing party or parties may be awarded attorney fees, costs, and other expenses of arbitration. All arbitration decisions shall be final, binding, and conclusive on all the parties to arbitration, and legal judgment may be entered based upon such decision in accordance with applicable law in any court having jurisdiction to do so.
2. **Severability:** If any provision of this agreement is determined by a court or arbitrator to be invalid, unenforceable, or otherwise ineffective, that provision shall be severed from the rest of this agreement, and the remaining provisions shall remain in effect and enforceable.
3. Upon unanimous agreement and adoption of this Membership Contract and Operating Agreement, all members will sign a

copy and no amendments or edits can be made to this contract without unanimous decision of all members.

IN WITNESS WHEREOF, this Limited Liability Company's Membership Contract and Operating Agreement has been duly executed by or on behalf of the parties hereto and signed and witnessed and adopted as of the date below

Printed Name: _____, New Member

Signature: _____

Date: _____

Printed Name: _____, Current Member

Signature: _____

Date: _____

Printed Name: _____, Current Member

Signature: _____

Date: _____

Consent of Spouses: The undersigned are spouses of the members of this LLC who have signed this operating agreement in the preceding provision. These spouses have read this agreement and agree to be bound by its terms in any manner in which they have a financial interest, including restrictions on the transfer of memberships and the terms under which memberships in this LLC may be sold or otherwise transferred.

Printed Name: _____

Signature: _____

Date: _____

Down-To-Earth Oath

*I claim all of myself
before these people.
I recognize my fears,
and I embrace my courage
To grow in compassion and wisdom
from this moment forward.*

*I claim these people to be my people.
I surrender my weakness
and pledge my strength
as a redeemer of the past and benefactor of the future
Entrusted wholly to my brothers and sisters
who bear witness for those to come.*

*I claim this ground to be my ground.
I accept this earth, this air, this water, and this light
I receive it's bounty
to nourish and claim me
As it's child and it's hope.*

*I claim my past
for it has delivered me here,
where I see how my decisions
and action have mattered all along
and will continue to bear the fruit of my work
As a healing defender of life.*

*I am humbled in gratitude,
graced with community,
and committed to my legacy
That I step forward
with an awakened mind, an open heart
and guiding spirit
to live by the claim
that I now speak.*