

Citizens Land Development Cooperative

“Linking People to Land and Technology Through Ownership”



CITIZENS LAND DEVELOPMENT COOPERATIVE

Stages of Implementation

- Stage 1 Non-Profit Center Formed to Mobilize Community for Citizens Land Development Cooperative
- Stage 2 Citizens Land Development Cooperative Formed
- Stage 3 Turnkey Developer Coordinates Development Planning
- Stage 4 Turnkey Developer Negotiates Funding and Transfer of Sites to CLDC
- Stage 5 CLDC Becomes Activated
- Stage 6 Financing and Issuing of CLDC Shares
- Stage 7 Community Shareholders Earn Shares and Dividends from CLDC Profits



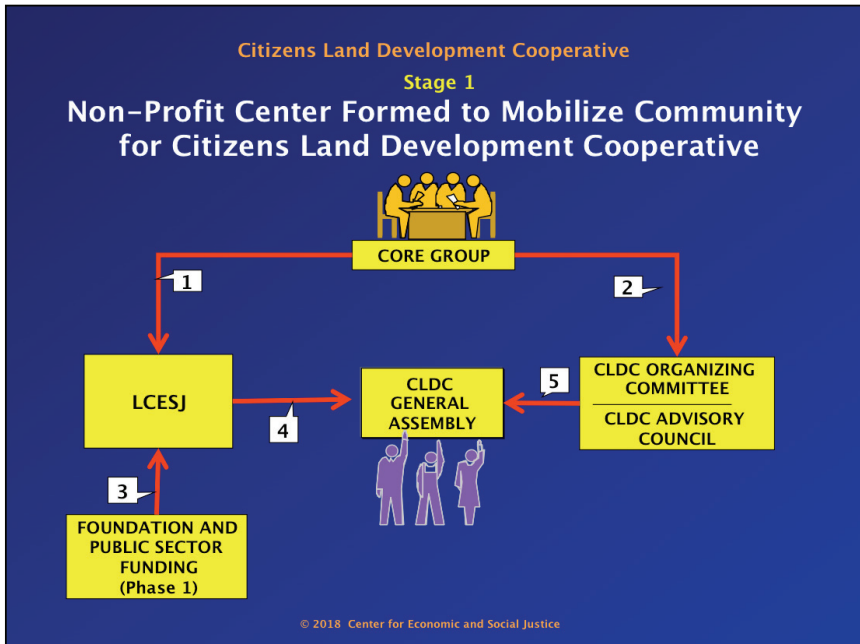
The for-profit **"Citizens Land Development Cooperative"** (**"CLDC"**), also referred to as the for-profit **"Citizens Land Bank"** (**"CLB"**) or **"Community Investment Corporation"** (**"CIC"**), is one of several innovative credit financing vehicles aimed at realizing a free enterprise vision for re-humanizing the future of the American economy.

The CLDC is a keystone of a new private sector strategy known as **"Capital Homesteading,"** which recognizes the ownership of productive capital as a new right of citizenship and supplemental source of personal income.

The CLDC is designed to finance livable and inspiring **"new communities"** in which every worker and resident would be afforded the right and the effective means to participate personally in capital ownership accumulations, profits and local decision-making. It functions just as the Rouse Corporation did in building Columbia, Maryland or the Reston Corporation did in building Reston, Virginia — but with a difference. The CLDC turns community residents into its principal shareholders.

The CLDC offers a planning framework for financing local infrastructure to increase land values and attract new worker-owned industries and entrepreneurial opportunities. It can also provide financing incentives for introducing and commercializing advanced technologies that can be owned by local workers, create new private sector jobs, and enhance the economic growth of the community within local, national and global markets.

Outlined in the following diagrams is a national demonstration project for commercializing advanced technologies linked with broad-based ownership participation in land development among area residents and workers.

