

## **PURCHASING THE HART'S MILL LAND FAQ**

### ***Why are we buying the land, and why are we doing this now?***

Purchasing land is a foundational action for any intentional community like Hart's Mill to move forward. Everything else depends on it. It makes little sense to even think about initiating other elements of our plan before the land is ours.

We are doing this now because:

- We have told the owner of the land, Alana Ennis, that we intend to exercise the purchase option contract by the end of 2016. This contract has already been extended twice, at some financial cost to the community. It's time to move forward. Not doing so places the entire project in jeopardy (e.g., members of the community leaving or Alana herself losing patience with us).
- The agreement we have with Alana is financially favorable to us as she has offered to finance 90% of the purchase price over 20 years. We recently updated the appraisal and the market value still exceeds our contract price.
- At this point, we have tens of thousands of dollars invested in the rezoning approval, surveying, soils testing, and site planning specific to this piece of land.
- It protects those members who already have contributed significantly to the Hart's Mill project by securing our equity in the asset. If for some reason the project does not go forward, we could sell the land to pay back these early members who were willing to take a financial risk.

### ***Did you look at other land?***

Yes, of course. The original group of Hart's Mill pioneers sought an appropriate piece of affordable land for three years. About five years ago, Alana Ennis approached the group to offer her land at a favorable rate because she was attracted to the vision of the group.

### ***Who actually is purchasing the land? How will this work?***

The legal entity purchasing the land will be the Hart's Mill, LLC – our interim development company. Eight Hart's Mill Ecovillage members are currently investors in this company. We need to increase the level of investment in the LLC in order to purchase the land. This can be accomplished in two ways:

- By expanding the number of LLC members, and/or
- By increasing the investment level of existing LLC members.

Each LLC member owns a percentage of the company's assets in proportion to the amount of their investment. This percentage will vary from person to person.

***Do I need to be an investor in the LLC to participate in purchasing the land?***

Yes. Since the LLC will be purchasing the land, you can participate in that process only by becoming an LLC investor. Note that we have a separate FAQ addressing the details of the LLC. This and the formal LLC Operating Agreement are both available on our OnlyOffice site.

***If I become an investor in the LLC and participate in purchasing the land, does this entitle me to eventually live on the land?***

No. The LLC is our temporary legal entity for managing the development process. The current plan is to dissolve the LLC once the development phase of the project is complete and to establish another legal entity (or entities) to assume the legal, financial and management obligations of operating the Village and Farm.

The Hart's Mill Ecovillage *Membership Process* has been developed to effectively manage the membership stages for our Ecovillage and to ensure that all members are a good fit with our community values, and are ready and committed to living on the land. The HM Ecovillage Membership Process is completely separate from becoming an LLC member, and it is via the Ecovillage Membership Process that one becomes eligible to live in a home in the Hart's Mill Village. Living on the land will mean that you have become a member of the future Hart's Mill Housing Cooperative (HMHC). We have a separate FAQ explaining what this means.

***Do I need to become an investor in the LLC in order to someday live in the Hart's Mill Village?***

No. As stated above, the process of resolving who may live on the land is determined by the Hart's Mill Membership Process. Ultimately, those who live in the Hart's Mill Village will become a shareholder in the Hart's Mill Housing Cooperative (HMHC). The HMHC will be the successor entity replacing the LLC when the development process is concluded. Those who eventually live in the Hart's Mill Village will have satisfied two requirements:

- The organizational requirements of the Membership Process, and
- The financial requirements of becoming a shareholder in the HMHC.

***Do I need to be a member of the Hart's Mill Ecovillage to invest in the Hart's Mill LLC?***

No. While most LLC investors currently are (and likely will remain) members of the Ecovillage, anyone can invest in our LLC. See the LLC Operating Agreement for details.