ÉLAN

Equity-Linked Affinity Network

Interpersonal Process, Financial Structures and Legal Designs for Landed, Spirited, Joyous Urban Community

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# ÉLAN: Equity-Linked Affinity Networks

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Thanks to all those who have contributed material for this publication.

May your work be an inspiration and an aid to those building the communitarian lifestyle.

**Further Resources:**

Additional material expanding upon what is presented here, including interpersonal and group process, legal structures, theory, history and values of intentional community, can be found at: [www.culturemagic.org](http://www.culturemagic.org)

**Disclaimer:**

Although communities have managed to incorporate without the services of a lawyer, it is essential that good information and advice be obtained in order to avoid problems. This paper may only be used as an introduction, and no guarantees may be assumed concerning the use of the information presented.
Introduction: ÉLAN Community

This paper is intended to support the founding and growth of intentional communities in which there is no commonly-owned property, meaning that member’s housing payments go into equity accounts which they take with them when they leave. Such communities may be described as involving the sharing of privately-owned property, which for this author is also the definition for the term "collective community."

For those interested in forms of intentional community which involve the accumulation of commonly-owned property, information can be found at: www.culturemagic.org/TimeBasedEconomics.html

Although cohousing is discussed in the following article "Communitarianism in a Market Culture," the intent of this paper is to focus on forms of community that are less expensive than cohousing, and therefore accessible to more people. This would tend to emphasize collective households, yet the ideal and goal may be more toward the "urban cooperative block" or "urban ecovillage" as represented by the graphic on the cover of this publication.

Community projects involving the remodeling of several existing structures on one block would be similar to "retro-fit cohousing," yet if the properties involved in such a community are not contiguous but scattered around a city or town, or if such a community were to involve on-site businesses or a particular spiritual or cultural orientation (other than that of the dominant culture), the term "cohousing" would not be appropriate. Thus the need to create a new term for a different form of intentional community.

The term "èlan" works well for community as it suggests enthusiasm in pursuing a mission. The word is from the French for a lancer exhibiting esprit de corp. As the term refers to a militaristic brashness it is good to adapt it to the communitarian culture as that is one of the themes of this paper, adapting what originally supported the values of competition and possessiveness to the support of the communitarian values of sharing and cooperation. The first article in this paper addresses the transformation of aspects of the dominant culture into forms of communitarianism, specifically by utilizing the market system to support the creation of community.

Given that the market system has tended to destroy community, the reverse co-optation process of using market capitalism to create communitarianism essentially involves fighting fire with fire, turning the tables to use the force of market economics against itself. This could be said to utilize a form of "culture magic" in the deliberate effort to change both consciousness and culture. Introducing the basic elements of that process is the intent for this publication, presented in three primary sections offering models for interpersonal and group process, financial strategies and legal designs.

As an acronym, the name ÉLAN could be said to link the three important aspects of community; the social bonds or affinities that define a community, the wealth or equity owned by it or its members, especially with regard to land, and the system of governance that manages the group or network of groups.

The original concept for ÉLAN, and the term itself, was developed in 1995. It remained dormant until world events and contemporary American culture progressed along their respective historical cycles to where interest in communitarianism showed signs of beginning to build toward a new wave of movement activity. Such waves have occurred many times in the past, in America and Europe in particular, such as during the 1960s and '70s, and it was only a matter of time until another would begin to build. The beginning of the 21st Century is very similar in many ways to the mid '60s. Also, with the many successful communitarian movements and traditions that have survived from earlier waves, there are now various models available for working to build the next wave of communitarianism. This paper draws from those to present some of the specific tools most useful for urban intentional community, with many more models and tools available among various other sources.

More detail on the subjects introduced in this paper are available as free PDF file downloads at the website: www.CultureMagic.org For process material see: "Light and Shadows." For incorporation: "Community, Inc." For land trusts: "Geonomics and Community Power." For nonmonetary economies: "Time-Based Economics." More topics to follow, including children, families, education and ritual.
ÉLAN: Equity-Linked Affinity Networks

The ÉLAN community design involves building a joyous, loving, peaceful, sharing culture, expressing these values with a style and flair reflecting our personal and collective talents in different affinity groups.

After people, the second essential aspect of community is land. A community must have places for people to live, work and play, and so acquiring shared real estate is an important community-building activity. By sharing ownership of the land and avoiding paying rent, a group of people may build a community of mutual support and land stewardship.

Urban Community

The ÉLAN community proposal is to create a form of community to be part of the larger alternative network of a given urban/suburban area, which may be called the "Parallel Culture." A parallel culture is one that exists within a larger, dominant culture, expressing a different set of values while developing along with the larger culture, on different yet parallel tracks.

For the ÉLAN community a primary value is sharing land ownership and real estate equity. This sharing of land value is a way to use the dominant culture's economic system to build the parallel culture. Creating a community of affinity groups sharing real estate equity affirms the values of social and of environmental responsibility.

Intentioneering the Parallel Culture with ÉLAN

Culturally engineering an intentional community, or "intentioneering" is the deliberate effort to live by the values of our choice, rather than the values of the dominant culture.

The ÉLAN community or "equity-linked affinity networks" uses real estate equity as a community asset to be shared and stewarded for the good of the affinity group. And if extended among several affinity groups, this equity is shared for the good of an entire ÉLAN community.

In the ÉLAN proposal, each person's housing payments go into equity accounts, moving people away from paying rent as quickly as possible. When people leave the ÉLAN community they may have their full equity account (or limited-equity in some cases) paid to them according to a formula and schedule agreed upon when the member joined. This encourages each resident of an ÉLAN property to care for it as they would their own.

The practice of shared real estate equity in the ÉLAN community uses the dominant economic system's dynamics in a way that creates and nurtures community, rather than breaking down our connections with one another and "atomizing" society.

The accumulation of appreciated value of ÉLAN properties or real estate is available for the community to use for acquiring additional properties, permitting more ÉLAN community members to move from paying rent to paying into equity accounts. All members have a role in deciding how the aggregate equity accounts are invested for the good of the affinity group or community. The group can also decide whether or when a member of an ÉLAN affinity group can make a withdrawal (cash out) from their account for private purposes. When members leave they may take their equity out of the ÉLAN affinity group or community, or offer it as a loan.

Using real estate equity to build community through the ÉLAN proposal is just one way to turn the dominant economic system of possessiveness and competition into a parallel culture economic system of sharing and cooperation.

An affinity group or community of affinity groups can decide to place some of their land into a community land trust, removing it from the real estate market. Members can also start cooperative or worker-owned businesses, perhaps on ÉLAN property. And the community can use a time economy of labor sharing for domestic work, and expand it into property maintenance and construction, income-producing businesses and more. The ÉLAN time economy could also connect with other time economies around the country for such benefits as a major medical disaster fund, business loan funds, labor exchanges, outreach and other mutually beneficial projects.
Communitarianism in a Market Culture

Intentional community itself will likely always be a parallel society, moving through time apace with the dominant culture, the two influencing each other in sometimes subtle, sometimes fundamentally challenging ways. Both the dominant and the parallel cultures have always adapted or co-opted what each found to be of value in the other, and ignored or discarded what it disliked or did not understand. The opportunity in this relationship for the communities movement is to develop a concerted effort to nurture that dynamic for the benefit of all.

As intentional communities can be seen to be research and development centers for society, the movement challenges the dominant culture to acknowledge the innovations found in community as opportunities for positive cultural change. Intentional community in general exists as a response to the perceived problems or inadequacies of the dominant culture, and with that the movement can generate some excitement around the idea of communitarian lifestyles as activist vocations!

Communitarian values, increasingly discussed by theorists on all points of the political spectrum, stress the benefits to all when individuals acknowledge responsibility to a social group larger than the immediate family. Some of the perspectives on this include the work of M. Scott Peck (see: The Road Less Traveled, 1978 and A Different Drum, 1987), and of The Communitarian Network (see: Amitai Etzioni, The Spirit of Community: The Reinvention of American Society, Touchstone, 1993).

As fifty years of the post-war housing industry has shown, communitarian values are luxuries that we do not absolutely need if all that we are trying to do is acquire housing. Today, however, the challenge is to build a social fabric that provides, in addition to mere shelter, a culture that engenders in the individual an awareness of and appreciation for others, and for the environment that we all share.

Communitarian values include a safe and mutually beneficial environment for children and seniors, community food service and childcare, landscaping for common areas, building and auto maintenance and various collective services involving people working together for mutual advantage and greater efficiency.

Other communitarian values may include neighborhood forums to resolve disputes or address challenges from both within and outside of the community, alternative dispute resolution, neighborhood-based primary health care services, and architectural and site designs that facilitate interactions among neighbors, the development of friendships, and resulting "random kindness and senseless acts of beauty."

Trust, Social, Spiritual and Environmentally Responsible Luxuries

There is quite a list of luxuries inherent in community. Consider the priceless value of the peace of mind that comes with knowing on a first name basis everyone in your neighborhood, because you talk and work with them regularly as a matter of course in day-to-day living. This we might call a "trust luxury." The informal ambience of the common facilities such as for food service, child care, workshops and agriculture we might call a "social luxury."

Consider the luxury of inter-generational community, in which both young and old are encouraged to care for the other. More than mere luxury, compared to the usual pattern of age segregation in America, this is cultural elegance. Consider too how much more completely than living separately does the fellowship of community come to the spiritual ideals of brotherhood and sisterhood, of living by the Golden Rule, or of practicing a love-thy-neighbor ethic. The opportunity of conforming our lifestyle to our spiritual ideals can be cast as a "spiritual luxury" that not many outside of community enjoy. This is in addition to the obvious potential for quantifying how much more ecologically responsible than tract-house-living community can be; perhaps this one we would call an "environmentally responsible luxury."

An additional luxury is how people living in community have a kinship with people in other communities around the country. The networking carried on among communities builds relationships that provide friends for us to visit while on vacation, even potentially around the world. Call this one a "holiday luxury." The point to be stressed is that community, and communitarian values, are luxuries that money alone cannot buy; they are priceless commodities that we should be careful not to undervalue.
Promoting the communitarian values experienced in intentional community is an opportunity for us to take advantage of the greatest set of new-found luxuries since the invention of indoor plumbing. In a sense, what we want to do is repeat history, at least that part of our history that led to the replication of housing design innovations across our country and increasingly around the world. Understanding how we arrived at our fabled American Dream of ubiquitous suburban monocultural design can help us to build a marketing plan for the diffusion of the innovations of communitarian design throughout the world.

The Classic American Dream

One authority on the American Dream is Dolores Hayden of the Graduate School of Architecture and Urban Planning, University of California at Los Angeles. In her works, *The Grand Domestic Revolution* (MIT Press, 1981) and *Redesigning the American Dream* (W.W. Norton, 1984), she outlines how the housing industry came to be the defining feature of American culture. In *The Grand Domestic Revolution*, Ms. Hayden points out that period visionaries at the turn of the century expected that technological advances in home appliances would be employed to create collective domestic services in large residential complexes and facilitate the social as well as political equality of women and men.

Instead, these innovations were miniaturized as consumer commodities to fill individual households, with consumption defined by advertisers as a "patriotic duty," followed by "Mr. Homeowner" marrying "Mrs. Consumer":

Builders, bankers, and manufacturers agreed that the type of home they wished to promote was the single-family suburban house on its own lot. ... To dislodge many women from paid jobs in the 1920's and 1930's, conservative advocates of home ownership and family wages attacked all feminists indiscriminately. ... Governmentsponsored mortgages and tax deductions for home owners in the post World War II era ... provided a boon to speculative builders, appliance manufacturers, and automobile manufacturers. As women were ejected from wartime jobs, they moved into suburban married life and the birth rate rose along with mass consumption. By the 1960's, the suburban rings of cities held a greater percentage of the national urban population than the old city centers.

By the 1970's, ... (s)even out of ten households lived in single-family homes ... on long mortgages. Builders and industrialists in the 1970's continued to glorify the Victorian home a century beyond its time. ... They used mass media to glorify this accomplishment as progress and to befuddle the housewife. ... As Meredith Tax wrote about the housewife's day in 1970: "I seem to be involved in some mysterious process" (Hayden, 1981, pp 23-26).


Today there are many programs to help families acquire housing, and home ownership is an election time quality-of-life issue. Bringing communitarian values into this picture, countering generations of acculturation to the paradigm of home as moated castle, is the challenge we face as we work to create a community-building industry. As monumental a task as this may seem, Dolores Hayden suggests that this is not a new idea, "For hundreds of years, when individuals thought about putting an end to social problems, they designed model towns to express their desire, not model homes." (Hayden, 1984, pp 18)

With respect to the lessons of the past concerning the creation of new industries, we ought now to define a "community mystique" in terms of communitarian luxuries to replace the "domestic mystique," and seek to forge a government-corporate consensus on the relevance of communitarian values to American society. Of these two goals; the former was discussed in the first part of this article. What of the latter?

Balancing Individualism and Communitarianism

Much is being said about values today by the media, by government, by religious groups, by social organizations and others. Conservative rhetoric challenges the teaching of "moral relativism" as a cause of social decay, while liberal litanies of cultural demise decry the individual's focus upon what Gregory Bateson termed the "skin encapsulated ego." Note that there is a level of agreement in the views espoused by these two cultural poles. Focusing upon this common...
concern about the excess of individualism in our society can provide a foundation for a consensus, upon which a program of advocacy for communitarian values may be built.

To successfully advance intentional community it is important to not permit the debate to be defined as the individual versus society, or vice versa, but rather to advance the anthropologist Paul Radin's preference that "...the individual and the group ... resist submergence of one by the other" (Arthur Morgan, Guidebook for Intentional Communities, Community Service, Inc., 1988). A dynamic balance between individual and society is the goal, encouraged in the local community by its provision of a human scale, knowable society in which individuals have reflected to them, and recognize, the importance of their personal roles. The community is comprised of a range of different types of families, always changing with the lifecycles of birth, growth, new births and deaths.

Through all this the local community seeks to maintain itself as an ongoing entity, providing a fixed context against which to measure the changes in our personal microcosms, and of the ever quickening and often unsettling changes in the vast, global culture beyond the community. Through first identifying just what communitarian values are, then how they relate to the issues of the day, a basic strategy can be developed for creating a community-building industry. And we may not be as far from this ideal as it may seem. Consider that in 1988 the Community Associations Institute (1630 Duke St., Alexandria, VA 22314, 703-548-8600) estimated that approximately 12.1% of our population lived under the jurisdiction of community associations. These use the same legal designs, the PUD and the condominium, that are used by most intentional communities using what is called the "cohousing" model.

If we would like for communitarianism to be seen in the future as the defining cultural ethic of 21st Century Western civilization, we would do well to consider the dynamics of cultural change, and consider what strategic steps might be taken to raise communitarianism from a marginal role in our cultural milieu to a central influence in American life.

The sections above are adapted from the article, "CoHousing as an American Luxury: The Marketing of Communitarian Values," printed in the journal CoHousing, summer, 1996.

Social Capital as a Market Commodity

The conversion of social capital into a market commodity may be inevitable since:

- If the accumulation of social capital builds community,
- If community is seen as a beneficial and desirable amenity in society, and
- If the way that the capitalist economy most efficiently provides amenities is through the market system,
- Then converting social capital into a market commodity would result in "community" becoming an industry.

We have the opportunity today to watch and participate in the beginning of a new industry. Before we take a tour of the new industry of community, however, it will be helpful to review some of its historical antecedents, and what could be said to be at least part of the contemporary conceptual foundation of that new industry.

Historical Efforts in Developing Community as Industry

There have been many efforts in the past to develop community as industry, and we can see some of these in the "material feminist" proposals, projects and even patents presented in writings by Dolores Hayden (see: Redesigning the American Dream: Gender, Housing, and Family Life, and The Grand Domestic Revolution: A History of Feminist Designs for American Homes, Neighborhoods, and Cities). Hayden's work includes mentions of Ebenezer Howard's "Garden Cities," Frederick Law Olmsted's "Garden Suburbs," and Franklin D. Roosevelt's "Green Belt" housing and community development program, part of the 1930s New Deal initiatives. See the following.

- Hayden: http://www.architecture.yale.edu/faculty/professors/hayden/hayden.htm
- Howard and Olmsted: http://www.asu.edu/caed/proceedings98/Garvin/garvin.html

We can certainly find both earlier and current examples of investor-backed communities, such as the "Phalanstery" designs created by 19th Century
Associationists including Brook Farm in Massachusetts (see: http://www.age-of-the-sage.org/transcendentalism/brook_farm.html), and as advocated by Horace Greeley, editor of the New York Tribune, for whom Greeley, Colorado was named. In these community designs non-resident investors contributed the capital while others built the developments as community residents. This strategy continues today in simple "equity-sharing" arrangements, such as is being used for financing small-scale collective households like the Walnut Street Cooperative in Eugene, Oregon (see: http://icetree.com/walnut/revloan.html in the "Financial Structures for Community" section of this paper.). In these examples investors are paid interest on their loans made specifically for the goal of creating not just the economic value of housing or businesses, yet the larger sociological value of community.

The Contemporary Conceptual Foundation of Community as Industry

The theoretical foundation of the contemporary community industry may generally be explained by the sociological concept of "social capital" and the socio-economic concept of "asset-based community development." There are many other theories and philosophies relevant to the question of developing community as industry, yet these two provide a good start.

Carmen Sirianni and Lewis Friedland explain for the Civic Practices Network that, "Social capital refers to those stocks of social trust, norms and networks that people can draw upon to solve common problems... the denser these networks, the more likely that members of a community will cooperate for mutual benefit. This is so, even in the face of persistent problems of collective action (tragedy of the commons, prisoner's dilemma etc.), because networks of civic engagement:

• foster sturdy norms of generalized reciprocity by creating expectations that favors given now will be returned later;
• facilitate coordination and communication, and thus create channels through which information about the trustworthiness of other individuals and groups can flow, and be tested and verified;
• embody past success at collaboration, which can serve as a cultural template for future collaboration on other kinds of problems;
• increase the potential risks to those who act opportunistically that they will not share in the benefits of current and future transactions."

(See: www.cpn.org/tools/dictionary/capital.html)

Since the printing of Robert D. Putnam's "Bowling Alone : The Collapse and Revival of American Community" (see: Journal of Democracy 6:1 [January 1995], 65-78) the question of how to structure our social opportunities and cultural processes to increase "social capital" has been an ongoing debate in many fields, particularly those of social welfare. Articles can be found via an Internet search relating social capital to community development, the housing industry and economic growth by the National Civic League, the Fannie Mae Foundation, the World Bank and many other organizations.

In the paper, "From Clients to Citizens: Asset-Based Community Development as a Strategy For Community-Driven Development" (2002) Alison Mathie and Gord Cunningham present "Asset-based community development (ABCD) ... as an alternative to needs-based approaches to development. Following an overview of the principles and practice of ABCD, the paper examines five major elements of ABCD in the light of current literature on relevant research and practice:

• the theory and practice of appreciative inquiry;
• the concept of social capital as an asset for community development;
• the theory of community economic development, such as the sustainable livelihoods approach;
• lessons learned from two decades of international development in the participatory paradigm;
• the theory and practice of building active citizenship engagement and a stronger civil society."

(See: http://www.livelihoods.org/static/amathie_NN158.html)

Mathie and Cunningham provide an excellent example of the application of the ABCD strategy. In the U.S., one of the most notable examples of an ABCD approach to community economic development is the Dudley Street Neighborhood Initiative (DSNI) in Roxbury, Massachusetts (see: www.dsnio.org).

"Group capacity building has been at the center of this strategy: a community land trust that has provided hundreds of affordable housing units; a local merchants' organization that encourages a diverse economic landscape dominated by locally, independently and cooperatively owned businesses; a group of 50 young people trained in urban agriculture; and..."
the Resident Development Institute, which hosts community economic literacy workshops." (See: www.dsnii.org)

Some of the range of local community-based economic development methods available are described in James DeFilippis' article "The Myth of Social Capital in Community Development," including community land trusts, mutual housing associations, micro-enterprise lending, and community development credit unions. These plus other strategies are advocated by a range of different organizations including the E. F. Schumacher Society, Community Service, Inc., and the Solari investment advisory company. (See the following.
• Schumacher Society: http://www.schumachersociety.org
• Community Service: http://www.smallcommunity.org
• Solari investment advisory company: http://www.solari.com/learn/)

Proximity enables the environment necessary for Francis Moore Lappe's three criteria for the spontaneous generation of social capital through community life: hope for or the
• belief in the possibility of solutions,
• real opportunities for citizen engagement, and

Business Opportunities Capitalizing upon Building Social Capital

One of our most basic needs, which is also typically our largest expense as well as our most valuable asset is housing. When people speak of "community" today we generally think of our contacts with friends and acquaintances in the associations we join, or at work or school, and don't consider the neighborhood in which we live to be our primary community identity. Yet proximity or living next door or within easy neighborhood walking distance remains far more of an inducement for, or provides greater opportunity for, face-to-face or in-person community connections than any kind of technological method of communicatination or even getting in a car or on public transportation to meet with others. Where we live, and with whom we are living as a "neighborhood" becomes the greatest opportunity we have for building social capital.

It seems to be an assumption that is rarely explained in most articles about social capital that an important aspect is regular face-to-face contacts among people. Proximity is one of the most important elements in creating community, and therefore must be emphasized as a requirement for converting social capital to a market commodity. Two good examples of such methods of using the "human scale" level of community for converting social capital into a market commodity include the industries of business investment and of housing.

Business Investment and Social Capital

There are various types of micro-credit or revolving local business loan funds growing around the world. One example is the Self-Help Association for a Regional Economy (SHARE) described as, "a model community-based nonprofit that offers a simple way for citizens to create a sustainable local economy by supporting businesses that provide products or services needed in the region." Such revolving loan funds focusing upon local business development provide opportunities for investment as forms of socially responsible investing (SRI). A new study from the Social Investment Forum "shows that the phenomenon known as 'community investing' is now the fastest-growing category of socially responsible investing in the United States." (see: http://www.greenmoneyjournal.com/article.mpl?newsletterid=3&articleid=40)

The SRI industry has been developing a number of measures of economic development beyond the strictly financial, to include environmental and social indices using various methods of defining and measuring positive effect, also called "alternative development indicators." (See the following:
• SHARE: http://www.schumachersociety.org/frameset_share.html
• Microcredit Summit Campaign: http://www.microcreditsummit.org
• Triple Bottom Line & Sustainability Reporting Guidelines: http://www.kld.com/article.cgi?id=1664
• Gross International Happiness Project (GIH): www.grossinternationalhappiness.org/ideology.html
• Coalition for Environmentally Responsible Economies: www.ceres.org
• Good Money: www.goodmoney.com/efunds5.htm
• Green Money: www.greenmoneyjournal.com/index.mpl
• Socially Responsible Investing: www.socialfunds.com
• Co-op America: http://www.communityinvest.org
Social Investment Forum: www.socialinvest.org
• Calvert-Henderson Quality of Life Indicators: www.calvert-henderson.com/index.htm and www.hazelhenderson.com and the TV series at www.ethicalmarketplace.com)

Community as Industry

When studying community investment and methods of measuring development it is easy to lose sight of the level of face-to-face community. Where the human scale can remain the primary focus, however, is in the realm of housing. While human community is dependent upon some form of economic activity, it is the residential community that forms the basis of support for individuals, whether we consider their economic roles as workers, consumers or owners of investment capital, or their roles as family members and neighbors.