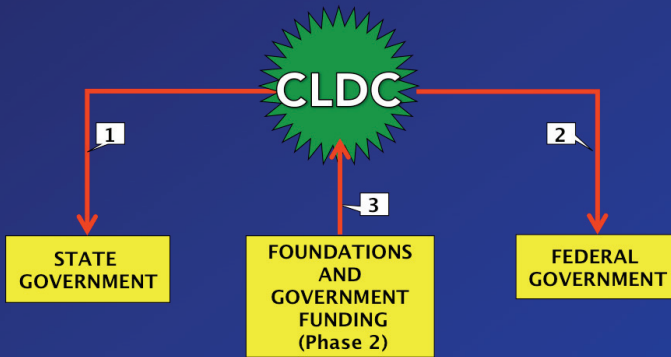


1. Core leadership group organizes and incorporates a not-for-profit Local Center for Economic and Social Justice (LCESJ) to educate all members of community on a free enterprise version of economic and social justice, economic empowerment goals, new sources and mechanisms for financing economic development, and personal benefits that would flow from organizing a Citizens Land Development Cooperative.
2. LCESJ organizes a volunteer CLDC Organizing Committee consisting of a diverse group of community leaders, and a CLDC Advisory Council made up of professionals and influential supporters outside the community. The two organizing bodies develop the initial vision, strategy, operational plan and tasks for forming a CLDC and prioritizing initial projects, including broad-based citizen participation in the CLDC planning process.
3. LCESJ applies for and receives public sector and foundation funds to organize a non-partisan election for selecting neighborhood representatives to a CLDC General Assembly to structure the CLDC's governance process, form committees to develop basic policies and goals, and facilitate formation of the CLDC.
4. LCESJ organizes neighborhood or precinct elections to select representatives to a CLDC General Assembly.
5. CLDC Organizing Committee and Advisory Council provide volunteer assistance to CLDC General Assembly and standing committees of CLDC for mobilizing support and approving Citizen Shareholders Participation Plan, CLDC bylaws, and initial sites to be developed by CLDC.

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Stage 2

Citizens Land Development Cooperative Formed



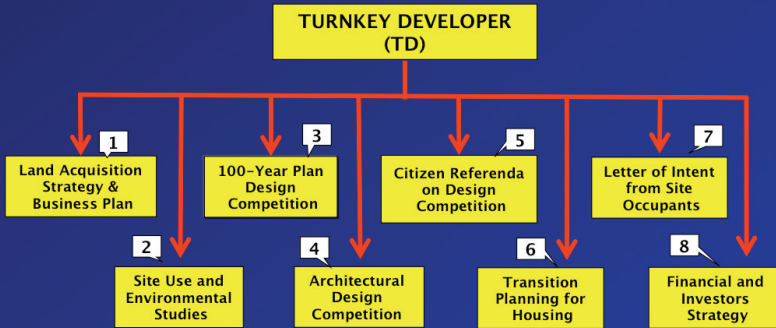
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1. CLDC applies to the State Government for a charter as a for-profit, citizen-owned land planning and development entity. It would be empowered to acquire the community's land both by purchase from current owners or free transfers from government. This would enable all permanent community residents as members of the CLDC to plan land uses and share in future development profits. To encourage faster rates of local development, local governments would be encouraged to shift from property taxes to taxes on all forms of personal income above the poverty line, including dividends resulting from the CLDC growth model.
2. When chartered, the CLDC would apply for and receive from the Federal Government comparable tax benefits for citizen-shareholders as current tax laws provide for worker-owners of an S-Corporation Employee Stock Ownership Plan ("S-Corp ESOP"). The CLDC would also receive the same tax treatment as a 501(c)(3) corporation for receiving donations of land from government, private donors and foundations.
3. Front-end funding is provided to enable CLDC to hire a qualified Turnkey Developer (TD) to plan, manage and arrange financing under CLDC board approval for developing CLDC land under a 100-year plan that will sustain maximum dividend incomes and ownership participation rights of all citizen-shareholders.

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Stage 3

**Turnkey Developer Coordinates
Development Planning**



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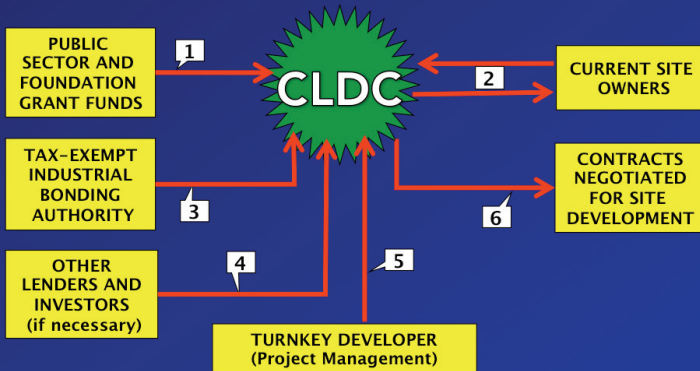
Subject to CLDC Board approval, a TD develops:

1. Land acquisition strategy, site appraisals, overall CLDC business plan, and all aspects of project management, from initial concept through planning and development and site management.
2. Site use, environmental, economic and financial feasibility studies.
3. Design competition process for 100-year plan for comprehensive anticipatory and life-enhancing development that empowers all members of the community.
4. Architectural design competitions for basic community facilities and infrastructure to attract private sector and government users of space.
5. Plan for vote by citizens, following expert panel selection of top competitors in design competition.
6. Plan for meeting housing transition problems of citizens during development process.
7. Letters of intent negotiated with prospective occupants of sites.
8. Financial strategy and, if necessary, negotiations with outside partners and investors.

