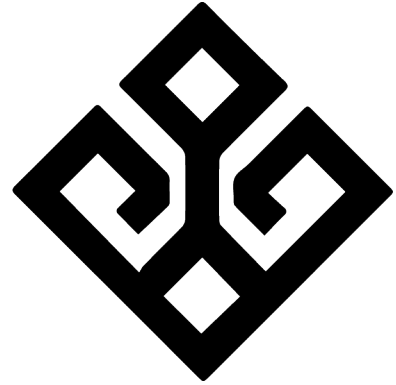


RTTL Land Association
A Limited Liability Company



LLC Operating Agreement
Summary Version

FEIN: 12-1234567

NAICS code: 53131

LLC Effective Date: January 1, 2026

Business email: emailaddress@pm.me

Address: 123 Brown St, City AR 12345

Business Phone: +1 (959) 555-1212

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Version and Ratification Information:

This is a summary version of an LLC Operating Agreement under the RTTL Land Association Framework. The full text (70+ pages) is available to RTTL members who are applying to purchase a membership interest in an active RTTL Land Association. This text is provided for example purposes.

How to start your own RTTL Community:

1. Join the Return to the Land association by visiting www.returntotheland.org and filling out an application.
2. Form a planning group in your area consisting of other RTTL members.
3. Attend an RTTL event and meet the leadership. Express your interest in starting a community in your area, and we will determine the feasibility.
4. If your location is feasible, RTTL will provide the resources necessary to form a private neighborhood under the RTTL framework.

Can I start a non-RTTL-affiliated community by recreating this LLC Operating Agreement from the summary text?

Possibly yes, probably no. Here are the main issues with doing so:

- Our model works because there is a larger organization (RTTL) providing a membership pool for the land associations. There are important functions that are fulfilled by this arrangement. Having a standalone LLC, or even a standalone LLC with a very small PMA behind it, would be a different arrangement and may require different considerations.
- The LLC operating agreement is only one of many documents, forms, and puzzle pieces that fit together to make our framework legally tenable.
- This framework will work in some states and localities, but not in others. Extensive legal research needs to be done in each new area, and changing the operating agreement and startup strategy accordingly.

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Definitions

This section defines important terminology to avoid misconstruing clauses based on the terms used.

Article I: Management and Voting

1. Management Power:

The management of the LLC will be vested in the Board of Managers, consisting of a president, vice president, treasurer, and secretary.

2. Initial Managers:

This section defines terms and appointment of initial managers.

3. Board Elections:

This section describes the board election process which will be held every 2 years. General LLC membership votes on the board.

4. Manager Removal:

This section allows the board to remove a manager with a $\frac{3}{4}$ vote, and the membership to remove a manager with a 95% vote.

5. Authorized Representative:

This section explains which board members are authorized to sign various types of documents on behalf of the LLC.

6. Legal Representation:

This section explains which board members are authorized to represent the LLC in legal matters.

7. Checks and Payments, Bank Transactions:

This section places safeguards for check payments and bank withdrawals from the LLC bank account, and allows the board to appoint managers to deal with various banks and payment accounts.

8. Loan Limitations:

This section prevents the LLC from taking out any loans that would put assets at risk.

9. Sale of Real Estate:

This section deals with the authorization for sale of real estate.

10. Sale of Movable Assets:

This section deals with the sale of various asset types.

11. Voting Rights:

This section states the voting rights afforded to each membership interest class.

12. Electronic Signatures:

This section contains a standard electronic signature consent clause.

13. Vote Requirements:

This section outlines the voting requirements for various types of decisions that can be made by the Board of Managers.

14. Quorum Requirements

This section defines the quorum requirements for board votes and membership votes.

15. Future Authorization Without Signature:

This section deals with minor edits that can be made to the document without membership approval.

16. Change of Management Status or Dissolution:

This section defines voting requirements for various unlikely events that may occur.

17. Amendment of Operating Agreement:

This section defines voting requirements for an amendment or restatement of this document, and also defines compliance requirements to consider when changing the OA. RTTL's Board of Trustees must approve of changes in the operating agreement, in order to ensure that the LLC is still operating within the RTTL framework and following the values of the RTTL association. An LLC is allowed to leave RTTL and form its own PMA, which would occur if they were to make questionable changes to their OA in violation of RTTL policy.

18. Member Class Voting Rights:

This section defines voting rights of different member classes.

19. Board Responsibilities:

Defines responsibilities of each board member, and types of proposals that may be considered.

20. Accounting and Tax Regulations:

This section gives detailed regulations for accounting and tax strategy.

21. No Contact Clause:

If a member with voting power does not respond to requests for a vote within 15 days, and has not legitimately assigned a proxy, his vote may be considered an abstention vote for the purposes of allowing a vote to proceed.

22. Voting by Proxy:

Gives details of proxy voting.

23. Scope of Activities:

Important clauses involving the legal status and purpose of the LLC.