Although "community" may be considered a luxury by some when it is a struggle simply to acquire housing in the modern industrial economy or post-industrial information economy, the case can also be made that "community" is actually a necessity when we consider the problems of stress, depression, violence and other social dislocations resulting from the atomization and alienation of individuals. One authority on the issue, the National Association of Social Workers, states that, "The stubborn persistence of violence in the United States and throughout the world is related to a loss of community." (See: http://www.naswpress.org/publications/books/intl/global_crisis-violence/2766foreword.html)

There are a range of different methods for building community, beyond the after-thoughts of neighborhood block parties and neighborhood watch and other programs seeking to overlay forms of mutual awareness and aid upon existing housing developments. Examples of organizations in which a form of community is integral to the housing strategy include mutual housing associations which use tax-exempt organizations in providing housing, often with funding from the Neighborhood Reinvestment Corporation (see the NRC link below), housing cooperatives which use the consumer cooperative economic model for providing housing, and the community land trust which may use either a state nonprofit corporation or a tax-exempt organization for holding land and sometimes also the housing itself, in a community controlled organization for "de-commodifying" land and housing, thereby maintaining permanent affordability. None of these, however, represent the actual engagement of the full thrust of market economics in providing community as a for-profit commodity. (See the following.
• Housing Cooperatives: www.coophousing.org/about_nahec.shtml
• Neighborhood Reinvestment Corporation: www.nw.org/network/home.asp
• Planning Commissioners Journal: www.plannersweb.com/articles/pet112.html
Institute for Community Economics: www.iceclt.org/clt/
• School of Living Community Land Trust: www.s-ol.org/landtrust.htm
• Ozark Regional Community Land Trust: www.orlt.org/
• E. F. Schumacher Society: schumachersociety.org/frameset_land.html)

As outlined in the opening of this paper, if community is seen as a beneficial and desirable amenity in society then it is only a matter of time before the economic system will recognize the potential for "commodifying" the concept of community. Of course this has generally been done by developers who speak of retirement or other exclusive and sometimes gated neighborhoods in the context of the "community development" they create and market. However it wasn't until the advent of the cohousing movement that "community" became defined in the contemporary housing industry as more than merely residential proximity, yet rather by what Francis Moore Lappe describes as the "spontaneous generation of social capital."

As introduced on the website of the Cohousing Association of the United States, "Cohousing communities balance the traditional advantages of home ownership with the benefits of shared common facilities and ongoing connections with your neighbors. These cooperative neighborhoods, both
intergenerational and for elders, are among the most promising solutions to many of today's most challenging social and environmental concerns. The cohousing movement began in Denmark, spread through Europe and North America, and today in the US there is an estimated one hundred cohousing communities in existence or under development. (See: http://www.cohousing.org)

It is the cohousing movement that provides the best example of the desire for community resulting in opportunities for the for-profit sector of the economy. Typically, because cohousing communities generally use the condominium or planned unit development legal design (i.e., community association law) they are able to secure funding through traditional developer financing, banks and mortgage companies.

With the increasing number of cohousing communities there is developing a range of other market opportunities for entrepreneurs who see the potential for capitalizing upon the desire among those who are willing to pay extra to acquire community as an optional feature with their housing. Real estate agents, mortgage brokers, lawyers, developers, architects, engineers, and consultants for interior design, energy conservation and sustainability, low-toxin and green building, and even interpersonal and group process facilitators are all finding opportunities in the cohousing market. And it is precisely the availability of these professionals to cohousing developments that assures that the movement itself will continue to grow and develop. (See the following:

• Community Association Institute: www.caisecure.net/index.mv?c=LR
• Wonderland Hill Development Company: www.whdc.com/completed_communities.htm
• The Cohousing Company: www.cohousingco.com
• Cohousing Resources: www.cohousingresources.com
• Abraham Paiss & Associates: www.abrahampais.com/index2.htm
• Karen Hester and Diane Ohlsson: www.hesternet.net/house.htm
• CANBRIDGE Consulting and Facilitation: www.ic.org/canbridge
• Tree Bressen: www.treegroup.info)

At the 1994 conference of the Rocky Mountain Cohousing Association, Stella Tarnay wrote in the minutes of the "Professionals in Cohousing" meeting, "... we began to realize that we are in the midst of developing a new kind of relationship between clients and professionals through the CoHousing (sic.) process. ... It is not unlike the Total Quality Management (TQM) revolution in business which is creating a new paradigm for working together in organizations. ... We are doing no less than creating a new way of working together to develop housing." Clearly, it is more than mere housing that is being developed by the cohousing movement, it is community as an industry, and as Stella affirms, there are parallels in the increasing focus in communications within business organizations and the need for good communication processes in creating and maintaining community.

The problem in community organizations has always been maintaining the ideal of "intentional community" within a monolithic culture of "circumstantial community." This is a challenge in cohousing, recognized by those offering group process trainings to members of cohousing communities.

The success of cohousing can be explained by its ability to clearly illustrate to the public that community can be an asset which enhances real estate value. This statement then easily translates to the concept that social capital becomes a market commodity in cohousing communities. With that assertion squarely nailed, the challenge becomes in finding ways to extend the dynamic beyond the practice of cohousing as we know it to utilizing social capital as a market commodity in other forms of community, preferably forms that are more accessible to more people, which would require at least that they be less expensive and perhaps also require less time for their creation.

Currently one of the best examples we have of utilizing the dynamic of housing development based upon the market commodity of social capital in community is the design called "retro-fit cohousing," which takes existing single-family or multi-family housing stock and overlays the cohousing design upon it, creating the common kitchen-dining space out of an existing structure, and the pedestrian-oriented street and village commons from the existing outdoor space. The second example is the typical redesign of a multi-family structure such as a duplex or triplex into a collective household occupied by more than one family or a group of single individuals. Other such community retro-fits have renovated warehouse and other large structures, sometimes including businesses, shops or other non-residential functions.
The Walnut Street Cooperative presented earlier is an excellent example of this model, another is the "Ecovillage Loan Fund" (ELF) of the Los Angeles EcoVillage (see: www.ic.org/laev/elf.html). In both cases the residents of the community themselves leveraged their collective rental resources for the successful marketing of their community as a form of socially and/or ecologically responsible investment opportunity, enabling them to purchase the property they were renting or that they desired to purchase.

This model of community organization and development, in which a group of people work together through processes of building social capital to where they can market their community as a viable investment opportunity for non-residents, represents opportunities for expanding the community-organizing industry beyond cohousing. Like cohousing these community "revolving loan funds" need assistance in the design of legal structures and interpersonal and group process as well as financial consulting. Such resources and services can be provided by non-profit organizations and even by self-help associations of communities, yet as this community design develops and grows it may very well result in opportunities for engaging the forces of the market economy for the creation of community. Where these opportunities are most likely to be realized is when the cohousing model itself is transcended by the merging of the housing collective with the worker cooperative or worker-owned business.

**Community as a Lifestyle Amenity**

Leveraging social capital beyond housing to the creation of community need not be restricted to the design of cohousing community where there generally are no onsite businesses (other than the home office). With the application of the asset-based community development model the mixed-use residential-commercial design of the "neo-traditional" neighborhood could result from the integration of housing and worker collectives or cooperatives in a given location.

Orchestrating such a development model would require a concerted effort on the part of a coalition of organizations in a particular city or town, and one model for that is the Dudley Street Neighborhood Initiative (DSNI) presented earlier. The DSNI model of neighborhood development emphasizes the importance of avoiding the involvement of a Community Development Corporation as CDCs in the past have been seen to impose institutional solutions upon a neighborhood as opposed to the asset-based community development model which focuses upon internal revitalization of and by the community itself. (See: "From Clients to Citizens: Asset-Based Community Development as a Strategy For Community-Driven Development," 2002, Alison Mathie and Gord Cunningham, The Coady International Institute, St. Francis Xavier Univ. www.stfx.ca/institutes/coady/text/about_publications_occasional_citizens.html)

Professional services versus local self-reliance is certainly an issue in the development of social capital toward the creation of community. Similarly, there is a careful balance to be maintained between efforts to build social capital and the tendency for the market economy to co-opt and "commodify" social innovations, resulting in the loss of the original organization's values that led to the creation of a community. Yet these challenges have been surmounted by successful intentional communities, suggesting the potential for further applications of the theory and ideal of integrating community within the market economy. The successful result is the creation of a new industry, yet just as a glass may be half-full or half-empty, so also may it be only a matter of perspective whether we are watching the market economy co-opt the community ideal, or whether what we are actually witnessing is the ideal of intentional community transforming the market economy with new forms of community organization.

With the coming transformation of our civilization due to peak-oil and the post-oil world, and due to the increasing environmental stresses resulting from our oil-based economy and lifestyles, we may very well be coming to a time when our mobility is reduced. In the future we may be spending more time closer to home, especially if information technology continues to increase opportunities for working away from offices. At that point we may become more concerned about the quality of our homes, and seek ways to work together to improve our communities. If at the same time the market economy can be induced to place more value upon "community" as a lifestyle amenity, and even to market such amenities as "communitarian luxuries," then we may be able to begin to realize a culture based upon peace, cooperation, sharing and harmony, at least initially on the local scale and potentially on larger scales as well, after the coming tribulations.
Process Tools

As intentional community is a different culture from what may be called the "circumstantial community" found in neighborhoods, villages and small towns of the dominant culture, it stands to reason that appropriate tools have to be devised for creating community. Two of the many communication tools that may be most useful in building urban communities are presented here: Heart Sharing and Clearness. These process tools provide methods for the sharing of emotions, feelings and other thoughts that we want members of our group to hear. This supports decision-making, although actual decision-making requires other process tools. For additional tools of various kinds see, *Light and Shadows, Interpersonal and Group Process in the Sharing Lifestyle* (found at: www.CultureMagic.org/Intentioneering.html):

**Group Process Formats and Tools**
The Open Space Meeting, Trapeze, Heart Songs
The Talking Circle Council Process
Tune-Ups, Deepenings, Check-Ins, Getting Present
Moving Through Emotions, MNS Clearness Process

**Sample Social Contracts**
Terra Nova: Respects and Responsibilities
Behavioral Code for Nonviolent Direct Action
Love Light: Emotional Literacy and Processing
Values to Teach Our Children

**Planning and Decision-Making**
Consensus Process, Shared Leadership
The Tyranny of Structurelessness
Planning: Complex-Issue Process for Large Groups
Planning at Twin Oaks and East Wind Communities

**The Shadow Side of Community**
Ways to Maintain Community Health
Seven Community Dysfunctions and Functions
Warning Signs of Spiritual Blight, Manipulations
Negative Behaviors and Intervention in Cohousing
Anger in Cohousing, Anger in Egalitarian Community
Re-evaluation Counseling, Constructive Criticism,
Active Listening
Self-Examination: Responsibility for Our Behavior
The Feedback Meeting: Addressing Conflict
Policy on Sexual Harassment

Heart Sharing is a variation of the “talking-totem council” designed for small groups. This particular outline was created by the people who later brought us *Your Money or Your Life* (1992), Joe Dominguez and Vicki Robin, a book now used in the voluntary simplicity movement. They were part of the U.V. Family, a polyamory group using a recreational vehicle, the “ultimate vehicle” (UV), and the New Road Map Foundation. They followed this Heart Sharing process nightly for a number of years.

This and similar processes work well to bring out people’s deepest thoughts, feelings and emotions. Therefore, the group has to be ready and willing to deal with those sharings and take care of each other, whatever results. This process can not be taken lightly, as it is designed to bring out to the group each person’s inner self. What is presented in Heart Sharing is not to be discussed with others outside of the group unless agreed by all.

No interruption, quiet, water only, no food during the sharing. Comfortable seating in a circle, dim lighting. Begin with silent meditation, prayer, quiet time, circle handholding or other “attunement” process. No body contact during sharing unless requested (hugs, handholding, etc.) Each participant announces their beginning of sharing, holding the floor until announcing “end.”

Intent listening without judgment, with love. No interruptions, comments, manipulative fidgeting, yawning, breath-catching, etc. No time limit on sharing. Acknowledgement of each person’s sharing (“thank you”) regardless of content. NO FEEDBACK unless requested, then only in most respectful way. 10 minutes silence for those who “have nothing to say.” Second and third times to talk okay. Between turns, quiet, gentle conversation. After each person has a turn, perhaps have a short break with refreshments, remaining in circle. End the session with a quiet, gentle, loving spirit, cherishing the gift of knowing other’s inner selves.
Housemates Spectral Affinity Analysis

Sharing, trust and mutual aid; these are communitarian values that money alone cannot afford. If you welcome these values into your life, then perhaps you’ve been looking for other people with whom to enjoy the cooperative lifestyle?! This survey is to help people find each other who would like to live in a collective household, and may be used as a method of matching people as prospective housemates.

<table>
<thead>
<tr>
<th>Issue</th>
<th>Circle the appropriate number, one response per issue only!</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tobacco</td>
<td>I smoke like a tear gas canister</td>
</tr>
<tr>
<td></td>
<td>1   2   3</td>
</tr>
<tr>
<td></td>
<td>Doesn’t bother me (cough!)</td>
</tr>
<tr>
<td></td>
<td>4   5   6</td>
</tr>
<tr>
<td></td>
<td>No smoking this side of the street!</td>
</tr>
<tr>
<td></td>
<td>7   8   9</td>
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<tr>
<td>Drugs</td>
<td>I’m high right now!</td>
</tr>
<tr>
<td></td>
<td>1   2   3</td>
</tr>
<tr>
<td></td>
<td>Just be cool, PLEASE!</td>
</tr>
<tr>
<td></td>
<td>4   5   6</td>
</tr>
<tr>
<td></td>
<td>I’m calling the cops</td>
</tr>
<tr>
<td></td>
<td>7   8   9</td>
</tr>
<tr>
<td>Noise</td>
<td>I only sleep with the music blasting</td>
</tr>
<tr>
<td></td>
<td>1   2   3</td>
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<tr>
<td></td>
<td>10 pm all quiet</td>
</tr>
<tr>
<td></td>
<td>4   5   6</td>
</tr>
<tr>
<td></td>
<td>My plant only listen to KOSY 101.3</td>
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<tr>
<td>Food-diet</td>
<td>If it doesn’t have meat, its not a meal</td>
</tr>
<tr>
<td></td>
<td>1   2   3</td>
</tr>
<tr>
<td></td>
<td>I’m a bearish omnivore</td>
</tr>
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<td></td>
<td>4   5   6</td>
</tr>
<tr>
<td></td>
<td>Rabbit food only in the house</td>
</tr>
<tr>
<td>Food-sharing</td>
<td>Label it or lose it(I’m locking my stash!)</td>
</tr>
<tr>
<td></td>
<td>1   2   3</td>
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<tr>
<td></td>
<td>Food shared only in group meals</td>
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<td></td>
<td>4   5   6</td>
</tr>
<tr>
<td></td>
<td>Common kitchen-kitty commitment</td>
</tr>
<tr>
<td>Food-cooking</td>
<td>I eat out or delivery (what, me cook?!)?</td>
</tr>
<tr>
<td></td>
<td>1   2   3</td>
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<tr>
<td></td>
<td>Occasional group meal okay</td>
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<tr>
<td></td>
<td>4   5   6</td>
</tr>
<tr>
<td></td>
<td>Rotate nightly cooking/cleaning</td>
</tr>
<tr>
<td>Cleanliness</td>
<td>It ain’t home unless it’s a pig sty!</td>
</tr>
<tr>
<td></td>
<td>1   2   3</td>
</tr>
<tr>
<td></td>
<td>Clean if you want-not my hangup</td>
</tr>
<tr>
<td></td>
<td>4   5   6</td>
</tr>
<tr>
<td></td>
<td>Shoes at door, dishes nightly</td>
</tr>
<tr>
<td>Aesthetics</td>
<td>If we could afford better than Goodwill, this might be an issue</td>
</tr>
<tr>
<td></td>
<td>1   2   3</td>
</tr>
<tr>
<td></td>
<td>Whatever, things come and go by themselves anyway</td>
</tr>
<tr>
<td></td>
<td>4   5   6</td>
</tr>
<tr>
<td></td>
<td>If it clashes with the carpet and drapes its out’a here!</td>
</tr>
<tr>
<td>Pets</td>
<td>Didn’t you hear me say PIG STY!</td>
</tr>
<tr>
<td></td>
<td>1   2   3</td>
</tr>
<tr>
<td></td>
<td>Just keep ‘em off the table</td>
</tr>
<tr>
<td></td>
<td>4   5   6</td>
</tr>
<tr>
<td></td>
<td>Animals live in country, not city</td>
</tr>
<tr>
<td>Process</td>
<td>Strictly business meetings only</td>
</tr>
<tr>
<td></td>
<td>1   2   3</td>
</tr>
<tr>
<td></td>
<td>Feedback &amp; constructive criticism</td>
</tr>
<tr>
<td></td>
<td>4   5   6</td>
</tr>
<tr>
<td></td>
<td>Regular “Heart Sharing” meetings</td>
</tr>
<tr>
<td>PDA</td>
<td>Touch me, hold me, kiss me!</td>
</tr>
<tr>
<td></td>
<td>1   2   3</td>
</tr>
<tr>
<td></td>
<td>Hear no evil, see no evil I can’t stand it ...</td>
</tr>
<tr>
<td></td>
<td>4   5   6</td>
</tr>
<tr>
<td></td>
<td>That’s what your room is for! ... when I’m not get’n any :-(</td>
</tr>
<tr>
<td>Sex</td>
<td>No one’s business but ours</td>
</tr>
<tr>
<td></td>
<td>1   2   3</td>
</tr>
<tr>
<td></td>
<td>No fraternization among troops! You guys TURN ME ON! :-0</td>
</tr>
<tr>
<td></td>
<td>4   5   6</td>
</tr>
<tr>
<td></td>
<td>Community + Nature = Rug Rats Should we plan for cohousing?</td>
</tr>
<tr>
<td>Children</td>
<td>I’m still just a kid myself ....</td>
</tr>
<tr>
<td></td>
<td>1   2   3</td>
</tr>
<tr>
<td></td>
<td>Only parents discipline kids</td>
</tr>
<tr>
<td></td>
<td>4   5   6</td>
</tr>
<tr>
<td></td>
<td>Shared parenting in a household</td>
</tr>
<tr>
<td>Neighbor</td>
<td>The less they know the better</td>
</tr>
<tr>
<td></td>
<td>1   2   3</td>
</tr>
<tr>
<td></td>
<td>Good PR = Security Culture</td>
</tr>
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<td></td>
<td>4   5   6</td>
</tr>
<tr>
<td></td>
<td>Community = Neighbor Activism</td>
</tr>
<tr>
<td>Tools</td>
<td>You touch it, you’ve bought it.</td>
</tr>
<tr>
<td></td>
<td>1   2   3</td>
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<tr>
<td></td>
<td>I’ll share mine if you’ll share, too</td>
</tr>
<tr>
<td></td>
<td>4   5   6</td>
</tr>
<tr>
<td></td>
<td>Share things bought by group</td>
</tr>
<tr>
<td>Vehicles</td>
<td>Don’t even think about mine &gt;:-(</td>
</tr>
<tr>
<td></td>
<td>1   2   3</td>
</tr>
<tr>
<td></td>
<td>Figure a price per mile</td>
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<tr>
<td></td>
<td>4   5   6</td>
</tr>
<tr>
<td></td>
<td>Lets pool income and buy a car!</td>
</tr>
<tr>
<td>Politics</td>
<td>OK, long as you all agree with me!</td>
</tr>
<tr>
<td></td>
<td>1   2   3</td>
</tr>
<tr>
<td></td>
<td>Don’t ask, Don’t tell</td>
</tr>
<tr>
<td></td>
<td>4   5   6</td>
</tr>
<tr>
<td></td>
<td>Everything is political!</td>
</tr>
<tr>
<td>Religion</td>
<td>1   2   3</td>
</tr>
</tbody>
</table>
“Clearness” is borrowed from the Quaker tradition. Although the process is used nowadays mainly to approve the joining of meetings or marriages, in the past clearness was used to help individuals decide a wide variety of things. It should be noted that the word is “clearness,” not “clearance,” implying that clarity rather than permission is sought. The significance of the clearness process is that it counters the notion of rugged individualism. We don’t need to act as though all our personal decisions have to be made by ourselves, without the benefit of other people’s wisdom, support, and questioning. It really is fine to ask for help in making the best decision possible. It also recognizes that our behavior and attitudes affect others. Especially those of us living in community find it important to consider the effects our decisions have on others around us.

Using our collective intelligence we can search for fresh approaches to problems. In this sense it becomes a learning experience for everyone, not just the person who asked for the clearness meeting.

There can also be an application of the clearness process to a network of groups. This may be similar to a strategic planning process, determining how best to coordinate the actions of a number of different groups toward common goals.

Peter Woodrow, *Clearness: Processes for Supporting Individuals and Groups in Decision-Making*, Movement for a New Society, 1976. This work on “Clearness” started in the spring of 1974 at the Philadelphia Life Center, an urban social-change community of several collective households, existing today in part as a community land trust. Sandra Boston, Virginia Coover, Susanne Gowan and Peter Woodrow met for about six months, held clearness meetings for each other and their friends, evaluated them and self-consciously developed a process for individual clearness. The basic process for accepting new members was contributed by members of the Youngest Daughter house at the Life Center. Editorial comments were contributed by Pamela Haines, Cynthia Arvio, and Stephen Bedard-Parker. The illustrations were contributed by Liz Lombard.

Note: The following is abbreviated from the full pamphlet. For the "Support/Feedback Clearness" material see the publication: *Light and Shadows, Interpersonal and Group Process in the Sharing Lifestyle*, at: www.CultureMagic.org/Intentioneering.html

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Joining / Leaving Clearness

Most of us can remember bad experiences when trying to join a group or when someone wanted to join a group we were a part of. Such distressing experiences are often the result of either poor or misunderstood procedures, poor communication, or peoples’ fear of saying what is really on their minds. We hope that the suggestions presented here will help to make joining a group and accepting new fellow workers or housemates a learning experience or even an enjoyable one for all. While the section describes a process for accepting members of communal households, the principles and procedures can be applied to any group which uses egalitarian methods, works on a collective model and wishes to use participatory processes for making decisions.

This section will describe not only the clearness meeting itself, which is the last step, but the procedures which lead up to the meeting. Parts of this system are used by houses in the Philadelphia Life Center. Of course, this is only one way of doing it, and we hope different communities will adapt this process to meet their own needs.

Guidelines for Looking for New Members

1. First clarify the needs and expectations members of your community or group have of each other.

2. Try to focus on one prospective member at a time for one space. You may wish to “get to know” several people who are interested and then choose to follow through with one of them, but do not have two or more on trial at once. Complete the process through to clearness before considering another person. Otherwise you will promote competition and leave people hanging.

3. If there are other houses or groups nearby that your prospective people are also considering, be in good communication with them to avoid crossed wires and bad feelings.

4. The house or group should make decisions at the end of each of the steps in the process. You should not move on to the next step with a prospective member unless a conscious decision has been made to do so. If steps are skipped then some important questions may be raised only late in the process, causing embarrassment and possibly pain to every-one. If the prospective member is already well-known to everyone in the group the process can be collapsed somewhat, but in that case, major hesitations should be surfaced at the beginning openly.

5. Do not be wishy-washy in your decisions. If you are saying “no” to a person, say it outright. Do not fudge with statements like “We all really like you and hope that you will be a person who will visit us and spend time here often, but perhaps you shouldn’t live here right now. Maybe we’ll consider it again in a few months.” It is not doing yourselves or the prospective member any favor to be unclear in your decisions.

People also benefit from your honest feedback as to why it is you have decided against them. They may not be ready to live in community, or they may have personal characteristics that make them difficult to live with, or there may be problems in the house. All of those are good information and not condemnations.

Remember: your fear of “hurting them” is easier to deal with than their not knowing why you are saying “no” or the repeated hurt when other communities turn them away for the same reasons and still don’t tell them why. People do want to change and appreciate thoughtful criticism, even if they don’t say so at the time (see “Giving Negative Feedback”). Prospective members also must be frank and open with the group.

Clarifying Needs and Expectations of Community Members

We have discovered that before a communal household or a collective group even begin the process of looking for a new member they must go through the crucial process of outlining the expectations members have of each other.

At times this will feel like going over old ground. (“We just did that three months ago!”) or stating the obvious. But even so, it is important to have in mind what you are asking of people who come to live or work with you and what they can expect of you. The most common cause of communities or groups falling apart or individuals leaving them is a lack of commonly understood expectations. Furthermore, those expectations will change over time even among the same group of people since their needs will alter, either due to changes in their personal lives or as they
get to know one another better.

In most communities and groups, the expectations members have of each other are not written down anywhere but are assumed, although they may have been articulated in some form at some point. What people offer and demand of each other often becomes evident just by doing it and the level of commitment to each other evolves over time. But households and collectives that have taken the trouble to state explicitly their needs and expectations have found it valuable. Some have gone to the extent of a written “social contract” or “behavior code” or other agreement. Such a statement could prove useful when talking with a prospective member. Each group will want to decide the extent of formality or informality it wants; the point is only that the expectations should be clear.

Listed below are some of the ways that people within a communal or collective household might interact. People in a “support community,” which is more like a network of people living near (but not with) each other, might also do some of these for and with each other.

This is merely a list of possibilities from which a house might choose. Certainly if a household community tried to do all of these things it would take up a great deal of time.

Sampling of Possible Expectations of House Members:

- shared house jobs (cooking, cleaning, repair)
- shared expenses (rent, utilities, food)
- shared income
- time and interaction at home
- support of each other for personal problems
- involvement in social change work
- shared social change work (campaigns, projects)
- house meetings for sharing and business
- involvement in social change work
- consultation in making personal decisions
- asking for what you need - not being moody or upset without asking for help directly
- challenging personal behavior or idiosyncrasies
- working against sexism in the house
- skills-sharing and learning (cooking, sewing, repairs, etc.)
- structured household and meetings
- religious commitment

- shared worship
- common political ideology, means, and goals
- commitment to work through conflicts
- shared time for thinking/discussing concerning social change
- social/play time together
- shared possessions (cars, stereo, etc.)
- support for artistic efforts
- agreed-upon lifestyle
- shared child care

Some Issues that Often Need Policies:

- smoking
- noise
- food
- cleanliness
- aesthetics, decorating and order
- sexual practices among house members
- space use
- couples and singles
- pets
- children
- drugs

Some perfectly good communities may only do a few of these things together and act more like a boarding house with shared expenses for rent and utilities. Others may ask for more involvement in terms of shared meals and house jobs, but personal support and concern for social change may be minimal.

There is no ideal contract (either written or verbal) - it all depends on the needs and wishes of the people forming the community. A mere listing of the elements of your shared communal life will not be sufficient for prospective members. You will have to show them what it looks like concretely and how it works. Of course, when more involvement is expected of house members, more care should be taken in the entire process of finding and accepting new members. Otherwise people will join with unrealistic hopes and needs or older members will be disappointed with the extent of time and attention the new person has for the household.

Getting to Know a Prospective House Member

If the person being considered is new to the community members, or is known to only a few people in the house, find ways to learn more about her/him.
Some suggestions are:

1. Keep the prospective member informed. One person in the house can serve as a coordinator or contact person, explaining the whole process and answering questions.

2. Invite the person to dinner on a night when everyone can be there. Afterwards have a fairly informal meeting at which a) the general expectations of house members and a description of how the house functions are shared (include specifics such as rent, space available, etc.), and b) the prospective member gives a brief personal background, talks about the kind of community s/he desires, and needs s/he hopes to have met in community.

3. Invite the person to a house workday or group recreation.

4. House members who do not know the person make an effort to spend time alone with the person - talking, working, or doing something fun together.

5. At a meeting of the whole house discuss how people are responding to the interested person (without him/her present). This is a time for surfacing significant difficulties if there are any. If everyone feels good about it, make a decision to move to the next stage - the trial period. If there are any strong hesitations that would not be resolved by getting to know the person better or talking a problem out, then a decision should be made to stop the process here. In that case inform the prospective member and tell him/her as clearly and openly as possible the reasons.

The Trial Period

It is often difficult to tell what living with a person will be like without trying it. If, after getting to know people, everyone in the house feels good about them, then a period of their living in the house is helpful, before a final decision is made about their staying. During the trial period everyone is on, trial, not just the prospective member. The prospective person will also be seeing if s/he can live with the others. But try to make this a relaxed time so the new person does not feel under constant scrutiny. Some things that might happen during this period:

1. Set a definite end to the trial period, at which a decision will be made whether or not to move to a clearness meeting. Of course, the time can be changed if people want to, but don’t leave it open-ended. We have found two weeks to be about right - long to get the feel of it, short enough so that saying “no” is not impossible.

2. The new person should participate in all house activities just as everyone else - house meetings, jobs, personal sharing, workdays, whatever.

3. Arrange for one-to-one time between each member of the house and the new person.

4. If someone in the house feels a particular problem arising between him/her and the prospective member, the two should meet together to try to work it out. If this is difficult, scary, or with-out results, ask a third person to join you as a “neutral.” This person will help to make sure you are hearing each other and provide an element of safety for sharing difficult feelings. It is not this person’s role to solve the problem. Make sure other people in the house know what is happening.

5. The person who has been acting as coordinator should check with house members and with the prospective member to see if they are all ready for a clearness meeting. If everyone is ready then call a clearness meeting at which everyone including the new member can be present. However, if anyone in the house has strong objections, call a house meeting to discuss those objections to see if they can be resolved in discussions such as described in No. 4 above or in a clearness meeting with the whole group and the prospective member. If the difficulty appears irresolvable, then the process should be terminated here and the new person informed of why.

The Joining / Leaving Clearness Meeting

The basic premise of a clearness meeting of this sort is that the house members and the prospective member can come to a mutual decision, based on everyone’s thinking. It should be recognized, however, that the house members are in a position of power. That is, if the prospective member does not agree with a decision that s/he should not move in, then there is nothing s/he can do about it. But no matter what the decision the prospective member participates, hears everyone’s reasoning and tries to understand. The process requires that individuals take responsibility for their feelings and learn to state them openly.
It should also be recognized that the prospective member has the power to decide not to move in, a situation which is often just as painful as the house’s “rejection.” Again, it is important that the other people understand the reasons for such a conclusion and have a chance to talk about it. If it looks like it’s going to be a difficult meeting, get someone from outside the house to serve as facilitator.

The meeting should be a time for affirming the community and the new person, but also for raising any points of difficulty. It’s better to bring them out here during the clearness meeting than to avoid possible conflicts and let them fester for months. They will only surface later in potentially destructive ways.

The process outlined below and then explained is only a suggestion which should be tailored to meet your community’s needs.

**Life in the Fish Bowl**

<table>
<thead>
<tr>
<th>Suggested Agenda for the Joining / Leaving Clearness Meeting</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Excitement Sharing (5 to 10 minutes)</td>
</tr>
<tr>
<td>2) Agenda Review (5 minutes)</td>
</tr>
<tr>
<td>3) Prospective Member’s Statement (general feelings about the household or community, ways in which s/he would contribute to the community, how this/her needs would be met in the community) (10 to 15 minutes)</td>
</tr>
<tr>
<td>4) Think Time (in preparation for Dialogues below) (10 minutes)</td>
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<tr>
<td>5) Series of Dialogues (between prospective members and each house in turn) (10 minutes per dialogue)</td>
</tr>
<tr>
<td>A. House members states: things I like about prospective member or reasons I would like to live with you, and concerns about living with you or problems that might arise.</td>
</tr>
<tr>
<td>B. Prospective member states items in A above in relation to the house members (but not responding at this point to what the house member has said).</td>
</tr>
<tr>
<td>C. Discussion or clarification of concerns raised: by either the prospective member or the house member. (Some of these may be noted for later full discussion).</td>
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<tr>
<td>6) BREAK (could be after several of the dialogues) (15 minutes)</td>
</tr>
<tr>
<td>7) General Discussion. Further discussion of concerns raised, problem-solving, question &amp; answers. Leads to a discussion as to whether or not the person should join community or an agreement to delay the final decision.</td>
</tr>
<tr>
<td>8) Affirmations of the Household Community. “Things we like about our house” brainstorm.</td>
</tr>
<tr>
<td>9) Evaluation of the whole process (not just the clearness meeting).</td>
</tr>
<tr>
<td>10) Something light and fun. Celebration or just easy time together.</td>
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</table>

**Notes on the Joining / Leaving Clearness Meeting Agenda**

Some of the items on this agenda have been explained in the Support/Feedback Clearness section (excitement sharing, agenda review, brainstorms, evaluation). However, a few comments on other parts of the agenda may be necessary.

3) Prospective Member’s Statement: It is important to give the prospective member some “free air space” to share his/her feelings with the group. The three topics mentioned allow for some sharing on general feelings about the community, affirming of her/himself as a potential community member and stating needs.
that would get met. It is the last that is often the most
difficult to get people to talk about. People in our
society are not trained either to recognize their own
needs, to state them openly, or to ask others directly
to help meet them. Everyone has needs, whether they
are acknowledged or not. Some will be met by people
in the community, others will be handled by friends or
relationships elsewhere. A household community
should make an assessment of its willingness or
energies for meeting a new individual’s needs, given
the balance of needs and energies in the house
already and the energy and demands the new person
brings. This information should come out earlier in the
process, but should be restated here in the clearness
meetings. If you don’t feel you are getting clear
information as to the person’s needs, keep pushing
until you get it.

4) Think Time: Each of the house members should
take this time to think about what s/he needs to say to
the prospective member in A and B of the dialogues.
The prospective member should have done the
thinking about each house member ahead of time
since s/he will have to dialogue with each of them and
ten minutes is not enough time to prepare for this.

5) Series of Dialogues: The crux of the clearness
meeting is this series of dialogues between the
prospective housemate and each member of the
house, giving attention to each of the relationships that
will occur if the person joins the community. In
successful communities there is potential for each
relationship to grow and become supportive and
challenging. It is helpful to start this new connection
by both stating the good things between each pair that
can be built upon, and acknowledging those things
that may get in the way as they live with each other.

Even if some have known the person before, living in
the same house will be different; a new dimension of
the friendship will be developed. No relationship is
perfect, nor does every relationship in a house have to
be good in order to live together successfully. But it is
necessary that each be willing to work on the rela-
tionship. Start the process now as the person is joining
you. It is an advantage that these dialogues take place
in front of everyone in the community so that the
dynamics of all the new relationships will be known
to all. This is not so that others will “take care of”
difficult relationships, but so that they will have
information about them, especially when there are
older friendships existing. If there are real difficulties
that are foreseen between the new person and
another house member, the other members will have
to decide if they are willing to live with whatever
tension that will cause, and if they have sufficient
energies to both support and challenge the two
involved.

In the dialogues each house member speaks in turn to
the two questions (“things I like” and concerns) and
the prospective member speaks to the same questions
in relation to that house member. The prospective
member (or the house member if you reverse the
order, which is perfectly possible) does not respond
directly to concerns raised by the other at this time,
there will be time for that later. Each person should
try to keep his/her comments to about three minutes.
This will require that s/he decide what is important to
share. Be flexible about time, however, since some
pairs will have more to say than is remotely possible
in three minutes.

After both have spoken, take time to clarify concerns
that have been raised. Within the ten minutes allotted
for each dialogue there will not be time to work out
the concerns, but that is not the purpose here. Rela-
tively minor difficulties need only be noted for work-
ning out as you live together. Major ones should be
faced later in the meeting during general discussion
time. (Someone should be recording during this
section of the meeting since there may well be
matters of concern mentioned that people will want to
refer back to later.)

Inevitably some feelings will come up during the
series of dialogues since people often have difficulty
saying and hearing good things about each other and
raising concerns openly. Whoever is facilitating the
meeting should be aware that this will probably
happen and try to make the atmosphere in the
meeting safe for those feelings to come out. If they
are negative, better that they should come out here
than months later. However, watch out for angry or
hostile “dumping” of feelings in an unconstructive
manner.

7) General Discussion: During the general discussion
after the break the group can come back to any major
concerns that were raised in the dialogues, try to
work out solutions to them and move towards a
decision. A “solution” may only be a way to work on
a problem rather than a clear resolution. In any case
do not rush a decision. If there are questions which
have been left unanswered or major difficulties that have not been worked through, schedule another meeting.

Don’t try to force an issue just to make a decision. But don’t let the meeting drag on too long trying to work on a problem. It may be appropriate to end the meeting asking that the individuals involved in a problem take time before the next meeting to try to find ways to overcome it. This may be done in smaller groups, in one-to-one talks between a house member and the prospective members, or between house members.

There should be space in the meeting for house members to raise questions about relationships or dynamics that may occur in the house besides those that involve them directly. Sometimes the person considering joining the household will already have a close relationship with one person in the house and the two of them will be eager to have the prospective member move in. But other house members should feel free to raise questions, either about the dynamics of the relationship itself or the effect it may have on the house. If it appears that the decision will be that the person should not join the household, due either to objections by house members or by the prospective member, the facilitator should push to have the reasons why clearly stated and understood by all.

8) Affirmations of the Household Community:
Toward the end of the meeting it is often a good idea to reaffirm the good feelings that people have about their community. This is true whether it has been an easy and light meeting or a difficult or unresolved one. This should not be an attempt to paper over problems but to remind people that there are things they appreciate about each other and the community they form together.

9) Evaluation: You may choose to evaluate only the clearness meeting itself at this point, especially if it has been a long meeting. But take the time later on, in a house meeting or whenever, to look at the process you used for accepting the new member (or not accepting him/her). A collective or communal household often learns a lot about itself in the process of looking for new members. In evaluation it is possible to draw together those insights and new directions as well as to work on improving the process for accepting members.

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**Clearness for Leaving**

When an individual considers leaving a community or a collective group, there needs to be some process for others to share in the decision. Within a household or group this might happen in two ways:

1) Members themselves may be asked to form a clearness group to help make the decision - to act as the clearness group does in the Support/Feedback Clearness. Or some members may be asked to be only part of a clearness group.

2) A clearness meeting with the group may happen separately after a decision to leave has been made. The purpose of the second is not to review or approve the decision, but to give people a chance to hear about plans and, more importantly, to provide a time for evaluating the experience of living or working together, looking at ways the person has grown, things learned, things that have been difficult and ways that relationships have been challenging or fruitful.

The important notion of clearness meetings for people leaving a living community or collective is that the other people have a sense of participating in that decision in some way and that they at least understand the reasons, even if they can not agree with them. In terms of structure, take elements of both Support/Feedback Clearness and Joining/Leaving Clearness and design your own process. (For the "Support/Feedback Clearness" material see the publication: *Light and Shadows, Interpersonal and Group Process in the Sharing Lifestyle*, at: www.CultureMagic.org/Intentioneering.html)

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**Clearness for Accepting Members of Collectives or Work Groups**

Much of what has been written here about clearness processes for accepting members of communal or collective households can be adapted readily for use by collectives or task groups, in a social change movement. The same steps are necessary: a) define carefully what members expect and need for each other; b) provide a way to get to know a prospective group member; c) try working with them for a period of time; and d) use some form of clearness meeting to make a final decision for them to join the group or not.
We are finding that different collectives have widely varying expectations of their members. Firstly, there are a variety of types of collectives: task groups, community maintenance or functional groups, organizing collectives, training collectives, alternative institutions, and affinity groups. Not only does each of these types of activities imply a different internal structure and mutual expectations, but two collectives of the same type may operate quite differently based on the needs and expectations of the people involved. And those needs and expectations may change over time too. Some collectives are looked to for primary identification and support in many kinds of ways. Others are limited more strictly to the task to be done. Some focus only on social change work and thinking, while others also provide support for personal growth and changes. Some do income sharing with each other, while others have no financial involvement at all, perhaps even operating totally without a budget.

No matter what the expectations, the point is only to make them clear when the group is first formed and then clarify them again as new members begin a process of joining. Of course, the care and formality necessary in the procedures for accepting new members will vary according to the extent of the involvement demanded of members.

**Pointers on Negative Feedback**

Most of us have trouble telling other people what we think or feel about things they do that bother us or affect groups we are a part of. We all remember times someone told us something about ourselves when it felt awful, so we don’t want to inflict that kind of pain on anyone else. But by avoiding telling people what they need to hear (and we need to say!), we abort what can be part of a creative process of growing and changing together. It is important to be able to give feedback in such a way that people can hear it, take it in, evaluate it, and change behavior which affects their relationships with others. This is true in clearness meetings and at many other times when living or working with people. A basic premise here is that people really do want to hear what other people have to say about them, both positive and negative. We may have unpleasant feelings about how it has happened in the past, but we do look for all kinds of signals and messages about us from others. When someone takes the time to think about us and give us direct and fearless information about how we are perceived, it can be a quite affirming experience.

Some pointers:
1. Be firm, be direct, and don’t “waffle.”
2. Be as crystal clear and specific as possible. Specify the objectionable behavior. Try to remember a particular incident.
3. Don’t “gunnysack.” Don’t tell them everything they ever did that hurt you or made you uncomfortable. “Gunnysacking” goes, “And another thing .... “
4. Own your feelings. Not “some people think” or “some people in the group are saying,” but, “When you do ___, I feel ____ , because ____ .”
5. Acknowledge your part in the problem - feelings or actions of yours that get in the way or contribute to the problem.
6. Affirm the person when sincerely possible. Do this first - think of things you do like or appreciate about them, ways they act in group or towards you.
7. Don’t try to solve the other person’s feelings: leave space for them, listen to them, and try to separate content issues from feelings. You can also say when you have heard enough.
8. Be prepared for their feedback to you.
9. Be clear about what you will & will not negotiate.
10. Practice ahead of time. Find someone you trust to try out what you have to say, and see if it makes sense. If the whole thing is scary, role play it a couple of times.
11. Reach out to the person. If it is a person you are close to and are used to touching, it is important to reach out to him/her physically in this situation, too. If touching is not a part of your relationship this is no time to start.
12. Ask for a third person to join you. If you foresee real difficulties, see if there is a person you can both agree upon to be there - to keep you listening to each other, help to clarify what is being said, provide safety, but not to “make it all better” or to “fix it.”
Other Nonfamily Households

In our time of increasing privatization of the institutions of mutual aid managed by nonprofit organizations such as in the health care industry, the continuing privatization of education, and the change of governmental programs such as in the proposals involving social security, pension funds and bankruptcy laws, we are seeing the power of the ideals of possessiveness and of competition overshadowing the ideals of sharing and cooperation.

On the individual level, the trend in industrial, service and information-based economies is toward people living alone, with single-parenting becoming increasingly common. In the United States the 2000 census shows that just over 26% of all households are now of people living alone, without children present (14% women, 11% men). The number of single-parent families in 2003 was 32% of all families with children (26% single-women and 6% single-men family households). The number of classic nuclear-family households (father, mother and children) has been declining from 87% of all families in 1970 to 68% in 2003, although the drop has been leveling off since 1995. (See: www.census.gov/population/pop-profile/2000/chap05.pdf and http://www.census.gov/prod/2001pubs/p20-537.pdf)

Even for the American Dream nuclear family, the African proverb of “it takes a village to raise a child” can be an impossible dream, a utopian ideal, far from the reality of the suburban commuter lifestyle. The simple, human-scale village has been lost by enclosure of the commons and the commoditization of everything that families used to do for themselves or together as extended families, neighborhoods and small towns.

It isn’t just simple proximity that makes a “community,” it is interactions of residents, especially in the context of some kind of commons, along with mutual aid and forms of local self-reliance, that creates community. The typical housing development since the Second World War, whether tract development, apartment or condominium complex, has tended to emphasize privacy over community, and the loss has impacted our quality of life in many ways from the growing prevalence of violence, domestic and otherwise, the increase in stress, depression and a corresponding reliance upon medications, and a range of other problems experienced by adults and children, not to mention environmental problems.

It is interesting to see, perhaps partly in response to the desire for some kind of community (not to discount the motive of economic necessity), that the number of non-family, non-related households is increasing. The Census Bureau defines a “nonfamily household” as either a person living alone or a “householder who shares the home with nonrelatives only; for example, boarders or roommates,” this latter household construct being called “other nonfamily.” The increase in the number of other nonfamily households is from 1.7% in 1970 to 5.7% in 2000 (see resource citations above). With the prevalence of “other nonfamily” households increasing, the question is when is such a group merely a circumstantial community, living together by chance or out of necessity, and when is it an intentional community, deliberately forming a society based upon common affinities and mutual-aid?

The idea of community has been lost as we’ve tended to pursue other values. Individual freedom and independence from the responsibility for maintaining any community has a predictable outcome. Yet changing times lead to cultural innovations in response to the needs and opportunities of the day.

In the past the village community or the neighborhood was circumstantial in nature. People happened to live in proximity by chance, more than by choice. Today, with multiple immediate and ongoing communication channels we have increasing methods and opportunities for finding and choosing those with whom we most like to associate, focus upon commonalities of values, interests and lifestyle, and deliberately build community.
As we seek we may find others willing and able to make commitments to collectively building intentional-ity into our lives, thereby displacing the circumstantial nature of a cultural system which breaks down community and results in the atomization of society with cultural designs expressing the values of sharing and of cooperation.

**The Allegorical Coin**

Mere circumstantial community is created and maintained by an economic system based upon the profit motive, emphasizing possessiveness and competition. To help in understanding this dynamic, take a quarter out of your pocket and consider for a moment its mass in your hand, notice how shiny it is, the imprint upon it and its inscriptions. Think for a moment about what it represents in your life. What power do you give the system, of which a quarter is one small representation, over the choices you make in life? Where is the balance between how you use that system to create and maintain the lifestyle of your choice, versus how it causes you to arrange your life in service to its imperatives?

How precious is this monetary system to us, as it promises freedom while it binds us to a global economic reality that few of us, if any, really understand.

In response to a challenge by spiritual authorities of the day about paying taxes, Jesus Christ once had his audience consider the imprint upon the coin of their day. Jesus made the distinction between individuals serving as appropriate both the temporal authorities’ systems via its coin and taxation, and individuals serving their shared spiritual ideals and beliefs. He made clear that we live in two different worlds, the material and the spiritual and that each affirms different imperatives. That remains an important lesson for today, part of which may be interpreted for the purposes of this paper as being, if we want community in addition to housing and family, our status in two separate cultures must be carefully balanced and maintained. Those two cultures are the possessive/competitive-based monetary culture and the sharing/cooperation-based non-monetary culture.

How we manage the balance between possessive isolation and sharing community in our lives remains a personal choice, and for many of us the choice is compartmentalization. Our material values are kept separate from our spiritual values, and in practice if not intent the balance between the two may increasingly, overwhelmingly, emphasize material over spiritual. How can we reverse that trend, in order to accommodate community in our lives? By what spiritual awareness and practice, what art or craft or lifestyle can we emphasize sharing and cooperation over possessiveness and competition?

Although communities of believers have often chosen the communal lifestyle, the largest spiritual institutions built upon the life and teachings of Christ have only accommodated themselves to the monetary system, beginning with Christianity becoming a state religion, much later with Catholic complicity with fascism, and now with Protestant complicity with global monetary economics. For many Christians the obvious answer since the time of Christ has been Christian intentional community, yet the question remains of how to build community, whether Christian or any other.

The challenge of the coin of today is not so much taxes as it is the service of debt. Through advertising and consumer culture we are enticed into making purchases on credit, the long-term cost of which can be much more than the original purchase. This is the binding mechanism of the economic system represented by the coins we carry in our pockets. And the more we are controlled by debt, the more we seek to rise within the system to be among those who control other’s lives in service to our own economic fortunes. It’s an insidious system, and it’s not just consumer debt, it’s also the problem of rent and the landlord-tenant dynamic, as well as the landowner-mortgage company economic relationship.

The credit reporting bureaus and their formulas for assigning our credit scores have an amazing and increasing degree of control over our lives. And if we haven’t been paying attention to that, such neglect can result in problems for us. Our use of credit cards offers intimate details of our lives to anyone with access to those financial records. It’s an all-seeing system that we serve, it’s a matrix of surveillance and reporting that seeks to determine our world view. Everything is twisted or spun in service to the monetary matrix, from scientific data to electoral voting systems to spiritual expression and beliefs.

It may not be possible for any one religious faith or any ethical system of belief to stand alone in advocating sharing and cooperation in opposition to the possessive and competitive values of global monetary
economics. A multi-faith expression of the common values of sharing and cooperation may be the best foundation upon which to build a world view counter to the increasingly globalized economic system. Yet it’s not simply a question of beliefs and world views, it’s the application of ways of thinking to the actions we take in managing our time and energy that determines whether our lives serve the values of sharing and cooperation versus the values of possessiveness and competition.

**Light versus Darkness**

We can divide these two different moral systems today between two organizations representing the different world views or paradigms. The older of the two is the Fellowship for Intentional Community, originally formed in 1947 in response to the World Wars, and reformed in the early 1980s (see: www.ic.org ). In advocating community the Fellowship is supporting lifestyles of sharing and cooperation, and the methods that different communities use in their organization for affirming these values involves different forms of time economies (see: www.culturemagic.org/TimeBasedEconomics.html ).

In contrast, the Bilderberg Group, also called the Bilderbergers, was formed in the 1950s (it evidently sponsors no website) originally to help protect the West from communism. It supports lifestyles of possessiveness and competition through the monetary system. Increasingly the Bilderberg Group is supporting globalization of the monetary system.

As it is said that “money is the root of all evil” one can squarely place any organization that advocates economic systems based upon possessiveness and competition on the Dark Side of contests between good and evil, light and darkness. The terms used in describing the monetary system including “rational self-interest” (Adam Smith) and “comparative advantage” (David Ricardo) clearly specify selfishness and taking advantage of others, even though there are many rationalizations for how these may be seen as positive values.

Again, bring from your pocket a quarter or a credit card and this time consider how what it represents ties us into the global monetary system. When one scans a credit card the system can almost instantly recognize and record who you are, where you are, and what you are doing. Much like the “lidless eye of Sauron” in J.R.R. Tolkien’s “Lord of the Rings,” all cultures of the world are increasingly coming under the surveillance and domination of this debt-based, monetary economic system, and by extension, the Bilderberg Group.

Although it is not generally affirmed, it may be observed that the monetary system actually cannot function without forms of common-ownership of property and of time economies. In fact, 43% of all economic activity in the US is due to the combination of government spending and the activities of nonprofit organizations, both of which are forms of common ownership of property. 20% of the gross national product (GDP) was federal spending and 12% of GDP was state and local spending in 2000 (see: www.gpoaccess.gov/usbudget/fy00/descriptions.html ). In 1995 11% of GDP was by nonprofit organizations including hospitals, schools, churches and other organizations (see www.cbo.gov/ftpdocs/40xx/doc4012/1997doc01-Part2.pdf ) and that percentage has been increasing according to the Internal Revenue Service’s, Statistics of Income Division.

Volunteerism and donating everything from money to blood is continually advocated, and housework and other unpaid family nurturing processes are essential to the maintenance of the labor supply for the monetary economic system. Add non-monetized labor and easily half of the US economy involves common-property ownership or time-based economics.

Time-based common-property economies can exist without monetary economies although the reverse is not true; monetary private-property economies are dependent upon non-monetary common-property economies. Taxation, charity and labor-sharing systems all support governmental or family functions necessary for the function of the monetary system.

Although there is a graphic of a “lidless eye” on the reverse of the Great Seal of the United States, and printed on the dollar bill, it is essential to not associate this image with evil as its original intended meaning was good. This graphic actually represents the concept of Divine Providence and so is a positive image, as long as it refers to individual election and respect for each person’s “inner light.” Yet just as competition and self-interest can be spun and twisted in positive ways, so also is the monetary system justified by using spiritual ideals. One may reject fascism just as vehemently as one would communism.
(as opposed to “communalism” the form of common-property ownership using participatory governance) as neither term can justify association with anything Divine, yet the potential for monetary economics to become fascist has been realized in the past.

The problem of course is in specifying when monetary economies become fascist. One determining factor is when an individual is not permitted to remove their consent to participation in the monetary economy, and instead freely choose to give their consent to participate in the sharing and cooperative economic paradigm when ever they desire.

The problem with debt, of course is that it ties one to the monetary system, making it difficult to change one’s lifestyle in order to escape the monetary economy. In comparison, the problem with living and working entirely within a time-economy is that one may accumulate little or no money with which to leave the time-economy and become established in the monetary economy. Fortunately, skills are transferable between the two economies, and this facilitates the individual’s transition between the two. In most First World, market-based countries people are able to choose to place their consent as they wish, either entirely or partially upon time-based economies rather than the debt-based monetary economy. And in most such situations people are involved in both economic systems, the global monetary system and the local non-monetary time-based economy of their community. Here one may see again the balance of values: sharing and possessiveness, cooperation and competition, Light and Darkness.

If one accepts the analogy of the Fellowship for Intentional Community as representing the fantasy role of the Fellowship of the Ring as portrayed in the story “The Lord of the Rings,” in opposition to the Bilderberg Group in the fantasy roles of Sauron and Morgoth, each in both cases being in conflict for the hearts, minds and lives of the races of beings on Earth, then we can fill the rest of the fantasy roles of the allegory. Consider:

- **The Fellowship of the Ring – The Fellowship for Intentional Community.** Both represent societies dedicated to building lifestyles of freedom as opposed to domination.
- **Coins, credit cards and other forms of money serve as the One Ring in a hobbit’s pocket.**
- **To destroy the One Ring by casting it into Mount Doom is an analogy for removing from our minds the power that money and its values of possessiveness and competition have upon us, enabling us to turn to forms of time-economies supporting the values of sharing and cooperation. Accomplishing this can be of varying degrees of difficulty depending upon one’s intellectual and emotional constitution.**
- **Elves – Members of Egalitarian Communal Societies.** These have gone the furthest in learning how to bend the powers of Darkness (debt-based monetary system) toward the service of the Light (time-based labor-sharing systems).
- **Dwarves – Members of Survivalist Communities.** May be isolationist and even politically conservative (e.g., Libertarian), yet may also resist the Darkness.
- **Numenorians – Members of Spiritual Intentional Communities.** These may be Christian, Buddhist, Hindu, New Age, Pagan, Native American Spiritual Communities or other. These have much to teach and valuable aid for building societies based upon the values of sharing and cooperation.
- **Humans – Members of Secular and Multi-Faith Intentional Communities: Ecovillages, Cohousing Communities, Community Land Trusts, Anarchist and other Political Activist Communities, Collectives, Rainbow, Indigenous Tribal Cultures and others.**
- **Hobbits – Those who ignore, don’t care about or are oblivious to the contest of values between the Light (sharing and cooperation) and Darkness (possessiveness and competition), which may include average citizens, members of the military, police or other civil servants. This may be due to being far removed from the actual contest, or to being self-absorbed or in denial of the contest, yet individuals may find themselves suddenly in the thick of it of no intent of their own, and may end up serving either the Light or the Darkness.**
- **Wizards – Those who seek to understand, frame and teach the issues involved in economic systems, whether debt-based or time-based. They may serve either the Light or the Darkness.**
- **Ents and Eagles – Powerful natural forces aiding the work of the Fellowship.**
• Dragons and Balrogs – Powerful natural forces hindering the work of the Fellowship.

• Trolls, Goblins, Orcs, Urka-hai – Those who prey on others in any way: thieves, predatory lenders, terrorists, etc. This includes those serving the Darkness unwittingly.

• Ring Wraiths – Upper and mid-level managers of the monetary economy, such as the Federal Reserve and other central banks, the World Bank, etc.

• Sauron and Morgoth – The Bilderberg Group, Tri-Lateral Commission and other associations at the highest level of global monetary economic coordination and consultation.

Allegories have always been used to aid the explanation of ideas and the teaching of moral principles. If one is to consider that time-based economics offers the only complete alternative to the possessiveness and competition of monetary economics, and that understanding the difference is essential in devising communitarian responses to the demographic changes at least partly resulting from the negative aspects of the monetary economy, then devising instructional aids based upon contemporary fantasy stories, accompanied by census and IRS statistics about changing lifestyles, may be helpful in the effort to increase our experience of mutual aid and of local self-reliance.

With the advent of Peak Oil massive changes are inevitable (see: www.energybulletin.net/news.php). After the point of peak oil production we’ll be on the long slope toward the end of the oil age. This will unavoidably have profound impact upon the monetary system, perhaps to the point again, as during the Great Depression, when people and governments will look to create non-monetary economies. Communities with time-based economic systems already in place will provide models that may then be adapted when official currencies lose their value to us and their power over our lives.

Efforts through the ages to live by the values of sharing and cooperation within the dominant culture, emphasizing values of possessiveness and competition, is an epic story of classic proportions. For each individual who accepts the journey, it can be said that one never knows where the road to community will lead. Building intentional community out of the circumstantial culture is an adventure.

Today the Fellowship offers aid, and the adventure beckons. It is our choice, each of us mere hobbits, to continue to be “stretched” as Bilbo described it, or to resolve to explore the ideal of forms of time-based or labor-sharing lifestyles.

The Road goes ever on and on
Down from the door where it began.
Now far ahead the Road has gone,
And I must follow, if I can,
Pursuing it with eager feet,
Until it joins some larger way
Where many paths and errands meet.
And whither then? I cannot say.
— J R R Tolkien

People on this journey must first learn about and understand how the monetary system works in order to devise methods of using its power for building community. Similar to the way that the elves were able to use their three Rings of Power (Nenya - Ring of Water, Narya - Ring of Fire, and Vilya - Ring of Air) to build and protect their homelands, we must learn to use the power of the monetary system to build and protect our communities. In the Lord of the Rings it was only the elves who were able to bend the Dark power to the service of the Light, and therefore to live outside of or separate from the “real world” in their communities of Lothlórien, Rivendell and others. In a similar way, time-based labor-sharing economies provide the means for living in parallel cultures outside of the monetary economy. (See: www.culturemagic.org/TimeBasedEconomics.html )

Most of us will never know the non-monetary culture, yet we can work to balance in our lives the debt-based economy with the time-based economy. To various degrees we can use the monetary system to help build community, or what the Census Bureau recognizes as “other nonfamily households.”

A financial method for building collective intentional community, involving the sharing of private property while having no commonly-owned property, is equity sharing. A financial method for building any kind of intentional community (collective, communal or mixtures) is the revolving loan fund. Both are described in the following section.


Financial Structures for Community

Financing Program - Equity Sharing

Common forms of equity financing for both personal housing and for investment properties can be adapted for the creation of an intentional community. Simply take the basic strategy that people use to build their personal real estate empires and instead modify it for use in building community.

People use the accumulated equity in one property as down payment to buy another, use equity from those two to buy a third, and so on, but the problem is that one would have to become a landlord, renting out those properties not used for personal living space (including vacation homes). However, this could be done as a community. If a couple people in a given town owned homes with accumulated equity, they could join that equity and buy another property, and someone in their community network who didn't own a house could move in as one of several joint owners. Instead of being a renter they would be a co-owner, and their housing cost would go into an equity account in the community rather than paying rent. They could get their share of this equity if they left the community. Obviously, the group would have to write community agreements on shared real estate equity as a means of building urban community. Signed community membership agreements that are fair and reasonable are upheld by courts.

Equity sharing is quite common. In the Cooperative Housing Compendium: Resources for Collaborative Living (Center for Cooperatives, University of California, Davis, 1993) Lottie Cohen and Lois Arkin explain (pg 131) that equity-sharing is also called "shared appreciation" and "homeownership co-investment." They also caution that equity-sharing entrepreneurs may charge high fees and interest rates since these types of transactions are not regulated. Everyone cautions that competent legal advice be consulted on shared appreciation loans.

Lottie Cohen points out that equity-sharing programs have three general features:
- co-investment by the home buyer(s) and public or private lenders,
- repayment to investors by the buyer(s) is deferred as necessary, and
- all co-investors share in the appreciation of the property value.

In "Equity Share Your Way to Ownership" (see citation below) J.P. Vaughan explains that equity sharing is "an off-shoot of the joint venture." And Lottie Cohen explains that another form of joint venture is the "private lending pool" or "private offering," and give the Ecovillage at Ithaca (NY) as an example. A nine-member funding pool financed the land purchase, of which only two members planned to join the community (Cohen, Arkin, pg 123).

J.P. Vaughan states that the equity sharing agreement "must be written so that the IRS does not see the Occupier as a renter or mere tenant ... (and) the Investor is not seen as a lender under the tax laws." (citation below).

Broderick Perkins in "Market Ripe for Equity Sharing Provided Buyer Heeds Caveats" (citation below) explains that since both the investor(s) and the occupier(s) of the shared-equity property are on the deed, both receive any profit from appreciation of the value of the property upon sale or refinance, and can deduct their share of the mortgage interest and property taxes from their income taxes. The investor claims the depreciation, adjusted for the percent of ownership held by the occupier or resident.

William Bronchick presents the potential problems with equity-sharing in "Equity Sharing Arrangements" (citation below). These include failure of the occupiers of the property to maintain it or to pay the mortgage, insurance or property taxes, and the problem of a stagnant or deflating housing market, preventing anyone from making a profit. Bronchick also suggests the importance of consulting with a real estate lawyer in order to assure that any pool of money involving limited partnerships and other corporations does not fall under the Securities and Exchange Commission's (SEC) regulations as a "syndication," meaning that some members are passive investors. If pooled funds are considered to be securities (stock) by the SEC the resulting legal fees will be substantial. Since in Colorado cooperative corporations are exempt from SEC regulations the housing co-op would be one good option for larger "shared equity"
or "limited equity" community investment projects. The Limited Liability Company may also be an option if none of the members are passive investors (do not live in the property owned by the LLC) or if the LLC files for an exemption from state and federal securities laws, such as with an "intrastate offering" or "private offering" or other exemption. (An excellent resource is: www.nolo.com, click on "Business" then "Ownership Structures" then "LLC," for any topic. See also: www.freeadvice.com and www.findforms.com)

Broderick Perkins recommends that deeds to equity-sharing properties can be held in joint tenancy, tenancy in common, a partnership or as a living trust. (For definitions go to www.nolo.com For free articles enter in the search box any term then click on "Entire Site" and search again.)

The "land contract," "lease-option contract" or the "contract-for-deed" is not a form of equity-sharing since in these at least one party is not on the deed. Perkins writes that the lease-option is appropriate for sellers when real estate markets are stagnant or deflating as they lock in the purchase price to be paid in the future. In the lease-option the occupier is a tenant and so does not benefit from any tax deduction, yet may receive a share of any appreciated value of the property. The contract-for-deed does just the opposite for the occupier, permitting interest deductions but not a share of the appreciated real estate value.

See the following:
• www.nolo.com is a great general legal reference, searching for "equity sharing" finds Agreement to Share Property and a Living Together Legal Guide, written for unmarried couples yet useful for groups
• www.freeadvice.com and www.findforms.com
• for equity-sharing tax rules see Internal Revenue Code 280A(d)(3)(B)
• for a Shared Equity Financing Agreement see www.geojohn-law.com/Real%20Estate/SEFA.html
• Equity Sharing Arrangements, William Bronchick: http://www.legalwiz.com/articles/equity.htm
• Market Ripe for Equity Sharing, Broderick Perkins: http://realtytimes.com/rtcpages/19990312_equitysharing.htm
• Equity Share Your Way to Ownership, J.P. Vaughan: http://www.creonline.com/articl41.htm
• The Home Equity Sharing Manual, David Andrew Sirkin: search at www.amazon.com

Financing Program - Limited-Equity Cooperative
See also page 38: "Cooperative Corporation" and "Nonprofit Corporation"

A method of preserving affordability of housing is the limited-equity housing cooperative. Either a nonprofit housing corporation or a cooperative corporation may own the property. As the value of the property appreciates over time, this equity does not accrue to member accounts as in the equity sharing design or as with a market-rate or equity cooperative. Instead, each member's share of stock in the cooperative (in many states stock in a cooperative corporation is exempt from securities laws) is limited in how much it can appreciate in value. This limit is specified in the articles of incorporation, bylaws, and/or the occupancy agreement, and may be related to the rate of inflation. Some states statutorily limit the amount of appreciation (10% in California), and even limit the initial cost of shares (5% of the unit cost in CA). A resident may also include in the sale price the cost of any improvements made on the unit.

Because of these controls, intended to assure housing affordability to low and moderate income homeowners over time, many sources of public funding are often available to limited-equity cooperatives. It is essential that ongoing member training on the limited-equity model be provided to members.

From: Cooperative Housing Compendium: Resources for Collaborative Living (Center for Cooperatives, University of California, Davis, 1993)
Lottie Cohen and Lois Arkin (pages 31-36 and 165)
For equity & limited-equity co-ops in Boulder, Colorado see: www.boulderhousingcoalition.org/models_limitedequity.html

Financing Program - Community Land Trust (CLT)

CLTs own the land but not the buildings and other improvements. See: www.colorado-housing.net/thistle/common/clt.asp For general information on CLTs see: Geonomics and Community Power: The Community Land Trust and the Public Benefits of Taxing Unearned Income, at: www.culturemagic.org/EgalitarianCommonwealth.html
Financing Program - Revolving Loan Fund

WALNUT STREET CO-OP
COMMUNITY REVOLVING LOAN FUND
www.icetree.com/walnut/revloan.html
Tree Bressen

Community Revolving Loan Funds are an amazing tool. When we converted our house to cooperative ownership, no bank was willing to offer us a mortgage. Out of necessity we searched for alternatives, and succeeded in purchasing our 9-bedroom home in Eugene, Oregon thanks to approximately 20 friends who gave us private loans. This is a fantastic model for alternative financing, a do-it-yourself empowerment that shifts power away from conventional institutions, toward creating a better world. This description is written to make the knowledge our co-op gained from creating this fund available for other groups to benefit.

We have a contract with each lender that specifies how much money is being loaned, for how long, at what interest rate, and any other terms. Our usual parameters are a $5,000 minimum loan, 5 year minimum time, and no more than 6% interest. We aim to be flexible, however, and every contract is different; for example, one loan requires us to maintain an advisory team. Our lenders have been very generous with us: some lent at 0% interest, others at 2-3%, and a few are using simple interest rather than compound interest; also some were able to commit for 10-15 years. We offer a way for people to invest in alignment with their values which our lenders appreciate.

Our loans are in the range of $5,000-20,000, except for one $120,000 loan from a person who met us when we had already raised over half the money we needed and offered to cover the rest.

Most of our payments are amortized at 30 years, which makes the payments affordable. If you are new to this scene, amortization means that the payments are stretched out over a really long time. That's how people of limited means are able to buy something big like a house. Thirty years is a typical amortization for a standard home mortgage from a bank. However, unlike a bank, most individuals cannot predict the course of their lives 30 years ahead and therefore are not prepared to commit their assets for that long. So instead the way our loans work is that we make small payments during the 5 years, acting as if it were a 30-year loan. But then at the end of the 5 years, we have to pay the entire remaining balance due—this is called a balloon payment.

That means that every 5 years our community will go through a refinancing cycle. We'll be asking each lender whether they'd like to turn the balance due on their loan back into the fund to lend to us again, or whether they want the money back. We'll need to replace all the loans that people want repaid, either with money from new lenders or with increased loans from existing lenders. This is somewhat risky, because if we were unable to find adequate new financing we'd have to sell our property to repay the loans. However, that risk seems very worth it to us, and after our experience so far we are reasonably confident in our ability to do the refinancing—after all, we were able to do it the first time around, and over time we are only going to become a more attractive investment because the community will have more equity in the property and a proven track record of repayment.

Our payments are quarterly rather than monthly, to reduce paperwork.

With the exception of our one large loan, the loans to our co-op are unsecured. That means they are not officially attached to our property in county records, in the event that the co-op dissolves and the house is sold. This is partly because we wanted all of our lenders beyond the one large loan to share an "equal second" position: meaning that if the house was sold and the money wasn't enough to pay back all the loans, everyone would get a proportion equal to the portion of their investment, to be fair. But when loans are secured with the property, they get priority in the sequence in which they were recorded with the county, so that all of A's loan is paid off before B gets anything. In order to give everyone an equal position we would have had to form a whole separate legal entity, and even then the lawyer we talked to wasn't sure it was doable. Also, having 20 separate loans attached to a property is very complicated, especially when the lenders change over the years. So instead, our loans are unsecured, and the contract with each lender explains that they are in an equal second position with other lenders.
Some of the loans have co-op members signed as personal guarantors. That means that if the co-op fails to make payments, each of those guarantors can be held responsible for the entire remaining balance of the loan. But even with that, what it really comes down to is that this whole community revolving loan fund deal is based on trust. Our lenders understand that we are committed to being in integrity with them, and that while we don't expect our co-op to fall apart, if it does we will do our utmost to fulfill our financial obligations. If the co-op dissolves, outside investors get paid in full before any co-op residents get paid anything. Because our house appraised at nearly $50,000 more than we paid for it and real estate values in our town are rising, it is extremely unlikely that we'd be unable to repay all the loans even if we did have to sell the property.

Our lenders come from a variety of sources. Some are active folks in the communities movement who believe in creating more intentional communities. Some are personal friends who felt moved to support a particular individual here. Some are supporters of a wonderful nonprofit that lives here, the Co-Intelligence Institute. We also received support from several organizations in the communities movement.

We attend to our relationships with our lenders; they are our friends and not just a source of financing. We strive to be honest with them, offering genuine appreciation and practical information without distortion or descent into puffery. We try to visit them when we are in their locale, send them a quarterly newsletter, explain to newer housemates who they are as people, and so on. Our lenders are a valuable part of our wider community and we are very grateful for their continued support.

When we started this fund, we created a beautiful, well-written packet that explained our project to prospective lenders. Our packet included the following components:
• Vision of what we are doing and why it matters
• History of our project and community
• Business plan
• Biographies of the core group
• International co-op principles (also known as the Rochdale principles), explanation of what a co-op is and of our type of community (limited equity co-op)
• Testimonial letter from a respected leader in the intentional communities movement
• Photos of the house (interior and exterior, with core group members in some of the pictures)
• Form for enrolling support (loans, donations, etc.)
• SASE

If you are setting out to create a Community Revolving Loan Fund for your intentional community or other project, my core advice is as follows: Believe in what you are doing and share your passion. Have everyone in your project make a list of everyone they know that has $5,000 or more (or whatever is your minimum investment) that they might be able to lend. Hopefully you will be surprised by how many names are on the list. You won't end up asking everyone on that list, but it gets you started seeing the possibilities.

Keep firmly in mind that you are offering lenders a service and an opportunity. You are helping them to live out their values in the world. At 3% interest you would be providing a higher profit than a savings account and a more reliable profit than many other investments.

It's all based on trust. Some people lent to us based on one conversation without ever seeing the packet, simply because they believed in the person asking—at first I was shocked by this, but I came to understand that trust is the central element in a lender’s decision. Be honest, transparent, and always act with integrity.

Sample Loan Contract

Loan Agreement - Walnut Street Cooperative
1680 Walnut St., Eugene, OR 97403
(541) 484-1156 walnut@ic.org

Lender hereby agrees to loan $amount to Walnut Street Cooperative for the purchase of property.