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Stage 4

Turnkey Developer Negotiates Funding and Transfer of Sites to CLDC



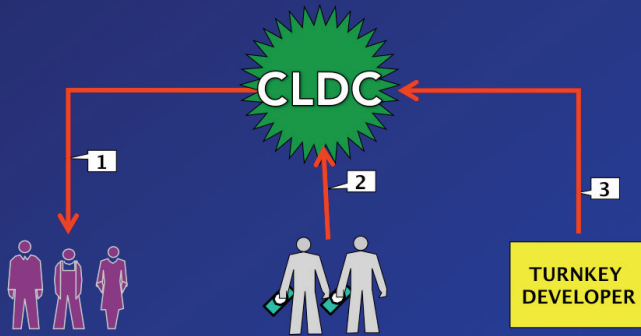
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1. CLDC approves TD proposals for public sector and foundation grants to pay for planned acquisitions of land, and for recruiting and training a permanent CLDC management team to handle all aspects of land and infrastructural development, real estate marketing, management and site maintenance, and supporting services to viable companies and users of the CLDC sites.
2. CLDC negotiates for cash-free transfers of government-held land and purchases of project lands from private owners.
3. CLDC negotiates tax-exempt industrial bonds for infrastructure development.
4. CLDC seeks and negotiates with other lenders and investors to close gaps in overall funding requirements.
5. TD, based on policies approved by CLDC shareholders, provides overall project management.
6. Contracts negotiated with qualified bidders for site development.

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Stage 5

CLDC Becomes Activated



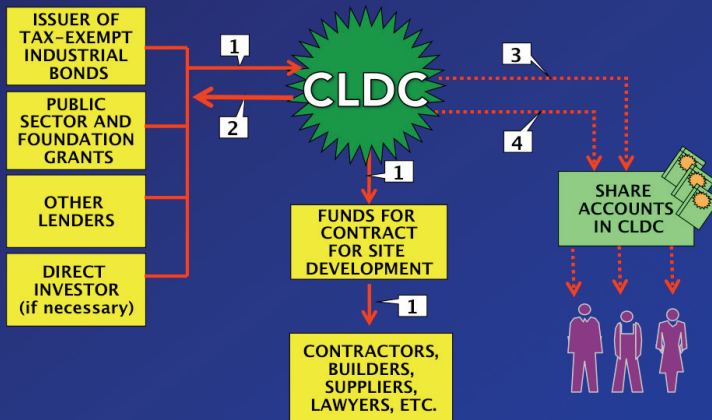
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1. Citizens acquire rights to participate as shareholders of CLDC, with each man, woman and child who remains or becomes a permanent resident receiving a free, lifetime, non-transferable voting share in the CLDC. The share would be voided upon death or change of permanent residence.
2. Additional investment in CLDC shares from outside investors if necessary, but subject to repurchase by CLDC on agreed-upon formula price.
3. Overall development plan submitted for CLDC board approval and CLDC General Assembly.

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Stage 6

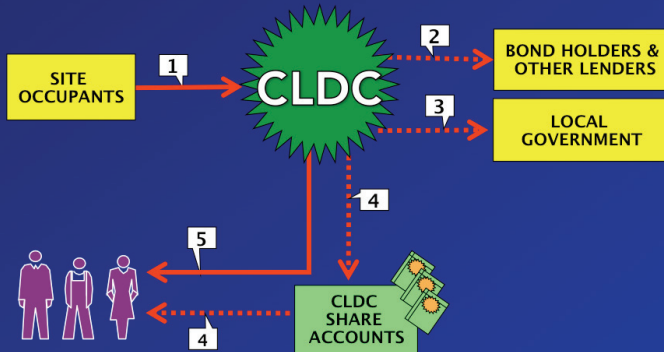
Financing and Issuing of CLDC Shares



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1. Funds transferred for developing sites.
2. CLDC guaranties loan repayment, pledging as collateral the land and other assets of the CLDC.
3. CLDC issues free, non-transferable, full dividend payout, voting shares to tax-sheltered accounts within CLDC for broad-based ownership by local citizens.
4. Special CLDC bonus shares awarded under the CLDC's Community Participation Plan to citizens or public servants who make special contributions to improving the quality-of-life of the community.

Community Shareholders Earn Shares and Dividends from CLDC Profits



1. Revenues received from long-term leases of CLDC land, space and facilities rentals, extraction and infrastructure user fees, and maintenance contracts.
2. CLDC repays debt to bondholders and other lenders on CLDC loans for land acquisition and infrastructure development. Lenders release CLDC land and other assets pledged as collateral as loan is repaid.
3. Dividend withholding taxes provide public sector revenues lost by the exemption from property taxes on all property on land owned by the CLDC.
4. Citizen Dividends (CD) distributed monthly in cash to every CLDC shareholder from land rentals and other CLDC fees, after operating costs, CLDC debt service payments, and dividend withholding taxes.
5. Community Shareholders receive annual CLDC shareholder reports and summary of annual citizen dividends.

System Overview: Financing Private-Sector Growth through CLDCs Under Capital Homestead Act

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