24. Severability Clause:

This section contains a detailed severability clause that goes above and beyond the standard severability clause included in most contracts.

25. Counsel, Drafting Party:

Important clauses to ensure the legal enforcement of this document.

Article II: Member Interests

This article is 7 pages long and includes the following:

- Definition of different membership interest classes
- Voting rights, land allocation, and other benefits afforded to different membership interest classes
- Regulates the conversion between different membership interest classes in different scenarios
- Minimum and maximum “share size”
- Development time requirement for certain classes and percentages of membership interest
- Alternative capital contributions used to obtain membership interest.

Article III: Share Transfer Restrictions

This article is 4 pages and includes the following:

- Share transfer restrictions, including board approval, site visit, and criminal background check for new member applicants to the land association
- Detailed new member approval process
- Detailed forced buy-out process, including various options for ensuring an expelled member receives fair market value for their membership interest even if the LLC membership cannot purchase their share. *(Most standard LLC operating agreements simply include a “right of first refusal,” and share transfer restrictions are easily defeated in court resulting in an unwanted new member; we avoid this by detailing numerous options so there is no situation*

in which the LLC could be forced to take on an unwanted partner.)

- Regulations in case of death of a member, incompetence, prevents assignability to creditors
- Outlines a “transfer on death” (TOD) process so a member’s family can avoid probate court
- Deals with approval of heirs so that they can either receive land benefits or sell the LLC interest if they don’t qualify for RTTL.
- Deals with marital property agreements and business entities as members

Article IV: Buy/Sell Agreement

This article details the process to sell and purchase membership interest in the LLC, including:

- Documents used in the transfer
- Oversight of the Board of Managers
- Easements, debts, etc tied to shares that are being sold
- Requires that applicants visit the land and meet the LLC members present, and undergo a criminal background check.
- Details on transfer fee and background check fee
- Recording of information in LLC records
- Special considerations for members who are not U.S. citizens (e.g. members from Europe)
- Special considerations for members who use a business entity for ownership (e.g. an individual’s LLC as a member rather than the individual.)
- Regulates installment payment terms for membership interest
- Regulates share transfers that are a result of involuntary buy-outs.
- Plat use compliance and subdivision law compliance

Article V: Startup and Compliance Strategy

This Article has 2 sections.

“Startup”:

- This 3-page section includes a detailed plan of how to form the LLC and begin operations, including initial formation of the LLC and approval by the RTTL Board of Trustees, initial documents and organizing resolutions, land selection and survey process, road planning and excavation, lot selection process, septic planning regulations, and development of common elements. It authorizes yearly dues payments from the LLC to RTTL, which will fund important programs such as the RTTL Legal Fund to help defend Land Associations from lawfare attempts.

“Compliance Strategy”:

- This 2-page section includes a list of requirements for the LLC to maintain membership in RTTL as a Land Association under the RTTL framework.

- It also describes how to handle a situation where a member is expelled from RTTL but is still a member of an RTTL land association.
- Finally, it includes an SEC compliance strategy to ensure that securities laws are not being violated, either on a state or federal level.

Article VI: Common Elements and Contributions

This 9-page Article regulates any common elements on the property (such as roads to access the various allocated lots, any “community area” with a building, well, electric, and septic for common use,) etc. It includes:

- Administration of common elements
- Damages for misuse of common elements
- The initial development budget
- Distribution of budgetary obligations
- The process for passing annual operation budgets
- Limits to the obligations to members based what items are on the annual operation budget (No elective projects that are not considered maintenance or operation expenses can be obligated to a member that did not vote for it, but maintenance and operation expenses are indeed obligated)
- Low cash reserve fail-safe, which can trigger mandatory contributions a limited number of times and at a limited frequency, after which a board election is triggered automatically since at that point we assume board incompetence is a strong possibility.
- The process for obtaining insurance on buildings on the property, including homeowners’ insurance for members.
- Liability and waiver requirements

Article VII: Private Elements and Land Allocation

This 8-page Article addresses the following:

- Land allocation to Members for their private use and development.
- Initial land selection
- Minimum share size in terms of land area
- Planning of land allocation
- General definition of land uses, homestead area, etc.
- Legal considerations for land allocation/lease
- Revocation of land rights
- Waiver of adverse possession rights
- Zoning change contingency / failsafe
- Liability of private elements
- Ownership of private infrastructure (houses and other improvements done to a lot are the property of the Member and not of the LLC.)