• Term of the loan is: # years
• The interest rate shall be #%, compounded on a quarterly basis.
• The amortizing payment of $amount shall be made every three months starting at the end of the first full quarter after the loan has been deposited by Walnut Street Cooperative. The loan is amortized at 30 years; however, at the end of the initial loan period of # years, the remaining principal will be due along with the interest payment.
• At the end of the initial loan period, the lender and Walnut St. Co-op may jointly elect to renew the loan at an interest rate and term determined at that time.
• In the event of the dissolution of the Co-op, lenders will receive the remainder of funds owed after the property is sold. In the event of dissolution, disbursements will be made in the following order:

1. Any debts that were secured in exchange for an interest in Walnut Street Cooperative property must be fully satisfied.

2. If any money remains, any debts that were not secured in exchange for an interest in Walnut Street Cooperative property must be fully satisfied.

3. Members will receive the amount of their financial investment in the Cooperative (according to specifications of the Bylaws with regard to equity and/or interest payments), or a proportional amount of the remaining assets, whichever is less.

4. All remaining money or assets will be distributed to a non-profit corporation which is organized to promote cooperative living, or another not-for-profit organization as determined by the members.

The loan from WHO is included in category (2) above. If the funds from sale are insufficient to repay all lenders in full, then all the lenders in category (2) will share a proportional amount of funds available. In the event that Walnut Street Cooperative elects to pay back the loan in part or in full prior to the conclusion of the term of the loan, there will be no penalty. Walnut Street Cooperative will issue an annual 1099-int form to the lender and to the IRS outlining the interest accrued during each one year period.

**Agreed by Lender:**

<table>
<thead>
<tr>
<th>Signed</th>
<th>Printed</th>
<th>Social Security #</th>
<th>Date</th>
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<tbody>
<tr>
<td>Address</td>
<td>Phone</td>
<td>Email</td>
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**Agreed by Walnut Street Cooperative:**

<table>
<thead>
<tr>
<th>Secretary/Treasurer</th>
<th>Date</th>
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Walnut St.'s Community Revolving Loan Fund was inspired and assisted by a similar entity at Los Angeles Eco-Village. Their fund is outlined at the LAEV website: www.ic.org/laev/elf.html

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**Financial Resources - Loan Sources**

The term "revolving loan" is used in two ways. Lenders have "revolving loan" funds offering money to various borrowers, or borrowers may create a "revolving loan" program attracting funds from a number of different lenders at different times. The following list of revolving loan funds is by Tree Bressen: www.icetree.com/walnut/revloan.html

Institute for Community Economics (ICE) Their bureaucratic wheels turn slowly and they require huge amounts of documentation, but they can lend over $100,000 if your project is structured as a land trust or limited equity cooperative. www.iceclt.org

PEACH (Protected Equity Accessible for Community Health): The member communities of the Federation of Egalitarian Communities (FEC) operate their own health risk fund, a portion of which is available for investment in intentional communities. This is a great cooperative resource. Contact the PEACH administrator for more information at laird@ic.org or 660-883-5545. www.thefec.org/projects/peach

Sunrise Credit Union is the only credit union in the U.S. based in an intentional community (Sunrise Ranch in Loveland, CO). Credit unions, especially young ones, are closely monitored by federal agencies so they are somewhat limited in flexibility, however they offered us a substantial loan if we proffered a qualified co-signer. www.sunrisecreditunion.org

Permaculture Credit Union: This is an even newer credit union, and they are not set up to lend in very many states yet, but contact them to find out if they are a resource in your area. www.pcuonline.org

NASCO (North American Students of Cooperation) lends money to cooperatives that fit current lending parameters, through their CCDC development company. www.nasco.coop

In theory the National Cooperative Bank should be a source of financing for projects, but we were told we were too small for them to even consider. However, if you are converting an apartment building they'd probably be interested. www.ncb.coop

Try asking intentional communities and intentional community organizations, particularly in your region.
Legal Designs • Collective Community

The first step for those creating a new community is to clarify the group's values and intentions. After a process of self-definition, the new community may then search for the most appropriate form of legal structure to fit, avoiding as far as possible the situation of shaping the community to fit the law. It is possible for communities to function without any legal status, or as an unincorporated association. However, this may not be secure in the long term, particularly if a substantial amount of property is involved.

Some of the primary issues in designing the legal structure for an intentional community are:
• From where does the money come for land purchase and what obligations result for the group?
• How to plan for paying land and income taxes?
• Who is to receive the equity or how is the group to collectively hold the equity?
• What happens when a member leaves the community; what part of the group assets do they take?

How the group answers these questions will suggest which form of legal structure will be most appropriate for the community to use. These questions and more must be answered in the organizational bylaws and articles of incorporation, and examples of how a few different communities have done so are presented in the following sections.

There is considerable flexibility afforded by most forms of state incorporation and Internal Revenue Code sections, and intentional communities are found under many of these different forms of legal organization. However, only a few of the many options are presented in this document. For a more complete survey (although the condominium form used by cohousing communities is not included as of this writing) see: Community, Inc.: Legal Incorporation for Intentional Community, at: www.culturemagic.org/EgalitarianCommonwealth.html

This paper only presents in depth the following:
• the partnership and the
• cooperative corporation.

This is partly as it is only for these that examples of bylaws and other documents have been made available for this publication. Find them at the end of this paper. Short presentations, however, are included on:
• limited liability company,
• limited liability partnership,
• limited partnership association and the
• nonprofit corporation.

Other forms of incorporation are simply mentioned in the graphic "Forms of Legal Incorporation Used by Intentional Communities," appearing just before the sample documents. As communities using different forms of incorporation make their bylaws available this paper will be expanded.

As the intent of this paper is to focus upon forms of intentional community that are accessible to people without a lot of money or property, only those forms of legal structure that require the least amount of financing are included. That leaves out most forms of the cohousing community design, although a few have been able to attract funds to help low-income members. Since the 501(d) tax-exempt organization requires community-owned businesses that option is omitted. All other forms of tax-exempt organization are also omitted, and the nonprofit corporation format is only mentioned. This effectively leaves out all forms of community land trusts. The reason for minimally mentioning the nonprofit structure and for omitting entirely the tax-exempt structures is only partly due to their being either more complicated or more expensive. Another reason has to do with the view that few people want to build forms of community that involve commonly-owned community assets.

Those who are interested in legal and economic designs for communal intentional community may see: www.culturemagic.org/TimeBasedEconomics.html

Information on other structures appropriate for collective communities, such as Subchapter S and other limited liability structures, will be added when material is available.

***

Thanks to Barbara Moore and Martha J. Karnopp for the Tiospaye partnership bylaws, to Tree Bressen for the Walnut Street Cooperative documents, to Lincoln Miller for the Masala documents, and to Linda Joseph for the EarthArt documents. And thank you to all who have offered over the years their expertise for my education in legal structures used for community.
LEGAL RESOURCES

See: www.freeadvice.com and www.findforms.com
Community, Inc.: Legal Incorporation for Intentional Community www.culturemagic.org/EgalitarianCommonwealth.html A. Allen Butcher

Following is the list of options in Community, Inc., with examples of communities using them:

Partnership:
• Aloe, NC; New Sunrise, MO; Kerista, CA

Cooperative:
• Alpha Farm, OR

Nonprofit: Shannon Farm, VA

For-Profit: Dunmire Hollow, TN

Sub Chapter S: White Buffalo Farm, CO

Sub Chapter T: None

IRC 501 (c)(3):
• Ananda, CA; High Wind, MN; Shiloh, CA

IRC 501 (c)(2): Hawki ll, MO

IRC 501 (c)(4): None

IRC 528: Common Ground, VA; Bryn Gweled, PN; and Harvest Hills, MO

IRC 501 (d): Twin Oaks, VA; East Wind, MO

IRC 501 (c)(6):
• Federation of Egalitarian Communities, MO

Community Development Corporation (CDC):
• NASCO, MI; Stelle, IL; Cerro Gordo, OR

Community Land Trust (CLT):
• Institute for Community Economics, MA;
• CLT of the Southern Berkshires, MA;
• School of Living Community Land Trust, VA

For additional information about community land trusts see Geonomics and Community Power: The Community Land Trust and the Public Benefits of Taxing Unearned Income at the URL at the top of this column.

Options to be added in revision and expansion of Community, Inc. include:

Common Interest Ownership Associations:
• cohousing communities (includes: condominiums, planned unit developments (PUD), and cooperative corporations)

Limited Liability Partnerships and Associations

Business Trust

Limited Liability Company: Sowing Circle, CA

IRC 501 (c)(7): Shenoa, CA

Fellowship for Intentional Community (FIC)

Legal Options for Intentional Communities www.ic.org/pnp/cdir/1995/27butcher.html

Several writers provide a synopsis of the range of legal structures used by intentional communities.

COMMUNITY LAND TRUSTS (CLT)
E. F. Schumacher Society — Box 76, RD 3, Great Barrington, MA 02130 (413) 528-1737.

Decentralist Library. Community Land Trust Handbook, lease agreements, homeowner association agreements, bylaws, etc, of the CLT of the Southern Berkshires.

School of Living (SoL)—R.D. 1, Box 185A, Cochranville, PA 19330 (215)593-6988.

Land trusts in three Mid-Atlantic states.

Sample Leases: Limited Equity Land Lease, Full Equity Improvement Lease, Herb Goldstein, 1990, 8 pgs.


Institute for Community Economics (ICE) — 57 School Street, Springfield, MA 01105-1331.


CONDOMINIUMS and other forms of COMMON INTEREST COMMUNITIES


COHOUSING COMMUNITIES

The CoHousing Company — Kathryn McCamant, Charles Durrett, 1250 Addison Street #113, Berkeley, CA 94702 510-549-9980.

Puget Sound CoHousing Network—Rob Sandelin, 22020 East Lost Lake Rd., Snohomish, WA 98290 (206)936-7157.


Professional development services.

Cohousing Resources — Chris Hanson, 174 Bushby St., Victoria, B.C. V8S 1B6 Canada (604)480-4815. Consulting, training and workshops.
**Forms of Legal Organization used by Intentional Communities**

### STATE
- **File with the Secretary of State.**
  - Cooperative Corporation (Called in some states: Mutual Benefit Corp.)
    - Ex: Alpha.OR
  - For-Profit Corporation
    - Ex: Dunmire, Tennessee
  - Limited Liability Partnership
    - Ex: Proposed
  - Limited Liability Company
    - Ex: Sowing Circle, CA
  - Non-Profit Corporation
    - Ex: Shannon Farm, VA

### COUNTY
- **File with the Clerk of Records.**
  - General Partnerships and Unincorporated Associations
    - Ex: Aloe, New Sunrise, Kerista — all disbanded.
  - Homeowners Associations: Condominiums and Planned Unit Developments (PUD). May also be called: community association, common interest community or planned community.
    - "Nearly one in eight Americans lives in a Common Interest Ownership Association (CIOA)." Community Associations Factbook, 1993.
    - Ex: Cohousing Comm.

### FEDERAL
- **File with the Internal Revenue Service.**
  - There are over one million tax-exempt organizations in the U.S.A.
  - General Partnerships and Unincorporated Associations
    - Ex: Aloe, New Sunrise, Kerista — all disbanded.
  - Limited Liability Partnerships
    - Ex: Proposed
  - Limited Liability Partnership
    - Ex: Sowing Circle, CA
  - Non-Profit Corporation
    - Ex: Shannon Farm, VA

- **NO FILING NECESSARY.**

- **Deed or Declaration of Trust:**
  - Grantor(s) - create the trust
  - Trustee(s) - manage the trust
  - Beneficiary(ies) - those who have access to the trust property.

Note: Dotted line indicates that a particular form of organization may incorporate via another legal structure.

### The ECONOMIC CONTINUUM:
**Showing which Legal Structures are used for particular forms of Intentional Community**

<table>
<thead>
<tr>
<th>Sharing Commonly-Owned Property</th>
<th>Mixed-Economy Communities</th>
<th>Sharing Privately-Owned Property</th>
</tr>
</thead>
<tbody>
<tr>
<td>Any community can function communally, but legally enforced common ownership requires 501 (d), (c)(3) or (c)(2) structures. State non-profit structures can be privatized.</td>
<td>Can be any structure but rarely 501 (d) or (c)(7). Land trusts are most often nonprofit, some with land under 501 (c)(3) or (c)(2).</td>
<td>For-profits, subchapter S, partnerships, cooperative corporations, homeowners associations, limited liability companies. (Non-profits can privatize by amending their Articles of Incorporation.)</td>
</tr>
<tr>
<td>Communal Communities Group Marriage Communities Monastic Societies</td>
<td>1. Community (non-resident brd.-of-drctrs) &amp; Private Land Trusts. 2. Communal/Collective Communities (include a communal core group with other members who hold private property).</td>
<td>Collective Communities, such as: Cohousing Communities Housing Cooperatives (a Collective Community can agree to function communally; its structure remains collective)</td>
</tr>
</tbody>
</table>

*Second draft: Allen Butcher, 1997 PO Box 1666, Denver, CO 80201*
Partnerships and Limited Liability

The general partnership can be thought of as a small group of individual proprietors operating a common business. As such, each partner pays taxes on one’s own share of the profits, whether retained in the business or distributed to the partners, and each general partner is wholly liable for any partnership debt. Many community projects begin as partnerships, as there are no filing or other governmental fees required, and as individual tax rates are usually lower than corporate rates. Then, as the business becomes stable, some form of limited liability is often sought.

A partnership agreement can be as simple as a verbal agreement and a handshake. If a community is formed without a formal agreement, the IRS and the courts will usually rule that the community is operating as a partnership. Even though a written partnership agreement is not required, it is wise to reduce the possibilities of future misunderstandings by documenting the intentions of the partnership, responsibilities of the partners, property rights and sharing, compensation to departing partners, and how to change or amend the agreement.

The limited partnership, unlike the general partnership, is required by law to have a written agreement and to file with the IRS. A “limited” partnership allows investors to become partners, but only their investment is at risk. The limited partner can participate in management only to a small degree, otherwise the partnership may lose its limited status. There must always be at least one general partner who will assume full risk and responsibility.

Technically, anytime there is a change in the number of general partners, that organization dissolves and a new set of books is opened for the new partnership. A “continuing” partnership, however, can provide for a flow of short-term partners without a mandatory dissolution. Accounting and law firms are often organized in this manner, with a core of senior partners providing consistency while short term associates flow through. A partner can never be an employee, so the partnership would not have to pay social security or compensation, unless other persons are contracted as employees.

In structuring a collective business, the continuing partnership may be a comfortable method to provide for turn-over. More committed individuals may then move into senior partner positions as they choose to accept managerial responsibilities. Although this structure worked for a community supported by a business called Cottage Industries Forestry in Colorado, the partnership structure proved problematic in the cases of Aloe Community, North Carolina and New Sunrise, Missouri. (New Sunrise became Sweetwater Community under the Ozark Regional Land Trust.) In both Aloe and New Sunrise, the land title was jointly held by several persons. When problems led to failure or transition, a final settlement of the disposition of the land was very difficult since one or more of the partners either could not be found or refused to cooperate.

A creative community design which can only be described as a partnership agreement is that maintained by Kerista Community in San Francisco. Kerista has a for-profit business, called Abacas, Inc., and two tax-exempt organizations; one scientific/educational, the other charitable/religious. One account, called “SPA,” is kept separate from these corporate entities and used to manage the community’s “voluntary wealth limitation” agreement. Each member is permitted to keep a certain amount of money in their personal account, with surpluses contributed to SPA and deficiencies drawn from it on a monthly basis. Apartment rents, food, auto and other living expenses are paid out of the SPA account, and surpluses are donated each month to the tax-exempt entities or to the SPA trust fund. The SPA account owns no property, it’s balance is kept low, and any interest income is divided among the account partners in their personal tax reporting.

The following material is from the State of Colorado: http://www.state.co.us/oed/guide  Also, search at www.colorado.gov "Colorado Revised Statutes"

Limited Liability Company
See: Page 29 "Financing Program - Equity Sharing"
See: Colorado Revised Statutes, Title 7-Corporations & Associations, Article80-Limited Liability Company

A Limited Liability Company (LLC) is a relatively new form of business structure. The Colorado Limited Liability Company Act was adopted in 1990. An LLC combines the concepts of partnerships for tax purposes and corporations for liability purposes. LLCs are created by filing “Articles of Organization” with the Secretary of State. While similar, LLCs are NOT corporations. In an LLC, the owners are called members. The members may elect or hire a
manager(s) to run the business. As in a corporation, the owner(s)/member(s) may elect themselves to be the manager(s).

Advantages: Members are protected from personal liability similar to corporation shareholders, while the entity has all the flexibility of a partnership.

The IRS has determined that LLCs may elect to be treated as partnerships or corporations for income tax purposes. A Colorado LLC will be treated as a partnership if there are two or more owners, unless the LLC elects to be taxed as a corporation. However, state law allows the formation of an LLC by a single individual. In that case the IRS will treat the LLC as a sole proprietorship. Because LLCs are a new form of legal structure and various questions remain unanswered, it is recommended that you consult a knowledgeable attorney if considering the formation of an LLC.

Disadvantages: LLCs are a recognized legal structure in all states. However, tax and liability treatment of an LLC is not uniform across state lines. There may also be limitations on the transferability of ownership in certain situations. In that case the IRS may treat the LLC as a sole proprietorship.

Limited Liability Partnerships & Limited Liability Limited Partnerships

See: Colorado Revised Statutes, Title 7 - Corporations & Associations, Article 60 - Uniform Partnership Law

The Limited Liability Limited Partnership Act became law July 1, 1995. The intent of the law is to create a form of legal structure which is similar to S Corporations and Limited Liability Companies. Registered Limited Liability Partnerships (LLP) and Registered Limited Liability Limited Partnerships (LLLP) limit a partner’s personal liability in the business to their personal investment in the business, except in areas related to their personal professional conduct. LLPs and LLLPs will usually be taxed as partnerships but may elect to be taxed as corporations. Both entities are created by filing a “Registration Statement” with the Colorado Secretary of State. The partners in LLPs and LLLPs are directly considered the operators of the business. There is no election of officers or managers as in corporations or LLCs.

Advantages: New businesses and existing general partnerships (currently registered with the Colorado Department of Revenue) may register as a Registered Limited Liability Partnership. Existing limited partnerships (currently registered with the Colorado Secretary of State) may register as a Registered Limited Liability Limited Partnership and gain liability protection for all partners without a complete reorganization of the business. The liability protection is similar to the protection provided to the owners of a corporation. Once an LLP or LLLP has been registered with the Colorado Secretary of State, no other business may register with the Colorado Secretary of State using the same name. The intent of the law is to gain the benefits of the partnership form of business while limiting the personal liability of the owners.

Disadvantages: LLPs are primarily for businesses where all the owners belong to a single licensed profession, e.g. CPAs, attorneys, doctors, etc. It is not a recognized form of legal structure in all states. Consult a knowledgeable attorney.

Limited Partnership Association

See: Colorado Revised Statutes, Title 7 - Corporations and Associations, Article 63 - Colorado Limited Partnership Association Act

The Colorado Limited Partnership Association Act created the new form of legal structure called the Limited Partnership Association (LPA) and became law on July 1, 1995. This new entity is created by filing “Articles of Association” with the Colorado Secretary of State.

Advantages: The main difference between a limited partnership association and a partnership or limited liability partnership is that the association has an indefinite life. Its existence terminates upon the affirmative vote of all of its members or as otherwise provided in the bylaws and by filing articles of dissolution with the Colorado Secretary of State. The association’s existence does not terminate upon the disassociation, death or bankruptcy of a partner. Under the Act, LLCs may convert to LPAs in the same fashion that they could convert to partnerships or limited partnerships under the Limited Liability Company Act.

Disadvantages: LPAs must have at least two persons as business members. This structure is very new and at this time there are few interpretive guidelines.
Cooperative Corporation

See also: "Limited-Equity Cooperative" page 29.

For those communities that have access to a good cooperative corporation law in their state, this form of incorporation can be easy and comfortable. Every state, however, has a different cooperative corporation law, and many permit only particular types of cooperatives, since the law was usually written to accommodate only certain interests such as agricultural marketing, electric or credit union cooperatives. Some states have cooperative corporation laws which state something to the effect of: "Business activity is not restricted; cooperatives may conduct business for any legal purpose." States which permit incorporation as "cooperative" appear to provide quite adequate coverage for a small community and its support industries. There has been an effort on the part of several state cooperative associations to amend their state cooperative corporation statutes to allow all forms of cooperatives; consumer, worker, and (inadvertently) intentional community. Examples of the latter: Alpha, OR and EarthArt, CO

Cooperative corporations enjoy all benefits common to corporations, such as limited liability, perpetual existence, and tax deductible fringe benefits for member-employees. In addition, a cooperative corporation can sometimes issue non-transferable membership shares in place of shares of stock and enjoy an exemption from both the Federal Securities and Exchange Commission and the State Securities Department. Usually, cooperative corporations must include in their articles and bylaws provisions for observing the basic cooperative principles: Open membership, Democratic control (one-member one-vote), political neutrality, and no profit motive (limited return on share capital and patronage refunds). From: Peter J. Honingsberg, Bernard Kamoroff, Jim Beatty, We Own It: Starting and Managing Co-ops, Collectives & Employee Owned Ventures (Bell Springs Publ., Laytonville, CA, 1982) p.54.

A problem with the cooperative corporation is that a default by any member in paying rent or a share of a mortgage obligates the other members to pay more, and failure to pay can result in foreclosure on the whole cooperative. This problem also exists with partnerships, nonprofit organizations, and any form of corporation, yet is only avoided in cohousing communities since they use the condominium legal structure. As communities using the condominium structure are expensive for new members to buy in they are not discussed in this paper.

Nonprofit Corporation

Shannon Farm in Virginia is an example of a community organized as a non-profit corporation. Obtaining state non-profit status is not difficult if the basic requirements are followed, some of which are listed in the next two paragraphs. Many communities use the non-profit status for incorporating the community itself, then the partnership, for-profit or cooperative corporation is used for their industrial activities. The state non-profit status is also a prerequisite to obtaining tax-exempt status.

Like all corporations, the non-profit is permitted perpetual existence, the paying of wages and benefits to member-employees, limited liability, and to enter property transactions and court suits. State non-profit status exempts the corporation from paying state income taxes, employment taxes, and the franchise tax, a state income tax imposed on corporations in some states. The corporation must have bylaws, officers, board of directors, meetings and rules of procedures.

A non-profit corporation can engage in a profit making activity. The state’s concern in this is not whether the corporation is breaking even or realizing a profit, but rather, the concern is in what is being done with the profits generated. A non-profit corporation may retain its profits for its own use, donate them to other non-profit corporations, or pay out its profits in wages and benefits to its member-employees, so long as these are comparable to wages and benefits paid for similar work in similar fields. The non-profit corporation may not distribute what are called, “gains, profits or dividends” as this practice is contrary to the intent of non-profit law. Further, the non-profit corporation may not issue corporate stock or certificates of ownership, but the issuing of memberships is usually optional and these memberships are usually exempt from securities and stock permit laws. From: Peter J. Honingsberg, Bernard Kamoroff, Jim Beatty, We Own It: Starting and Managing Co-ops, Collectives & Employee Owned Ventures (Bell Springs Publishing, Laytonville, CA, 1982) p.50.

Usually, if a non-profit corporation is dissolved, residual assets must be donated to another non-profit. Yet, in the case of Cooperative Homesteads, Inc., revising their Articles of Incorporation to a for-profit status enabled members to split the assets. See: Stucki and Yeatman, "Community Land Trusts," 1990/91 Directory of Intentional Communities, FIC/CPC, p. 105.)
Sample Document - Partnership Agreement

THIS AGREEMENT is made by and among the following-named people: ... all of whom reside at Littleton, Colorado, who are the sole Partners of the TIOSPAYE Partnership, with its principal place of business at Littleton, Colorado (hereinafter referred to as the ‘Partnership’).

Premises
1. The Partners are the sole owners of all the assets of the Partnership, each Partner being the owner of Twenty Percent (20%) of the Partnership.
2. The purpose of the Partnership is to create an intentional family and to own a* home in which the Partners will live together, in accordance with the agreements set forth below.
3. The Partners intend by this agreement to provide for the rights and obligations of the Partners and their estates in the event of a) the death or disability of a Partner; b) the desire of a Partner to leave the family and sell her Partnership interest; or c) the decision of the Partners to accept a new partner to the Partnership.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained in this agreement, the parties agree as follows:

ARTICLE I: DAY-TO-DAY OPERATIONS

The parties shall meet not less often than monthly to discuss and decide issues as to the day-to-day operations of the home. All decisions shall be made by consensus of all partners. Minutes of meetings of the Partners shall be kept, and all decisions recorded.

ARTICLE II: FINANCIAL MANAGEMENT

2.1 Each of the five Partners shall pay equal amounts monthly into a Partnership account. The initial amount shall be the sum of $250.00 per month, and it may be changed from time to time by consensus of the partners.
2.2 The Partnership may from time to time rent certain rooms to individuals or organizations as the Partnership shall decide.
2.3 The Partnership account shall be used to pay for the following items, plus such other items as the Partners may agree upon from time to time: monthly mortgage payment, homeowners’ insurance, utilities, homeowners’ association dues, cable television, lawn care, purchases of household equipment, supplies and improvements. Records shall be maintained as evidence of property purchased by and belonging to the Partnership.
2.4 The duties of keeping the Partnership accounting records shall rotate among the Partners. The records of the Partnership shall be open for inspection by all Partners or their legal representatives at all times.

ARTICLE III: OWNERSHIP OF HOME

3.1 The home at ... Littleton, Colorado, was purchased on February 29, 1996 in the name of ... funds in the amount of approximately $68,000.00 for the down payment were paid by ..., and the mortgage, held in the name of ..., is for approximately $179,000.00 at a rate of 8.5 percent per annum. The purchase price was $239,000.00. In addition, paid for approximately $20,000.00 for improvements to the home after the purchase, and contributed $2,000.00 worth of labor in improvements to the home.
3.2 Partners ... shall each execute, no later than August 31, 1997, a promissory note payable to ... or the survivor of them, in the following approximate amounts: ... $15,300.00; ... $17,300; and ... $417,300.00. These promissory notes shall bear interest at the rate of nine (9) percent per annum from the date of purchase of the home, and shall be payable upon such terms as the Partners shall determine. Any Partner shall have the right to prepay his or her promissory note without penalty at any time.
3.3 ... shall hold title to the home as nominee for the partnership, and she shall execute a quitclaim deed to the partnership. The deed shall be kept with the Partnership records and remain unrecorded until such time as the Partners agree that it should be recorded. ... will receive the entire mortgage interest deduction for income tax purposes for each year the mortgage is in her name, and she shall credit or pay, at her option, each partner the amount of her total tax savings as a result of the mortgage interest deduction divided by the number of Partnership shares existing at the end of a calendar year, in April of the following year.
ARTICLE IV: TRANSFER OF PARTNERSHIP SHARE

4.1 No partner shall sell, assign, transfer, pledge or dispose of any of her respective share in the Partnership by operation of law or otherwise except as provided below.

4.2 In the event that a Partner desires to withdraw from the Partnership, he or she shall first notify the other Partners in writing. The other Partners shall determine the value of the partnership share of the withdrawing Partner, as provided in Article V below within thirty days after notification. The remaining Partners shall execute a promissory note in the amount of the value of the share, to be paid at a rate of nine percent over a period not to exceed the length of time the withdrawing Partner owned his or her partnership share.

4.3 In the event the Partnership decides to accept a new Partner, the value of the new partnership share shall be determined as provided in Article V below, except that the net value shall be divided by the number of Partners including the new Partner. The new Partner shall pay to the Partnership the value of the new share upon such terms as shall be deemed acceptable by the Partnership, and shall thereupon assume the rights, duties and obligations of an original Partner.

4.4 In the event a Partner desires to withdraw from the Partnership and the Partnership agrees to accept a new Partner in lieu of the withdrawing Partner, the new Partner may pay directly to the withdrawing Partner the value of his or her partnership share and assume the rights, duties and obligations of the withdrawing Partner. In that event, the Partnership and the remaining individual Partners shall have no liability to the withdrawing Partner for his or her share.

4.5 Upon the death of any Partner, the surviving Partners shall pay to the estate of the deceased Partner the value of the deceased Partner’s partnership share, now owned or hereafter acquired. Such payment shall occur within such time as the parties may agree, but in no event shall such payment be consummated more than 90 days after the later of (a) qualification of the deceased Partner’s legal representative and (b) the collection of the life insurance proceeds from a policy or policies on the life of a deceased Partner as listed in Schedule A of this agreement. The value of the Partnership share shall be determined as provided below in Article V.

4.6 A withdrawing Partner or the legal representative of a deceased Partner shall make, execute and deliver any documents necessary to carry out the provisions of this agreement. This agreement shall be binding upon the Partners, their heirs, legal representatives, successor or assigns. A withdrawing Partner or the legal representative of a deceased Partner shall also execute a waiver of any right of accounting on the part of the remaining Partners. At the same time, the remaining Partners shall execute an agreement indemnifying the estate of the deceased Partner or the withdrawing Partner against all liabilities of the partnership. With respect to a deceased partner’s partnership share, the sale shall take effect as of the close of business on the day of death of the deceased Partner.

ARTICLE V: VALUATION OF PARTNERSHIP SHARES

Each year during the month of April, the Partners shall agree upon the value of the Partnership and such value shall be stipulated in writing signed by each of the Partners on Schedule B attached to this agreement. This value shall be divided by the number of Partners to determine the value of an individual partnership share. If the Partners fail to stipulate a value for a particular year, the last previously stipulated value share shall control. Nevertheless, if the Partners have not so stipulated a value within two (2) years prior to the date of death of a Partner, the value of the Partnership shall be agreed upon by the representative of the deceased partner and the surviving Partners. Upon the death of a Partner, the partnership shall be valued as of the day before the Partner’s death. In the event of a notification of an intent to withdraw by a Partner, where the Partners have not so stipulated a value within two (2) years prior to the notification by a withdrawing Partner, and the Partners cannot agree upon a valuation within 30 days, such value shall be determined by submitting the matter to arbitration as provided for by this Article. The remaining Partners jointly and the withdrawing Partner or his representative each shall name one arbitrator. If the two arbitrators cannot agree upon the value of the Partnership within 30 days, they shall appoint a third arbitrator within a reasonable period of time and decisions of the majority shall be binding upon all parties.

ARTICLE VI: PROTECTION OF PARTNERSHIP SHARES

6.1 The Partnership shall apply for and be the owner
of insurance on the lives of the Partners. The Partnership shall pay the first and all subsequent premiums as they become due and to give proof of payment to the insured within twenty (20) days after the due date of each premium. In the event any premium is not paid within twenty (20) days after its due date, the insured shall have the right to pay such premium and be reimbursed therefore by the owner of the policy. The Partnership shall elect to have the proceeds of insurance on the life of a Partner paid in a lump sum. Any Partner may purchase additional insurance on the life of a Partner for purposes of funding his obligations under this agreement and the insured Partner agrees to do all things necessary to enable the partner to obtain the additional insurance. Such additional policies shall be listed in Schedule A and shall be held subject to the terms of this agreement.

6.2 If the Partnership receives life insurance proceeds by reason of the death of a Partner, it must first apply these proceeds to the value of the Partnership share which is payable to the estate of the deceased Partner under the provisions of Paragraph 4.6. Any excess of proceeds over the purchase price shall go to the estate of the deceased Partner. In the event that the proceeds of any life insurance owned by the Partnership under this agreement are less than the value of the deceased Partner’s partnership share, the balance thereof shall be paid in 12 consecutive quarterly installments beginning within 90 days after the death of a Partner. Such unpaid balance of the purchase price shall be evidenced by a promissory note executed by the purchasing Partners to the order of the estate of the deceased Partner, with interest at 8.5 percent compounded annually. The note will be secured in a manner that is acceptable to all the parties to this agreement, provided that, if the parties cannot agree on the security, all of the Partnership shares of the remaining Partners shall be pledged as security for the payment of the note, and the purchasing Partners shall be entitled to exercise all right of ownership in such Partnership shares prior to default in payment of principal or interest.

6.3 If a Partner should decide to withdraw from the partnership, the withdrawing Partner shall have the right to purchase from the Partnership the value of any insurance owned by Partnership on the withdrawing Partner’s life. If the withdrawing Partner declines to purchase such insurance, any cash surrender value shall be divided equally among the Partners, including the withdrawing Partner.

6.4 If, at the end of three months of continuous total disability, a disabled Partner shall still be totally disabled, the other Partners shall have the right, but not the duty, to purchase all, but not less than all, the disabled Partner’s partnership share upon the same terms and conditions set forth in Paragraph 4.3.

ARTICLE VII: ADMINISTRATIVE PROVISIONS

7.1 This agreement may be altered, amended or terminated by a writing signed by all of the Partners.

7.2 This agreement shall terminate on:
   a. Written agreement of the Partners. No modification, termination or waiver shall be valid unless in writing and signed by the party sought to be charged thereunder; or
   b. Dissolution, bankruptcy or insolvency of the Partnership; or
   c. Death of all Partners, simultaneously or within a period of 60 days.

7.3 With respect to a policy of insurance issued pursuant to this agreement, the life insurance company shall have no liability except as set forth in the policy. Such Company shall not be bound to inquire into or take notice of any of the covenants herein contained as to policies of life insurance, or as to the application of the proceeds of such policies. It shall be discharged from all liability in making payments of the proceeds, and in permitting rights and privileges under a policy to be exercised pursuant to the provisions of the policy.

7.4 This agreement shall be governed by the law of the state of Colorado.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals this 4th day of September, 1997, nunc pro tunc February 29, 1996.
Sample Document - Cooperative Corporation

WALNUT STREET COOPERATIVE
BYLAWS
http://icetree.com/walnut/index.html#house

§1 NAME AND PURPOSE
1.10. Name: The name of the cooperative corporation is Walnut Street Cooperative, also referred to herein as “the Cooperative.”

1.20. Vision: The vision of the Cooperative is to create a sustainable society where people are cooperatively living, learning, and working together.

1.30. Mission: The mission of the Cooperative is to provide a dynamic model of affordable, ecologically responsible urban cooperative living that serves its community and the healthy transformation of the society around it. We seek to create a fertile ground for mutual support, shared activities, deepening knowledge of ourselves and of group process, and a sense of loving connection. We want to actively serve others as an inspirational model of living and working together to create community and social change, among ourselves and with the people of the Eugene area and beyond.

1.40. Values: The Cooperative seeks to promote the values of cooperation, community, communication, democracy, ecological sustainability, fairness, personal awareness, and collective intelligence.

§2 DEFINITIONS
2.10. Member: A person who:
(a) has been living at Walnut Street Cooperative for at least 6 months;
(b) has been accepted as a member by a Full Input Member Decision;
(c) has signed a valid Membership Agreement and is upholding the terms of that agreement;
(d) has not been expelled or voluntarily terminated their membership;
(e) is currently residing at Walnut Street Cooperative property.

Members are entrusted with and responsible for the long-term welfare of the Cooperative. They are entitled to full participation and share legal authority and responsibility for making all decisions on behalf of the corporation, including the right to block consensus on a decision. They also have equity and other financial rights and responsibilities that renters do not have.

2.15. Renter: A person who:
(a) has been accepted as a Resident by a Full Input Resident Decision;
(b) has signed a valid Rental Agreement and is upholding the terms of that agreement;
(c) has not been expelled or voluntarily terminated their residency;
(d) has paid fees as described in the Rental Agreement; and
(e) is residing at Walnut Street Cooperative property.

They are entitled to full participation in decisions on the day-to-day operations of the household and on who moves in, including the right to block consensus on a decision. On decisions about Bylaws, expulsion, and related to long-term management of the house as a capital asset, they are encouraged to give input on the decision but may not block consensus.

2.20. Resident: Any Member or Renter at Walnut Street Cooperative.

2.25. Co: A gender-neutral pronoun, equivalent to her/him and she/he.

2.30. Consensus: The process used to make decisions, wherein all participants must consent before action is taken. The spirit of consensus includes a shared understanding of why it makes sense to move ahead with a particular proposal. The process seeks to synthesize the wisdom of the group to produce the highest quality decision possible.

2.32. Support: A term used in the consensus decision-making process for those who agree with and support a proposed decision.

2.34. Stand Aside: A term used in the consensus decision-making process to describe the action of those who are willing to let the group (including
themselves) go forward with a proposed decision, but find themselves significantly not in alignment or holding substantial concerns about the proposed decision.

2.36. Block: A term used in the consensus decision-making process by someone who feels called to stand in the way of a proposed decision because co believes the group is making an extremely unwise, irresponsible, or immoral decision, or one in conflict with the basic purpose for the group’s existence.

2.38. Vote: Any time a Resident agrees with and supports, stands aside from, or blocks a proposal using the consensus process.

2.40. Membership Meeting: A meeting open to all Walnut Street Cooperative Members at which decisions regarding membership, purchase of property, changes in Bylaws, expulsions, and any other matters which the membership deems important may be made.

2.45. Residents Meeting: A meeting open to all Walnut Street Cooperative Residents.

2.50. Special Meeting: Any meeting that takes place not at the usual time, with less than 3 days notice.

2.55. Regular Consensus Decision: A decision reached by the consensus process by a quorum of Residents at an appropriately posted Residents or Membership Meeting. Only those Residents at a meeting have authority to make regular consensus decisions on behalf of Walnut Street Cooperative. In this type of decision, Residents not present at the meeting need not be consulted.

2.60. Full Input Member Decision: A decision reached by the consensus process by a quorum of the Members at a Membership Meeting on which all Members not present at that meeting will be given an opportunity to offer input if possible.

2.65. Full Input Resident Decision: A decision reached by the consensus process by a quorum of Residents at an appropriately posted Residents Meeting on which all Residents not present at that meeting will be given an opportunity to offer input if possible.

2.70. Expulsion Decision: A decision made by the Members, used exclusively for issues related to expulsion.

2.80. Walnut Street Cooperative Property: Any land, buildings, or common material possessions that are owned, rented, or leased by the Walnut Street Cooperative.

2.85. Residing at Walnut Street Cooperative Property: An individual is considered to be residing at Walnut Street Cooperative property when they are sleeping an average of at least two nights a week over a ten-week period at Walnut Street Cooperative property, have most of their belongings at Walnut Street Cooperative property, and are upholding responsibilities to the Cooperative that they have agreed to; or when a Full Input Resident Decision is made declaring the person to be residing at Walnut Street Cooperative.

2.90. Personal Living Area: An area Walnut Street Cooperative has agreed to designate as a specific individual’s personal living space.

§3 GOVERNANCE

3.05. Principle. The basic expectation underlying the governance of Walnut Street Cooperative is that people have the right to participate in decisions that affect their lives.

3.10. Governing Body. Walnut Street Cooperative shall be run by the Residents. Positions include Facilitator (President), Notetaker (Secretary), and Treasurer. Additional positions may be created as necessary. Length of service for these positions will be determined by the Residents.

3.15. Decision-Making Authority. Decisions reserved to the Members are those dealing with membership, disposition and acquisition of assets, Bylaws, Articles of Incorporation, leaves of absence, expulsion, dissolution and any other matters which the Members deem necessary to decide upon. Responsibility for other decisions, including new residents, household jobs, ongoing policies, and other matters pertaining to the day-to-day operations of the household, rests with all of the Residents (Renters and Members).

3.20. Membership Meeting: A meeting open to all Walnut Street Cooperative Members at which
decisions regarding membership, purchase of property, changes in Bylaws, leaves of absence, expulsions, and any other matters which the membership deems important may be made. Renters may attend Membership Meetings as observers with permission from all of the Members in attendance.

3.25. Residents Meeting. A meeting open to all Walnut Street Cooperative Residents at which decisions are made on new Residents, policies related to ongoing operations, household jobs and responsibilities, and any other matters related to the day-to-day needs of Walnut Street Cooperative.

3.30. Full Input Member Decision. The following decisions must be made by a Full Input Member Decision: expenditures or taking on of debt of $500 or more, accepting new Members, amending the Articles of Incorporation or the Bylaws, granting leaves of absence, and dissolving the corporation.

3.35. Full Input Resident Decision. This type of decision will apply in the cases of: (1) policies (ongoing rules and regulations) of Walnut Street Cooperative; (2) decisions regarding who is invited to move in as a Resident at Walnut Street Co-op.

3.40. Full Input Decision Contact Procedure. Before a final decision is made on an issue that requires a Full Input Member Decision or a Full Input Resident Decision, the people present at the meeting must make a reasonable attempt to contact each person not present and to ask them for input on the proposed decision. An attempt will be made to engage with absent Members or Residents (respectively) on such a decision as much as is practical. A person who is away may request that the decision be delayed until their return; the granting of such a request is at the discretion of other Members or Residents (respectively).

3.45. Expulsion Decision. A decision made by the Members, used exclusively for issues related to expulsion. The individual Resident(s) whose expulsion is being considered are excluded from this meeting unless the Members unanimously agree to have such persons present. No Resident may block consensus on a decision related to their own expulsion. Renters will be consulted for input prior to the decision, but they do not have the right to block consensus on an expulsion decision. An attempt will be made to engage with absent Members, but if their input is unavailable, the other Members may move forward with the decision.

3.50. Conflict Resolution. Conflicts that significantly affect the quality of life at Walnut Street Cooperative are the legitimate concern of any or all of its residents. If the Cooperative has been unable to resolve a conflict for a period of 30 days, the Cooperative will hire a professional facilitator or mediator to assist in conflict resolution unless there is consensus on a different solution. If the conflict is still not resolved within an additional 30 days after that, the parties will use Arbitration unless there is consensus on a different solution. The costs of Arbitration will be borne equally by the parties involved.

3.55. Mediation. Residents will make themselves available for conflict resolution on personal matters between Residents at the request of any Resident, within three days of the request (or within three days of returning home, if away at the time of the request).

3.60. Proxy. Any Resident that does not attend a meeting may submit their thoughts or feelings about a matter by dating and signing a written statement and leaving it with the facilitator in advance of a meeting. The Residents at the meeting are expected to consider that input, but are not required to follow it. Blocking by proxy is not permitted.

3.65. Quorum. Sixty percent of the Residents constitutes a quorum for decision-making at any Residents Meeting. Sixty percent of the Members constitutes a quorum for decision-making at any Membership Meeting.

3.70. Meeting Times and Notice.
(a) Regular. Meetings will be held at regular times as determined by the Residents. Meetings will be held with at least 3 days notice.

(b) Special. In an urgent situation one-third of the Members may convene a Special Membership Meeting, and one-third of the Residents may convene a Special Residents Meeting, with less than 3 days notice. Notice for Special meetings must also include the purpose for which the meeting is
called. Notice will include a written notice posted on the bulletin board or in the kitchen of the Cooperative; oral notice is also strongly encouraged.

(c) Full Input Decision Contact Procedure. Notice will rely on whatever methods seem most likely to successfully reach the person (phone calls, email, postal letter, etc.). In the case of situations that may have legal implications, we will attempt to maintain a record of contact if possible, through including written notice (email, postal letter, or fax) as part of any contact.

3.75. Meeting Place. Meetings will be held on the property occupied by the Cooperative unless otherwise stated in the meeting notice.

3.80. Presumption of Agreement. A Resident who is present at a Residents Meeting or a Membership Meeting is presumed to be in support of proposed decisions unless co stands aside from or blocks a proposed decision.

3.85. Absence from Meetings. If a Resident is absent from a meeting, it is co’s responsibility to read the minutes from meetings held during their absence, and to bring up any disagreement with decisions reached during their absence, within 14 days of returning. If they are able to convince at least one Resident to re-open the discussion, the consensus that was reached in the person’s absence is no longer considered the default agreement or policy, and the group will re-examine that topic. If the returning Resident does not initiate such a process, they are presumed to be in agreement with the prior decision and are expected to actively support it.

3.90. Interpretation of Policy. If a policy or agreement is confusing or subject to interpretation, the Residents will follow any precedent that has been set regarding the policy. If no precedent has been set, Residents will try to determine the intention of the policy using minutes from meetings and personal recollection. If disagreement about the interpretation persists, the topic can be re-opened for discussion by three Residents. Such a re-opening results in allowance of all interpretations, until a new consensus decision is reached.

3.95. Records. Minutes will be taken at all official meetings. They will include, at a minimum, a date and record of all decisions reached, and will be available for examination by any Resident at any time.

3.98. Indemnification. The Cooperative shall indemnify to the fullest extent permitted under Oregon law any person who has been made, or is threatened to be made, a party to legal action, whether civil, criminal, administrative, investigative, or otherwise (including an action by the Cooperative) because that person is or was a Member, Resident, or officer of the Cooperative, serves, or has served at the request of the Cooperative as a fiduciary of an employee benefit plan, partnership, joint venture, trust or other enterprise. The right to and amount of indemnification shall be determined in accordance with the provisions of Oregon Statutes in effect at the time of determination.

§4 MEMBERSHIP & RESIDENCY

4.10. Resident Acceptance. Acceptance as a Resident will be determined by a Full Input Resident Decision.

4.20. Membership Acceptance. Acceptance as a Member will be determined by a Full Input Member Decision. A person must be a Resident for at least 6 months prior to becoming a Member, unless an exception is granted by a Full Input Member Decision.

4.30. Membership Fees. An initial membership fee shall be assessed of each new member. This fee is non-refundable, unless the Cooperative is dissolved.

4.40. Termination.

(a) Voluntary. If a person wishes to voluntarily terminate their membership or residency, co must give written notice as required by the Rental or Membership Agreement.

(b) Automatic (Renters Only). An individual’s residency is automatically terminated when they are no longer fulfilling the conditions of residing at Walnut Street Cooperative as defined in section 2.85 of these Bylaws (except if the Members determine that Walnut Street Cooperative property has
become uninhabitable).
As soon as a Renter has a debt with Walnut Street Cooperative that is equivalent to 15 days worth of fees, that person’s residency is automatically terminated and must move out of the house immediately. If a Renter is unable to pay their fees because of personal hardship the other Residents are encouraged to, but not legally bound to, attempt to arrange financial assistance. Walnut Street Cooperative may not extend credit or forgive debt to any person living at Walnut Street Cooperative property.

(c) **Expulsion.** A Member or Renter may be expelled by an Expulsion Decision. The person whose expulsion is being considered is excluded from the meeting unless there is consensus by the other attendees for that person to be present. The Members of Walnut Street Cooperative may require that the Resident who is being considered for expulsion be compelled to leave Walnut Street Cooperative property for up to 18 days until the issue of expulsion is resolved. Renters will be consulted for input prior to the decision, but they do not have the right to block consensus on an expulsion decision. Expulsion may occur for lack of payment of fees, acts of violence, and/or other violations of the Membership Agreement or Rental Agreement.

### §6 FINANCES

6.10. **Financial Authority and Responsibilities.** The membership has authority to purchase, own and hold real and personal property and to mortgage this property, to rent property, to borrow money, to execute notes and to undertake other obligations as necessary to accomplish the goals of the Cooperative.

6.15. **Dedication of Earnings and Assets.** The net earnings, properties, and assets of Walnut Street Cooperative are dedicated to benefit Walnut Street Cooperative. Any funds accumulated in excess of budgeted reserves will be returned to Walnut Street Cooperative to expand or improve facilities or services or for other purposes consistent with these Bylaws.

6.20. **Financial Contributions and Loans.** The Cooperative may receive donations and loans to support its mission, to make improvements to the property, and for other purposes which the Members see fit to accept. In the case of loans, a contract will be drawn up specifying the conditions of each loan, including the term of repayment and interest rate (if any).

6.25. **Membership Equity.** Return of investment or loans is limited and is not subject to the market value of Walnut Street Cooperative property. Members’ equity consists of:

(a) **Loan Equity:** Initial investment, minus any membership fee, plus 3% interest compounded quarterly;

(b) **Rental Equity:** A one-third portion of monthly fees exclusive of operating costs (operating costs are defined as property
taxes, insurance, maintenance, utilities, and any other costs other than direct payments on the property), at 3% interest, compounded quarterly (prorated for periods of time that are less than one quarter).

6.30. Loan Equity. Each member loan requires a consensus decision noted in the minutes and will have a contract signed by the member and at least two representatives of the Cooperative. Interest rate will be 0-3%, as established by the contract. Interest continues to accrue until the loan is paid off. Member loans will be paid back starting at the beginning of the second full calendar quarter after membership is terminated. Loans under $5000 will be paid back in equal quarterly payments over a period of 5 years. Loans of $5000 or more will be amortized at 30 years, with equal quarterly payments over a period of 5 years and a balloon payment at the end when all remaining interest and principal is due. The Cooperative may elect to pay off any loan in part or in full at any time.

6.35. Rental Equity. Unless the Cooperative dissolves, membership equity as described in Section 6.25(b) can only be paid under the following conditions:

(a) The date is January 1, 2009 or later; and
(b) The Member receiving such funds has been a resident in good standing for three years or longer, starting any time on or after September 1, 2000; and
(c) It is determined by a Full Input Member Decision that the Cooperative can afford to make equity payments without endangering the current or future welfare of the Cooperative, and without putting an undue financial burden on the Residents.

Accrual of rental equity can not start until the Option to Purchase is executed and Walnut Street Cooperative is the owner of real estate. If membership is terminated, interest ceases to accrue. If membership is terminated at a time when rental equity payments are not available (due to conditions (a) or (c) not being met), a former member may make a request at a later time if those conditions are then met.

6.40. Authorization of Debt and Expense. The membership may authorize individuals to spend money or incur debt on behalf of Walnut Street Cooperative. Expenditures and debts over $500 may only be authorized by a Full Input Member Decision.

6.45. Non-Liability. No Member or Renter of the Cooperative shall be individually liable for the debts, liabilities, or obligations of the Cooperative except for debts lawfully contracted between the Cooperative and a Resident. Likewise, the Cooperative may not extend credit to, and is not liable for, the individual debts, liabilities, or obligations of residents.

6.50. Records. Current and correct financial records will be kept. Minutes will be taken at all meetings. Any Resident may inspect these records and minutes at any time.

6.55. Reports. Walnut Street Cooperative will prepare an annual financial report including a Profit and Loss statement and a Balance Sheet within four months of the closing of Walnut Street Cooperative’s fiscal year.

6.60. Budget. A budget designed to maintain the financial stability of Walnut Street Cooperative will be prepared and adopted annually or more frequently as needed.

6.65. Fees. Fees will be determined by the Members and based on the budget and written fee policies.

§7 DISSOLUTION

7.10. Dissolution Process. The membership may decide to dissolve the corporation by a Full Input Member Decision. In the event of dissolution, the assets of the Walnut Street Cooperative must be sold or their possession transferred so as to satisfy any debts owed by Walnut Street Cooperative. The sale and/or transfer of possession of any Walnut Street Cooperative property will proceed according to the conditions spelled out in any contracts Walnut Street Cooperative has entered into that are still in effect. The decision to dissolve will not be effective until the assets of the corporation have been sold or given away.

7.20. Money from sale of Walnut Street Cooperative property must be disbursed in the following order. If multiple parties are referred to in any step in this section, and insufficient funds are available to fully fund that step, then all entitled parties at that step will receive a proportional amount of remaining assets.
This explanation has been written as an effort to explain the main points in the document. —Tree
As the people entrusted with the long-term welfare of the co-op, Members have more power than Renters. However, we expect that for most day-to-day matters, everyone’s input (Members & Renters) will be considered equally.

When members have a Membership Meeting, renters can attend if all the members present give permission. Minutes are taken at both Membership Meetings and Residents Meetings, and anyone here can read any of the minutes whenever they want.

Certain decisions can be made by whoever attends the meeting (quorum is 60%). (Quorum means the minimum number of people who must be present in order to make official decisions.) For other decisions, which have a greater impact, the people who are present need to try to get input from anyone missing before moving ahead with the decision, if possible. Decisions falling into that latter category include:

FOR MEMBER MEETINGS
- spending or taking on debt of $500 or more (for example: accepting new investors, hiring a contractor to refinish the floors, buying a new refrigerator)
- accepting new Members
- changing the bylaws or articles of incorporation
- expulsions
- ending the co-op (“dissolution”)

FOR RESIDENT MEETINGS
- accepting new residents to move in
- policy decisions (for example: guest policy, conflict resolution, laundry hours)
- changing household organizational structures, such as creating a new committee

That leaves a bunch of decisions that don’t necessarily need everyone’s input before they can be made, such as:

FOR MEMBER MEETINGS
- expenditures of less than $500
- purchase or sale of property less than $500
- annual budget
- setting fees
- whatever else they think needs to be dealt with

FOR RESIDENT MEETINGS
- chores & house jobs
- food list

- use of spaces
- scheduling meetings or other events
- shared activities
- outreach strategies and logistics, e.g. let’s invite this person for a second dinner, or let’s put a sign out on the lawn

Note that while everyone has to agree for a new person to move in, only the Members have the power to carry out expulsions. Meetings about expulsions exclude the person(s) whose expulsion is under consideration unless all the other members present agree to having that person attend. If there is a really serious, immediate problem, the Members can even insist that the person whose expulsion is under consideration leave the property until the matter is resolved. In the expulsion process, the person who is being considered is treated the same whether they are a Member or a Renter. Renters are consulted for input, but can’t block expulsion decisions. Members who are away are consulted if possible, but if not, the other Members can move ahead with a decision.

If someone knows they are going to miss a meeting, they can give input in advance, and the group needs to consider that input but doesn’t necessarily have to do what that person wants.

When someone misses a meeting, it’s their responsibility to catch up by reading the minutes. If a decision happens while they are away that they don’t feel ok about, they can bring it up and re-open the decision if they can convince one other person to initiate that process. At that point the decision that was reached during the absence ceases to be the default consensus agreement. If someone is going to use this procedure, they have to initiate it within 14 days of returning from being away.

If you are away and don’t use that procedure when you get home, or if you are present in a meeting but don’t speak up saying “Stand Aside” or “Block” when it comes time to make a decision, then you are presumed to be in agreement with whatever decisions are reached, and it’s your responsibility to uphold all the agreements and decisions.

Most meetings will be regularly scheduled. The bylaws say that regular meetings will be scheduled with at least 3 days notice, but that if there’s an urgent need, a “Special” meeting can be called with less than 3 days notice by one-third of the group (1/3
of the Members for a Membership Meeting, and 1/3 of the Residents for a Residents Meeting).

Conflicts that people feel affected by are considered the legitimate concern of anyone who lives here, even if it’s between 2 other residents. People are expected to make themselves available for conflict resolution efforts. For major co-op or household disagreements that don’t get resolved through the usual consensus meetings, there is a sequence to hiring an outside facilitator, then using an arbitrator. (In arbitration, the arbitrator makes a decision that the parties are then bound by, like a judge.)

There are 3 ways to stop living here if you are a Renter, and 2 ways if you are a Member. The ones that are the same for both types are:
1. Voluntary termination
2. Expulsion

The third one, which applies only to Renters, is “Automatic Termination.” That happens if a Renter is more than 15 days late paying fees. In that case they are required to move out immediately. If a Member doesn’t pay fees, the only way to get them out is by going through the Expulsion process.

The Cooperative doesn’t have the power to offer credit or forgive debts. But residents are encouraged to try to help others having financial troubles.

Members pay a $1000 non-refundable fee to join, and may invest other money—we hope they will! Investments are paid back (from the point at which someone leaves) over a 5-year period at 0-3% interest, as established by a contract at the point the loan is made. The co-op can choose to pay someone off faster in order to avoid the interest payments. And we’ll likely do that if we find replacement investors.

Members also get equity on 1/3 of their monthly fees, at 3% interest, if they live here for more than 3 years. However, no payments of that equity/interest can be made until at least 2009, and even at that point only if the co-op can afford it.

If the co-op dissolves:
First we pay off the bank or any other investors who hold an official “interest” in the property. Second we pay off any other outsiders who we owe money to, such as contractors, utilities, etc. Third we pay off our own members, as best we can. Fourth, if anything else is left, it either goes to a nonprofit that promotes cooperative living (such as FEC or FIC), or another nonprofit as decided by the members.

State of Oregon Articles of Incorporation

1. Name of Co-op: Walnut Street Cooperative
2. Registered Agent:
3. Address of Registered Agent:
4. Mailing Address for Notices:
5. Number of Directors Constituting the Initial Board of Directors: 4
6. Purpose for Which Cooperative is Organized: The Cooperative is organized for the purposes of: (1) Providing stable, affordable housing for its members and others; (2) people living and working together to create community and social change; (3) actively being of service to others as an inspirational model.
7. Capital Stock: None.
8. Membership Stock: There is no membership stock. There is a membership fee of $1000, to be waived in whole or in part at the discretion of other members. Membership is not transferrable.
9. Basis of Distribution of Assets in Event of Dissolution or Liquidation: Money from the sale of any property or assets will be disbursed in the following order:
   1) First, any debts that were secured in exchange for an interest in Walnut Street Cooperative property must be fully satisfied.
   2) If any money remains, any debts that were not secured in exchange for an interest in Walnut Street Cooperative property must be fully satisfied.
   3) Members will receive the amount of their financial investment in the Cooperative (according to specifications of the Bylaws with regard to equity and/or interest payments), or a proportional amount of the remaining assets, whichever is less.
   4) All remaining money or assets will be distributed to a non-profit corporation which is organized to promote cooperative living, or another not-for-profit organization as determined by the members.
11. Name and Address of Each Incorporator:
12. Execution:
13. Contact Name: 14. Phone Number:
Sample Document - Cooperative Corporation

MASALA HOUSE BYLAWS
www.boulderhousingcoalition.org

Preamble
The members of Masala Cooperative House adopt the following principles in accordance with the spirit of providing cooperative room and board to the people of Boulder, Colorado:

1) Non-discriminatory membership: There shall be no restriction on membership for any reason other than available room and ability and willingness to discharge duties and uphold responsibilities as house members.
2) Democracy: each member has one and only one vote; each shares the house duties in as nearly an equitable manner as possible; and each shares equally in the benefits derived.
3) Education: The house will be a working example of cooperative living and will educate its members and others in the principles of cooperatives.
4) Neutrality: The house will be a member of no organization other than cooperative societies.

Expansion: By the house’s membership in other cooperative organizations, it will support the cooperative movement in general as much as possible without impairing the efficient functioning of the house.

Article 1 Organization
The name of the house that operates under this set of rules is Masala.

Article 2: Membership Sec. 1
A full house member (hereafter referred to as, “house member”) shall be any person living in the house who has been approved by consensus of the house to live in the house and who has paid his or her member share, or is participating in the payment plan of his or her member share, and has signed a lease.

Sec. 2
A boarding member shall be any person who has paid his or her boarding member share and who has been approved by consensus of the house to board at the house, and has signed the boarding contract with the house. Boarding members must abide by house bylaws and by the boarding system.

Sec. 3

Per city policy, Masala Community Housing will give preference to non-student community members in house member selection. In response to the request of the Boulder Housing Coalition, we will fill vacancies by conducting a month-long search for non-students before opening the process to any and all applicants. This policy applies only to the ten permanently affordable house member slots.

Sec. 4
Both types of members shall be approved by the house via the following steps:

a) The prospective member shall attend at least one meal at the house and shall attempt to meet each member of the house.
b) The prospective member shall attend at least one meeting of the house and shall answer questions from house members and have an opportunity to ask questions of the house.
c) The house shall approve the prospective member by consensus. This approval shall not be in the presence of the prospective member.
d) The prospective member shall sign a lease, or boarding contract, and pay or begin paying his or her member share.
e) Upon completion of all these steps, the prospective member shall become a member of Masala Community Housing.

Sec. 5
The full members of the house shall comprise the board of directors for the house.

Article 3 Duties of house members Sec. 1.
House members are responsible for the number of points of work assigned by the point steward per point period as described in the Masala House Labor System document.

Sec. 2
House members are responsible for payment of bills as determined by the house.

Sec. 3
House members must abide by the rules passed at house meetings.

Article 4 House Meetings Sec. 1.
Attendance at house meetings is mandatory for residents. Input can be provided in written form but proxies for decision making are not allowed. Members are excused only if they are absent from the house long enough to qualify for prorated work.
requirements and have made arrangements to do so (see house labor plan). Unexcused absences result in
a point penalty.
Sec. 2.
Boarders are encouraged to attend meetings. They
may vote on matters pertaining to boarding.
Sec. 3.
A quorum for a house meeting will be 1/2 the total
number of residents
Sec. 4
House meetings will be held weekly. A petition
signed by 5 members and posted for one day may call
emergency meetings
Sec. 5.
House rules will be passed or deleted by a consensus
of members present at house meetings. The house
rules, as accepted, shall be duly recorded.

Article 5  House Stewardships
Sec. 1
Permanent House stewards shall be agreed upon by
consensus of house members. All house stewards
serve until the steward or the house decides a new
member should fill that stewardship position. A new
steward must be determined for replacement of
resigning steward within one week, preferably within
the same house meeting as the resignation.
Sec. 2
The House Stewardships shall be as follows:
• Accounting Steward
• Point Steward
• Secretary
• Treasurer
• Recycling/Trash Steward
• Phone Bill Steward
• Community Liaison Steward
• Under the Stairs Steward
• NASCO Properties Liaison
• Food Pick-up Steward
• Maintenance Steward
• Food Steward
• Yard Steward
• Membership Coordinator (MC)
• Membership Application Committee (MAC)
• Honey bear and Spice Steward

Sec. 3
Duties of Stewardships:

a. The Accounting Steward will collect rent, pay
bills (but not phone or food), organize finances,
report to the house on house finances, and
reimburse individuals for house purchases

b. The Point Steward shall keep all records in
connection with house work. It is his/her duty to
bring to the attention of the house any defaults on
the work. It is his/her duty to ensure that work is
done as outlined in the Masala House Work
System

c. The Secretary is responsible for keeping minutes
of all house meetings; making copies available for
viewing before the next meeting by posting in the
bathrooms, and keeping copies of past meeting
minutes on file for reference and record. He/She
has the authority to sign legal documents in
representation of the house.

d. The Treasurer shall collect all the money for the
house expenses excepting food, which is man-
aged by the Food Steward. He/She is responsible
for paying all non-food bills. He/She shall
prepare and follow the house budget, keep an
account of house money and bring to the attention
of the house any problems members may have
with payments. He/She has the authority to fine
members for late payment in compliance with the
fine system outlined in the house rules. He/She
also has the authority to sign legal documents in
representation of the house.

e. The Recycling Steward shall be responsible for
organizing and directing the house in recycling
and shall ensure the proper disposal of non-
curbside pickup recycling by taking it to the
recycling center regularly. S/he will also take out
the trash once a week for the garbage pick-up.

f. The Phone Bill Steward shall be responsible for
paying the phone bill in a timely fashion, and
collecting appropriate monies from each member
who has accrued expenses on the phone bill. He/
She will be responsible for maintaining a positive
relationship with the phone company and for
informing him/herself of phone-related issues.
The phone bill steward also has the right to fine
members for late bill payment in compliance with
the fine system outlined in the house rules.

g. The Community Liaison Steward shall be named
as the official president to the department of state
and shall therefore have the right to sign any legal
documents for the house and shall be responsible
for maintaining the constructive relationship
between the house and the community including
representing the house to the greater public both
officially and informally. He/She shall be charged
with organizing any functions between the house
and the community.

h. The under the stairs Steward shall be in charge of
maintaining the cleanliness of the area under the stairs and regularly cleaning out the area. He/She has the authority to remove items under the stairs to a local charity in order to facilitate this goal. It is his/her responsibility to all items under the stairs out to every house meeting to offer members the opportunity to reclaim their belongings before subsequent removal

i. The NASCO Properties Liaison shall represent the house to the board of NASCO Properties and shall serve as a member on that board

j. The Food Pick-up Steward shall be responsible for retrieving food that has been delivered for our house by either the Tucson Cooperative or the Monroe Farm

k. The Maintenance Steward shall be responsible for addressing any maintenance issues in the house, contingent upon approval by the house and consistent with the house maintenance budget.

l. The Food Steward is in charge of designing a food budget, collecting food charges from house members, ordering house food from house-approved sources, and arranging for the transport of food to the house. He/she has the authority to collect fines for late payment of food charges in compliance with the fine system outlined in the house rules.

m. The yard steward is charged with maintaining the order and cleanliness of outdoor house areas including the front and back porches and yards, vegetation, and driveway.

n. The MC will do the following: Place an ad in the Daily Camera advertising co-op openings; work with the food co-op, Thistle, Solstice and other community oriented groups to get the word out about openings; create flyers advertising openings; maintain and update a list of potential co-operators names, phone numbers, first dates of contact, and desired move in dates and keep a copy of the list in the filing cabinet and the phone cubby; keep a running list of all future co-op openings; return calls from all potential co-operators on the voice mail and transfer their info to this list (don’t forget to mention our boarding program); make sure that potential co-operators are invited to house dinners; distribute Membership Application to interested co-op applicants; distribute completed application to the Membership Application Committee (MAC) for review prior to house meeting; read the fair housing statement to all applicants; run the applicants through the Member Selection Process Checklist; create Membership Manual; make sure that newly selected members sign the lease and do the room walk through/checklist; give new members the Membership Manual; work with BHC staff person to get lease and income qualifying information into the co-operators file; upon move out, verify that the co-operators room has been cleaned, check for damage to the room and notify the house accountant.

o. The MAC will consist of at least three co-op members including the MC. The MAC must understand the city’s requirements for membership in light of the $100,000 city grant that saved Masala co-op, including city preferences, the student policy, and the income limitations. The MAC must understand the current gender balance and any other house criteria for membership. The MAC will read applications prior to meetings and be prepared to report on how each applicant matches the city requirements and house criteria. The MAC is a reporting committee only and will not select house members. All membership selection will be done by a consensus of all house members.

p. The Honey bear and Spice Steward will be responsible for monitoring the amount of honey in the honey bears and spice in the spice containers and refilling them when necessary.

Sec. 4
All Stewards are responsible for regularly educating members at house meetings on matters pertaining to the stewards’ duties and are responsible for passing all materials to their successor, including digital files.

Sec. 5
Stewards are subject to recall for dereliction of duty upon house review and consensus

Article 6 Expulsion Sec. 1
a. The house will consider all the recommendations for expulsion brought by house members. They shall gather evidence from all interested parties including the member in question, and form an opinion at an open house meeting with the member to be judged and her/his accuser present, if possible. This meeting is to take place within one week of the accusation.

b. The House shall hear evidence from interested persons and a defense by the accused. An outside, non-biased facilitator is recommended.

c. Whether the member is to keep her/his membership shall be voted on at a house meeting within one week of the hearing and will be determined
d. Grounds for eviction shall include failure to perform house duties resulting in a point debt of two weeks’ worth or more points, failure to obey house rules, and failure to pay house charges resulting in a debt to the house of one month’s charges, and uncooperative behavior.

Article 7 Amendments  Sec. 1
Amendments to this constitution shall be made in accordance with the following rules:
a. A member shall propose an amendment in a house meeting.
b. The proposer shall write up the proposed amendment and post it; it is subject to change by a consensus of those voting.
c. The amendment will be passed by a consensus of all house members after being posted not less than 7 days in its final form.
d. A Historical Index of Amendments shall be duly recorded and attached to all copies of the Masala House Rules for the purpose of explaining the reasons behind changes made in the rules.

Article 8 Consensus, Quorum, and Meetings  Sec. 1
All house decisions must be approved at a house meeting by consensus of the house members. If consensus cannot be reached, the decision will be tabled until the next meeting, or for 24 hours if it is an emergency decision. Upon this time’s expiration, the house will reconvene and attempt to reach consensus again. If consensus cannot be reached again, the decision will be decided by a two-thirds majority vote. Sec. 2 House meetings and decisions require a quorum of 50% or more present house members. “Present housemate” in terms of quorum is defined as anyone who lives in the house and is not away for more than a week at the time that quorum needs to be reached.
Sec. 3 There will be a rotating facilitator at meetings Sec. 4 there will be a 24-hour notice in the form of a posting before emergency meetings

Article 9 Ratification  Sec. 1
These bylaws shall be in effect when they have been ratified by a consensus of all the members of the house voting in a regular meeting.

Article 10 Gender Balance  Sec. 1
When filling a vacancy the house will at all times strive to meet an ideal gender balance but final decisions will be made on a case by case basis.

Sec. 2
When there is advanced notice of the vacancy we will consider only new members that will satisfy an ideal balance until 30 days before the house becomes responsible for the rental payment. Sec. 3 The house gender ratio will be less than 2:1.

A Selection from the Masala House Rules
7. Guest Policy
A. Members may have guests stay in the house for up to three (3) days without house approval.
B. If a member plans on having a guest for more than three (3) days, or if there is even a possibility that that guest may stay in the house for more than three (3) days, the house must approve the stay by consensus in advance.
C. It is the policy of Masala House to welcome any guests affiliated with co-ops from other regions into the house for a reasonable amount of time and by house approval. The guest should contact the house prior to his/her arrival in order to allow the house to discuss and approve the stay in advance. If the guest arrives at the house unannounced and there are less than three (3) days remaining until the next house meeting, the guest may stay until the meeting contingent upon informal house approval, and then may stay longer if the house approves the stay. If there are more than three (3) days until the next meeting, the guest may not stay in the house until his/her stay is approved.
D. There shall be two intermediary house guest liaisons to be decided upon by the house, that will facilitate communication between the house and house guests (especially un-hosted guests) in the event that a person or people in the house feel uncomfortable undertaking the communication themselves. These intermediaries shall be used only when more personal communication is impractical or undesirable.

9. Room Choosing Procedure
A. A seniority system of room draw shall be used. When one member vacates a room, seniority rules as to whom shall fill the room are to be applied
B. Seniority list is as follows
1. Masala House rooming members by time living in the house. For those who have lived in the house an equal amount of time, the first lease signed shall determine seniority.
2. Masala House boarding members by time as boarders
3. New Members by the date of lease signing
C. Every member has the right to abdicate his/her choice. The choice is then deferred to the next senior member.
D. Every room change shall be approved by consensus of the house at a house meeting wherein any issues of contention over the room change shall be addressed
E. No roomer shall be displaced from his/her room by a member having more seniority without the roomer’s consent.
Sample Documents - Cooperative Corporation

EarthArt Village Bylaws
www.earthart.org

Inaugural Draft- approved, October 1, 1998.

Article I. Name, Location, Purpose
A. The name of the cooperative association shall be EarthArt Village, hereinafter referred to as the “cooperative association”.

B. The principal location of the cooperative association shall be at: EarthArt Village, 64001 County Road DD, Moffat, CO 81143. The cooperative association may have such other offices, either within or without the State of incorporation as the Board of Directors may designate or as the business of the cooperative may from time to time require.

C. The purpose of EarthArt Village is to be a residential intentional community of persons united voluntarily to meet their common ecological, economic, social, spiritual and cultural needs and aspirations through a jointly-owned and democratically-controlled association where people share land, encourage Member-managed agriculture and businesses, and support and demonstrate cooperative, sustainable and harmonious living here and in the larger world. In addition to the Purposes as stated in the Articles of Incorporation, we affirm and promote the following, based on principles of self-help, self-responsibility, democracy, equality, equity, solidarity, and the ethical values of honesty, openness, social responsibility and caring for others and the Earth:

1. Belief in the inherent worth and dignity of every person regardless of race, age, sex, financial resources, property, or income.
2. Respect for the right of all to express their own personal, social, political and religious beliefs about the nature of reality.
3. Concern about each other’s well-being.
4. Sharing power and responsibility to shape our community through a consensus decision-making process characterized by a cooperative search for solutions which fulfill and protect the needs of all concerned.
5. Commitment to resolve conflicts without violence, to take responsibility for our own actions, to communicate directly and honestly, and to be sensitive to the concerns of others;
6. Stewardship of the land and ecologically sound use of natural resources.

The philosophy of EarthArt Village and guiding instruments, such as subscription and Membership agreements, environmental guidelines and others, may be developed by the Membership and adopted by Boards of Directors from time to time. We also recognize that the ultimate success of our endeavor rests not with any formal document or legal structure, but with a more subtle spiritual bond. We pledge ourselves to that bond.

Article II. Membership
The Members of this community pledge to respect and encourage each other’s individual freedom and creative initiative, and at the same time, to share in the responsibility for the well-being and integrity of the community as a whole. We commit ourselves to the ideals of lives led in harmony with each other and with the land and creatures from which we gain our sustenance.

There shall be two kinds of Members. They shall be designated Full Members and Provisional Members.
A. Full Members
1. A Full Member shall be any person who agrees with the purposes of the cooperative association, as stated in the Articles of Incorporation and Bylaws, has completed the Provisional Membership requirements, requests to be a Member, is affirmed by the active Full Members, and pays dues, according to policies and procedures from time to time established in these By-Laws and other guiding instruments of this cooperative association.
2. Only active Full Members shall be entitled to sign Membership petitions (or otherwise affirm new Members), to cast one vote or to block consensus on any and all matters which come before any meeting according to the procedures for voting as from time to time described in these By-laws.
3. Full Members will have perpetual Membership until they resign or are terminated for any reason deemed appropriate by 80% of the Full Members. However, if a Member falls more than four months behind in dues, he/she shall automatically be deemed to no longer be a Member unless an exception has been made at a monthly meeting.
4. An active Full Member is a Full Member who is no
more than three months behind in dues or has made arrangements for paying with the Treasurer.

B. Provisional Members
1. A Provisional Member shall be any person who agrees with the purposes of the cooperative association, as stated in the Articles of Incorporation and Bylaws, states a desire to become a Provisional Member, is affirmed by all of the active Full Members, and pays dues. If, after twelve months, a Provisional Member is not ready to petition for Full Membership, he/she may remain a Provisional Member for another twelve months by being affirmed by all of the active Full Members.
2. Provisional Members may not block consensus.

C. Membership contributions
1. Financial: Members shall contribute monthly dues, as from time to time established in these By-Laws, to the cooperative association.
2. Labor: Members are expected to contribute labor to the community as needed, and as from time to time described in these By-Laws.
3. Meetings: Members are expected to attend regularly scheduled community meetings as from time to time described in these By-Laws.

D. Certificates of Membership
1. Certificates representing Membership in the cooperative association shall be in such form as shall be determined by the Directors. Such certificates shall be signed by the President and by the Secretary or by such other officers authorized by law and by the Directors. All certificates for Membership shall be consecutively numbered or otherwise identified. The name and address of the Members and date of issue, shall be entered on the Membership certificate books of the cooperative association. All certificates surrendered to the cooperative for transfer shall be canceled and no new certificate shall be issued until the former certificate shall have been surrendered and canceled, except that in case of a lost, destroyed or mutilated certificate a new one may be issued therefor upon such terms and indemnity to the cooperative as the Directors may prescribe. The Board may establish a fee for transfer of Membership as from time to time set forth in these by-laws approved by the Board.
2. Transfers of Membership
(a) Upon surrender to the cooperative association or the transfer to the cooperative association of a certificate of Membership duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, and approval by the Board of the transfer, it shall be the duty of the cooperative association to issue a new certificate to the person entitled thereto, and cancel the old certificate; every such transfer shall be entered on the transfer book of the cooperative association which shall be kept at its principal office.
(b) The cooperative association shall be entitled to treat the holder of any certificate as the holder in fact thereof, and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such Membership on the part of any other person whether or not it shall have express or other notice thereof, except as expressly provided by the laws of this State.
(c) The Board may assess a fee and other conditions for transfer of Membership as from time to time set forth in these by-laws approved by the Board.

Article III. Meetings
Each Member of record entitled to vote will receive not less than ten days, nor more than thirty days, notice of the date, time and location of meetings of the cooperative association, either personally, by electronic mail or transmission, or by postal mail.

A. Monthly meetings
Regular meetings may take place each month, to discuss general business of the cooperative association and to engage in work, social, spiritual and cultural fellowship.

B. Annual meetings
The annual meeting of the Members of the cooperative association, shall be held on such date and at such time and location as the Board of Directors shall determine each year, for the purpose of electing Directors or for the transaction of such other business as may come before the meeting.

1. Annual Meeting Procedure
(a) The agenda will be formed by the Directors from proposals submitted in writing, no less than one month prior to the Annual Meeting, by the Directors, standing committees or by an ad hoc committee of two or more Members. The agenda shall be distributed to Members no less than one week prior to the Annual meeting.
b) Chairperson(s) shall be chosen at each meeting, to chair content and process during the meeting.
c) The chairpersons have the responsibility to rule inappropriate any motion or discussion which does not appear to be made in good faith or reasonable order.
d) The decision-making process is initially that of consensus, unless Members present consensus to use another method for the purpose of that particular meeting and the business at hand. A Member of the cooperative association who is present at an Annual Meeting at which consensus action on any cooperative association matter is taken shall be presumed to have assented to such action taken.

2. The Order of Business at Annual meetings:
Determination of quorum, Proof of due notice of meeting, Reading and disposition of minutes, Annual reports of officers and committees, Unfinished business, New business, Election of Directors, Adjournment.

C. Special meetings
A special meeting of the Members may be called by the President, or by the Directors, or by the President at the request of not less than three Full Members of the cooperative association. Notice setting forth the date on which such special meeting shall be held, and the reason(s) for calling such a meeting, shall be given in the manner specified in Article III, paragraph one above.

D. Quorum
At any meeting of the Members, a simple majority of the Members shall constitute a quorum.

E. Informal action by Members
Unless otherwise provided by law, any action required to be taken at a meeting of the Members, or any other action which may be taken at a meeting of the Members, may be taken without a meeting if a consent in writing, setting forth the action to be so taken, shall be signed by all of the Members entitled to vote with respect to the subject matter thereof. An act of all of the Members voting by teleconference, electronic mail or transmission, or postal mail shall be the act of the Members. Such action shall be recorded in the minutes of the next regular or special meeting. Any dissent in such action shall defer the matter to the next regular or special meeting.

F. Voting
Each Member entitled to vote in accordance with the terms and provisions of the articles of incorporation and these by-laws shall be entitled to one vote, in person. Upon the demand of any Member, the vote for directors or upon any question before the meeting shall be by ballot. All questions shall be decided by consensus, unless the Members consense at any given meeting to use another method of voting for the purposes of that meeting. A Member whose dues and fees are not paid 90 days from due date forfeits all rights and cannot vote and shall not be considered in determining the quorum. No voting by proxy is allowed.

Article IV. Board of Directors
A. General powers
The business and affairs of the cooperative association shall be managed by its Board of Directors. The Directors shall in all cases act as a Board, and they may adopt such rules, regulations, policies, procedures and other guiding instruments for the conduct of their meetings and the management of the cooperative association, as they may deem proper, not inconsistent with the By-laws and the laws of this State.

B. Number, tenure and qualifications
The number of Directors shall be no less than three. Each Director shall serve for a three year term, except that the terms of the initial Board may be staggered as approved by Board resolution to provide for continuity within future Boards. Directors must be Full Members in good standing (dues paid and current) of the cooperative association, once Membership has been Fully defined and a Membership body exists.

C. Regular meetings of the Directors
A regular meeting of the Directors, shall be held without other notice than this by-law immediately after, and at the same place as the annual meeting of the Members. The Directors may provide, by resolution, the date, time and location for additional regular meetings of the Board without other notice than such resolution.

D. Special meetings of the Directors
A special meeting of the Directors may be called by the President, or by any two of the Directors. Notice setting the date on which such special meeting shall be held, and the reason(s) for calling such a meeting, shall be given by the Director(s) calling them.

E. Quorum
At any meeting of the Directors, a simple majority.
shall constitute a quorum.

F. Manner of acting
The consensus act of the Directors present at a Director’s meeting at which a quorum is present shall be the act of the Directors, unless the Directors consense to use another method for the purpose of that particular meeting and the business at hand. A consensus act of all of the Directors voting by teleconference or electronic mail shall be the act of the Directors. Such action shall be recorded in the minutes of the next regular or special meeting. Any dissent in such vote shall defer the matter to the next regular or special meeting.

G. Newly created directorships and vacancies
Newly created directorships resulting from an increase in the number of Directors and vacancies occurring in the Board for any reason except the removal of Directors may be filled by a vote of a majority of the Directors then in office, although less than a quorum exists. Vacancies occurring by reason of the removal of Directors shall be filled by vote of the Members. A director elected to fill a vacancy caused by resignation, death or removal shall be elected to hold office for the unexpired term of his predecessor.

H. Removal of Directors
Any or all of the Directors may be removed by vote of two-thirds of the Members.

I. Resignation
A director may resign at any time by giving written or electronic mail notice to all the Board Members. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof by the Board, and the acceptance of the resignation shall not be necessary to make it effective.

J. Compensation
No compensation shall be paid to Directors, as such, for their services, but by resolution of the Board a fixed sum and expenses for actual attendance at each regular or special meeting of the Board may be authorized. Nothing herein contained shall be construed to preclude any director from serving the cooperative association in any other capacity and receiving compensation or reimbursement therefore.

K. Presumption of Assent
A director of the cooperative association who is present at the meeting of the Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless their dissent shall be entered in the minutes of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

L. Committees
The Board, by resolution, may designate from among its members an Executive Committee; and from its members, Members of the cooperative, or, outside experts as deemed necessary and appropriate and in the best interests of the cooperative association, other committees. Each such committee shall serve at the pleasure of the Board.

M. Annual Report
The Board shall be responsible for filing, as required by statute, the annual report in the office of the secretary of state.

Article V. OFFICERS

A. Election
The election of officers will take place at the first meeting of the Directors held after each Annual Meeting of the Membership. Officers will be elected by the Board. Officers will hold office for one year.

B. Resignation
Any officer may resign at any time by delivering a written resignation to the Directors at any meeting.

C. Removal
Any officer elected or appointed by the Directors may be removed by a consensus of all Directors, except the Director under consideration for removal, whenever in their judgment the best interests of the cooperative association would be served thereby.

D. Special Election
In the event of removal, resignation, or death of an officer, the Directors shall call a special meeting within one month for the election of a new officer.

E. Vacancies
A vacancy in any office because of resignation, removal, disqualification or otherwise, may be filled by the Directors for the unexpired portion of the term.

F. Functions
1. The President - shall, subject to the control of the Directors, in general supervise all of the business and
affairs of the cooperative association. S/he shall, when present, preside at all meetings of the Members and of the Directors. S/he may sign, with the secretary or any other proper officer of the cooperative association thereunto authorized by the Directors, certificates of Membership of the cooperative association, any instruments which the Directors have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Directors or by these by-laws to some other officer or agent of the cooperative association, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Directors from time to time.

2. Vice President - in the absence of the President or in the event of the President’s death, inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall perform such other duties as from time to time may be assigned to him by the President or the Directors.

3. Secretary - shall keep or cause to keep the minutes of the Members’ and of the Directors’ meetings in one or more books provided for that purpose, see that all notices are duly given in accordance with the provisions of these by-laws or as required, be custodian of records of the cooperative association and of the seal of the cooperative association and keep a register of the post office address and other contact information of each Member which shall be furnished to the Secretary by such Member, have general charge of the certificate of Membership books of the cooperative association and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Directors.

4. Treasurer - shall have charge and custody of and be responsible for all funds and securities of the cooperative association; receive and give receipts for moneys due and payable to the cooperative association from any source whatsoever, and deposit all such moneys in the name of the cooperative association in such banks, trust companies or other depositories as shall be selected in accordance with these by-laws and in general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Directors.

Article VI. Finances
A. Deposit of funds
All funds of the cooperative association not otherwise employed shall be deposited in such banks, trust companies or other reliable depositories as the Directors from time to time may determine.

B. Checks
All checks, drafts, endorsements, notes and evidence of indebtedness of the cooperative association shall be signed by such officer or officers of the cooperative association and in such manner as the Directors from time to time may determine.

C. Loans
No loans or advances shall be contracted on behalf of the cooperative association and no note or other evidence of indebtedness shall be issued in its name, unless and except as authorized by the Directors.

D. Fiscal year
The fiscal year of the cooperative association is the calendar year.

Article VII. Distribution of net savings
The Board of Directors shall at the end of each fiscal year provide for the distribution of the cooperative association’s net savings from operations remaining after expenses have been met, according to the following method:

A. General surplus reserve
The Board of Directors shall first allocate from such net savings to the cooperative association’s general surplus reserve such amount as it shall determine to be necessary or appropriate. The general surplus reserve shall be used to absorb operating deficits, losses, and unanticipated costs or expenses. The general surplus reserve shall be the indivisible property of the cooperative as a whole.

B. Patronage refunds
The remainder of the net savings shall be distributed to the Members as patronage refunds in proportion to their respective percentages of patronage of the cooperative association; provide, however, that these patronage refunds may be immediately paid in cash, or in certificates of indebtedness, or may be placed in a revolving fund upon the books of the cooperative to
the credit of the Members, to be paid at some future
data at the discretion of the Board of Directors.

Article VIII. Dissolution
Upon dissolution of the cooperative association, the
Board of Directors shall, after making provision for
the payment of all of the liabilities of the cooperative
association, dispose of all of the assets of the coop-
erative association in such manner as the Board of
Directors shall determine.

Article IX. Waiver of Notice
Unless otherwise provided by law, whenever any
notice is required to be given to any Member or
Director of the cooperative association under the
provisions of these by-laws or under the provisions of
the articles of incorporation, a waiver thereof in
writing, signed by the person or persons entitled to
such notices whether before or after the time stated
therein, shall be deemed equivalent to the giving of
such notice.

Article X. Amendments of the By-Laws
These By-laws may be altered, amended or repealed
and new by-laws may be adopted by the Board of
Directors.

ARTICLES of INCORPORATION
EarthArt Village, a Cooperative Association

The undersigned persons, over eighteen years old, a
majority of whom are residents of the state of
Colorado, acting as incorporators of a Cooperative
Association under Article 55 of Title 7 of the Colo-
rado Revised Statutes, as amended, adopt the follow-
ing Articles of incorporation.

ARTICLE I - Name
The name of the Cooperative Association is: EarthArt
Village.

ARTICLE II - Mission Statement
The mission of EarthArt Village is to be a model
wholistic, sustainable community; living harmoniously
with the Earth, sharing resources and responsibilities;
and balancing the common good of the group with the
well being of each member.

ARTICLE III - Purposes
In accordance with its mission, the purposes of this
Cooperative Association shall be:

1) To purchase, lease, manage and maintain land and
facilities for the benefit, health and well being of the
members and the residential community as a whole.
2) To foster, encourage and cultivate lifestyles
demonstrating the learning and living of cooperation,
simplicity, creative expression, and, respect for one
another and the natural environment.
3) To honor, steward, protect and enhance the natural
environment, minimizing impacts of development on
the land and maximizing open space.
4) To encourage and develop energy efficient,
ecologically-sound living, learning, working and
playing environments, using sustainable design,
methods and materials.
5) To research, develop and maintain alternative, off-
grid, sustainable infrastructure, including, but not
limited to: common food, energy, water and waste
management systems.
6) To establish, organize, equip, own, operate, man-
age, encourage, maintain, carry on and conduct
endeavors including, but not limited to: member-
managed agriculture and businesses, cooperative
purchasing programs, publications, research projects
and community artistic and cultural activities.
7) To provide a living context and example for
educational demonstration of sustainable community
living - socially, spiritually, economically and environ-
mentally.
8) To engage in any activity and to perform and carry
out contracts of any kind necessary to, or in connec-
tion with, or incidental to the accomplishment of its
purposes as allowed by law for Cooperative Associa-
tions, for the mutual benefit of its members.

In furtherance of the foregoing purposes, the Coop-
erative Association shall have and may
exercise all of the rights, powers and privileges now
or hereafter conferred upon Cooperative Associations
organized under the laws of Colorado. In addition, it
may do everything necessary, suitable or proper for
the accomplishment of any of its Cooperative Asso-
ciation purposes, in Colorado or elsewhere.

ARTICLE IV - Registered Office and Regis-
tered Agent
The address of the initial place of business and
registered office of the Cooperative Association is: …
Name and address of its initial Registered Agent is:

ARTICLE V - Cooperative Association Exist-
ence
The Cooperative Association shall have perpetual existence.

ARTICLE VI - Board of Directors
The number, qualifications and powers of directors of this Cooperative Association shall be determined in accordance with the by-laws from time to time in force, except in no event shall there be fewer than three (3) directors. The directors shall serve for three (3) year terms, except that, the terms of the initial board shall be staggered as further defined in the by-laws. The manner of election or appointment of directors shall be determined according to the by-laws of the Cooperative Association from time to time in force.

ARTICLE VI - Capital Stock
The Cooperative Association is organized with capital stock, the total authorized amount of which is forty-eight (48) shares, constituting a single class of shares, each share having a par value of $27. Shares shall be issued only in connection with the Cooperative Association’s provision of the right to build and occupy a building or other dwelling owned or leased by the Cooperative Association, as further defined in the subscription agreement, membership documents and by-laws of the Cooperative Association from time to time in force. The common stock of the Cooperative Association may be held only by a member of the Cooperative Association.

ARTICLE VII - Membership
The number of memberships authorized is forty-eight (48). The capital subscription of each is $108. The method of determining property rights and interests of each member without capital stock shall be by agreement, and shall be pursuant to such uniform conditions as may be prescribed in the by-laws of the Cooperative Association. The voting rights of the members shall be equal, and no member shall have more than one vote, regardless of the number of shares owned by such shareholder.

ARTICLE VIII - Cooperative Association Incorporators
The names and addresses of those persons, all of whom are residents of Colorado, filing the articles of incorporation are: …

ARTICLE IX - By-laws
The initial bylaws of the Cooperative Association shall be as adopted by the Board of Directors. The Board of Directors shall have power to alter, amend or repeal the bylaws from time to time in force and adopt new bylaws. The bylaws of the Cooperative Association may contain any provisions for the regulation or management of the affairs of the Cooperative Association that are not inconsistent with law or these articles of incorporation, as these articles may from time to time be amended. However, no bylaw at any time in effect, and no amendment to these articles, shall have the effect of giving any director or officer of the Cooperative Association any proprietary interest in the Cooperative Association’s property or assets, whether during the term of the Cooperative Association’s existence or as an incident to its dissolution.

The By-Laws of the Cooperative Association may include provisions which restrict the facility with which shares in the Cooperative Association may be transferred, assigned, or otherwise used, including but not limited to: To further the purposes of the Cooperative Association, the by-laws and membership documents of the Cooperative Association may include provisions which restrict the facility with which shares in the Cooperative Association may be transferred, assigned, or otherwise used, including but not limited to the following:

1) In the event the shareholder shall cease to be a member of the Cooperative Association, such shareholder shall have no rights or privileges on account of such stock, or vote or voice in the management or affairs of the Cooperative Association, other than the right to participate in accordance with law in case of dissolution.

2) The Cooperative Association shall have the first right of refusal to purchase the shares being offered for sale by a shareholder upon such terms and conditions as defined in the by-laws from time to time in force, at its book value, plus a sum no greater than the current market value of any improvements made by the departing member, as determined by the board of directors.

3) The Cooperative Association shall have a lien on any common stock issued to a member for all indebtedness, if any, of the member to the Cooperative Association.

4) The Board of Directors shall have the authority before an assignment or transfer of shares takes
effect, to fix a reasonable fee to cover actual ex-

penses and attorneys’ fees of the Cooperative

Association, a service fee of the Cooperative Asso-
ciation, and other such conditions or transfer fees as
in its discretion it may determine are necessary in
connection with each such proposed assignment or
transfer.

5) Upon the transfer of shares, the shareholder may
be obligated to pay to the Cooperative Association a
transfer fee, which shall represent a percentage of
the profit to be realized by the shareholder upon such
transfer.

6) If a shareholder shall be indebted to the Coopera-
tive Association, the directors may refuse to consent
to a transfer of the shareholder’s shares until such
indebtedness is paid.

7) If shares are jointly owned, the joint shareholders
shall decide among themselves how to cast the one
vote entitled to be cast.

8) Subletting individual living units or any portion
thereof may be restricted. A shareholder must have
approval from the Directors prior to subletting a unit
or any portion of a unit. Subsequently, a shareholder
must seek annual approval of the Directors to con-
tinue said sublet.

9) A special fee may be placed upon any sublet at the
Directors’ discretion.

10) Special fees may be imposed upon any living unit
containing an excessive number of occupants.

11) No holder of any shares of the Cooperative
Association shall as such holder have any preemptive
right or be entitled as a matter of right to subscribe
for or to purchase any other shares which at any time
may be sold or offered for sale by the Cooperative
Association. Any and all such unissued shares and
such additional authorized issuance of new shares
may be issued, allotted and disposed of to such
persons and for such lawful consideration, and upon
such terms as the Board of Directors may deem
advisable and for the best interest of the Cooperative
Association.

ARTICLE X - Additional Provisions
The following provisions are inserted for the manage-
ment of the business and for the conduct of the

affairs of the Cooperative Association, and the same
are in furtherance of and not in limitation of the
powers conferred by law.

1) No contract or transaction between the Cooper-
tive Association and one or more of its directors, or
between the Cooperative Association and any other
Cooperative Association, partnership, association, or
other organization in which one or more of its direc-
tors or officers are directors or officers, or have a
financial interest, shall be void or voidable solely for
that reason or solely because the director or officer is
present at or participates in the meeting of the board
or committee thereof which authorizes, approves, or
ratifies the contract or transaction or solely because
his or their votes are counted for such purpose if:
a. The material facts as to their relationship or
interest and as to the contract or transaction are
disclosed or are known to the board of directors or
the committee, and the board or committee in good
faith authorizes, approves, or ratifies the contract or
transaction by an affirmative vote of the disinterested
directors, even though the disinterested directors are
less than a quorum; or
b. The material facts as to their relationship or
interest and as to the contract or transaction are
disclosed or are known to the shareholders and
members entitled to vote thereon, and the contract or
transaction is specifically authorized, approved, or
ratified in good faith by vote of the shareholders and
members; or

Dated at Crestone, Colorado this 31st day of August,
1998.

In witness whereof, we have hereunto subscribed our
names: ______________
Fourth World Services
Providing information for a lifestyle balancing our personal needs with those of society and nature

Fourth World — This term is used:
• In political/economic theory as any decentralized, self-governed society maintaining a locally based economy.
• By the United Nations for the least developed countries.
• In Hopi prophecy as our current era of environmental decline.

Fourth World Services provides information necessary for the building of a lifestyle which respects the integrity of the natural world, which supports the development of a socially responsible culture, and which affirms the inherent worth and dignity of every person.