- School type and family residency eligibility. Due to the dangers of public schooling and its influence on our youth, only families who homeschool, or send their children to various other types of approved schools, are eligible to receive residency rights on the property.
- Family member criteria – to which family members of an LLC member are residency rights extended?
- Regulations involving guests
- Various clauses to protect the LLC and the Members against adverse possession claims (squatting).
- **General Land Use Regulations including the following:**
 - Boundary considerations
 - Intrusion / trespassing
 - Water and drainage
 - Right-of-ways for access and utilities
 - Minimum setback requirements
 - Access and road improvements
 - Direct public road access regulations (to ensure property perimeter security)
 - Ownership of private lot improvements (and transference upon sale)
 - Mail and mailboxes

Article VIII: Land Use Regulations

This 10-page Article includes specific land use regulations including the following:

- General conduct
- Noise and nuisance (agricultural and construction noise is allowed)
- Traditional agricultural and farming rights are protected, CAFOs and similar industrial operations are prohibited.
- Pets and animals (fence-in policy)
- Pit bull prohibition

1. **Pets and Animals:**

- a. The LLC hereby adopts a fence-in policy for domesticated animals, wherein each member is responsible for keeping their animals in their property boundary such that they do not cause a nuisance to neighbors.
- b. Pigs must be fenced in by the member keeping them. This is mentioned for emphasis and not to exclude any other animals.
- c. Owners are responsible for any property damage or bodily harm that their pets or farm animals may cause.
- d. Dangerous or aggressive animals that pose a threat to the safety of residents are not allowed.
- e. [Pit Bull Prohibition](#)
- f. Abandonment of animals on the property and roaming dogs
- g. General aesthetics of private lots
- h. Age-appropriate modesty (in general, publicly visible nudity is prohibited.)

- i. Child protection clause, mandatory reporters, provision of basic needs to children in accordance with DCFS guidelines.
- j. Trash disposal
- k. Parking
- l. Common area usage
- m. Home businesses
- n. Rental policy
- o. Septic and gray water compliance (State health department)
- p. Water system compliance (State health department)
- q. Volatile liquid storage compliance (EPA)
- r. Perimeter fence
- s. Guests
- t. Firearm safety
- u. Enforcement and mediation
- v. In-house work
- w. Contractor liability
- x. Property taxes for members' infrastructure
- y. Toxic plants and substances, danger for children and animals
- z. Hunting tags

Article IX: Profit and Loss Distribution

This article contains:

- Standard profit and loss distribution regulations for business accounting purposes
- Establishment as an ESA (expense-sharing agreement), resultant net income and cash distribution rules
- Tax compliance rules

Article X: Code of Conduct and Enforcement

This 5-page article includes:

- General list of disciplinary actions available
- Certain “specific behaviors” not listed elsewhere in the operating agreement
- Regulations regarding public image and misrepresentation of the LLC
- Enforcement and fines:
 - Criteria for classification of various infractions as minor or grave
 - Accumulation of infractions, frequency, rolling period, statute of limitations, repetition of enforcement actions for ongoing violations, etc
 - Threshold for expulsion
 - Various standard legal clauses to ensure that fines are enforceable

- Authorization for establishment and maintenance of specific schedule of fines by the Board of Managers
- Order of enforcement for both types of infractions (written warning, fines, additional enforcement actions)

Article XI: Dispute Resolution and Mediation

This 1-page article outlines the dispute resolution process and attempts to put litigation as a last resort.

Article XII: Book Access and Audits

Standard clauses relating to record-keeping and financial audits.

Article XIII: Force Majeure

The “Force Majeure” section will be applied to address unforeseen and catastrophic events, providing flexibility and adaptability to preserve the interests and well-being of the LLC and its members during challenging circumstances.

- Adjustment of appraisals and fines due to monetary valuation catastrophes
- Use of alternative currencies and cash management
- Absence of legal framework
- Land allocation for membership interest classes that are normally not beneficiaries of land rights, in cases of catastrophe or civil unrest etc.

Article XIV: Dissolution

In the unlikely event of LLC dissolution, the assets will be distributed in accordance with the Share Transfer Restrictions and the interests of the members as specified elsewhere in this Operating Agreement, and in accordance with the procedures outlined in this Article.

Article XV: Amendments

This operating agreement may be amended with the consent or abstention vote of 3/4 of the members with voting power.

Article XVI: Governing Law

This operating agreement will be governed by and construed in accordance with the laws of the State of Arkansas.

Article XVII: Members

This article will contain a list of LLC members and their associated data.

1	John Doe		16%
	Membership Interest Classification		
	Class	Percentage	
	Founding Class		
	Alpha Class		
	Beta Class		
	Sigma Class		
12 acres Land Allotment	123 Smith St, Anytown AR 12345 (567) 555-1212 • myname@email.com		Current LLC Membership Interest
	Projected Ending Interest: 16% Capital Contribution: \$60,000 USD (cash) Date of acquisition: September 29, 2024		

2	CONTINUE THIS TEMPLATE		7.159%
	FOR ALL LLC MEMBERS		
6 acres Land Allotment			Current LLC Membership Interest

Article XVIII: Ratification

This LLC Operating Agreement will forthwith govern the formation, operation, management, dissolution, and all other aspects of the LLC, and will be binding on all members, who hereby acknowledge and agree to abide by the terms and procedures set forth herein.

Name: John Smith Founding Member and Vice President	Signature:
CONTINUE THIS TEMPLATE FOR ALL SIGNEES	Signature: