

Granjalotes

Integrated Project Framework

Initial implementation: Paraguay
Developed by Granjalotes

Version 1

A Structured Territorial Development Blueprint



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Document Status & Hierarchy

This Integrated Project Framework describes the territorial, governance, infrastructure and capital logic of Granjalotes — Paraguay.

It is structurally subordinate to:

1. **SOA Constitutional Charter v2.0** (Permanent Authority)
2. **Transitional Development Appendix** (Applicable during Phases 0–3 only)
3. **Initial Bylaws v1.0** (Operational Layer)

In case of conflict, the Constitutional Charter prevails.

This document is descriptive and integrative.
The Constitution governs.

PART I — PROJECT FOUNDATION

1. Executive Overview

This document describes the structural framework for a syntropic village development initiated by Granjalotes in Paraguay.

It is not a speculative subdivision.

It is not a lifestyle experiment.

It is not a cooperative ideal detached from economic reality.

It is a deliberately structured territorial development platform built on three inseparable layers:

Private residential ownership.

Shared territorial continuity.

Phased capital deployment.

Each private lot is structurally linked to an inseparable proportional share in a larger productive territory. The shared land is not residual space — it is the primary long-term asset base of the system.

The project is initiated by a Developer but ultimately owned and governed by its resident members through the SOA structure.

Development proceeds through defined phases.

Capital is deployed conditionally.

Governance operates under a defined constitutional framework embedded in the project structure.

This document integrates:

Territorial design logic.

Ownership and governance structure.

Phase sequencing.

Capital structure.

Infrastructure strategy.

Risk alignment.

It is intended to function as a complete structural blueprint.

The rural model is not designed to expand aggressively; it is designed to mature structurally.

Capital instruments exist solely to enable territorial development and do not create equity participation within the SOA.

2. Vision & Positioning

Granjalotes is positioned as a structured rural territory at human scale.

The project targets:

- Approximately 31–51 households.
- A continuous territory of 80 hectares and above.
- Compact private lots embedded within productive land.

The objective is not maximum density.
The objective is coherence.

The territory integrates:

- Residential life.
- Collective agricultural continuity.
- Shared operational hubs.
- Recreational and ecological systems.

The model is intentionally balanced between two structural extremes:

- Fragmented private isolation.
- Over-collectivized communal structure.

- Private autonomy exists.
- Shared assets are protected.
- Governance is structured.
- Capital is disciplined.

The result is a territory designed to mature over time rather than expand through uncontrolled growth or speculative turnover.

Growth beyond the defined social scale is achieved through replication — not vertical densification or territorial sprawl.

3. Why Paraguay

The model depends on alignment between land price, agricultural viability, legal clarity, and macro stability.

Paraguay currently offers:

- Large, continuous agricultural parcels.
- Land pricing proportional to productive value.
- A subtropical climate allowing extended growing cycles.
- Legal permission for foreign land ownership.

Predictable rural property transfer procedures.
 Relative social and political stability within the region.
 Low rural fragmentation compared to many markets.

These conditions allow territorial structuring before subdivision pressures distort land use.

In many jurisdictions:

Land is affordable but agriculturally weak.
 Land is productive but priced for speculation.
 Legal complexity discourages coherent structuring.
 Political volatility increases structural risk.

Paraguay presents a rare alignment of:

Territorial scale.
 Production viability.
 Legal clarity.
 Relative macro stability.

The model is not tied to a specific country.
 It is tied to territorial feasibility.

Paraguay currently meets the structural threshold required for this implementation.

4. Structural Summary of the System

Granjalotes operates on six structural principles.

4.1 Inseparable Ownership Structure

Each private lot includes an inseparable proportional share in the common territory and shared infrastructure.

Ownership is linked.
 Benefit and responsibility are linked.
 Governance rights derive from ownership.

This structure prevents:

Land fragmentation.
 Free-riding.
 Speculative detachment of benefit from responsibility.

The shared land remains continuous and structurally protected.

4.2 Human-Scale Governance

The project anchors itself within a social range where participants can realistically know one another.

Target scale:
31–51 households.

This range supports:

Direct participation.
Recognizable accountability.
Distributed responsibility.
Operational viability.

Governance is not anonymous.
It remains personal and proportionate.

Beyond this scale, replication is preferred over expansion.

4.3 Three Pillars & Two Hubs

The territory is structured around three foundational pillars:

Residential Life.
Collective Agriculture.
Shared Recreation.

And two operational hubs:

Plaza Hub (civic and social center).
Workshop & Production Hub.

This structure concentrates activity while protecting residential quiet zones.

It prevents spatial confusion.
It reduces long-term friction.
It clarifies domain boundaries.

4.4 Phased Development Logic

The project unfolds through sequential development stages:

- Phase 0 — Structuring & Alignment.
- Phase 1 — Land & Masterplan.
- Phase 2 — Infrastructure Backbone & Allocation.
- Phase 3 — Activation.
- Phase 4 — Stabilization.

Each phase has defined triggers and capital thresholds.

No irreversible step occurs without structural readiness.

Development authority during Phases 0–3 operates under the Transitional Development Appendix.

Upon Phase 4 declaration, all development-phase mechanisms expire automatically and governance fully normalizes under the Constitutional Charter.

4.5 Capital Discipline

Capital is:

- Structured.
- Phase-aligned.
- Hard-cap limited.
- Risk-tiered.

Early participation carries higher uncertainty and greater positioning influence.
Later participation reflects reduced structural risk and adjusted pricing.

Capital is not open-ended.
It is deployed conditionally and sequenced.

The reserve architecture follows constitutional definitions:

- Structural Reserve Minimum — 10% of projected infrastructure exposure.
- Target Reserve Range — 20–30%.
- Annual Allocation Floor — 5% of operating budget.
- Early Capital Contingency — 20% (Phase 0–1 only).

Capital discipline reduces collapse risk and overextension.

4.6 Constitutional Governance

Governance operates through the Shared Ownership Association (SOA).

The structure defines:

Voting thresholds.
Phase-based voting caps.
Enforcement ladder.
Transfer continuity.
Structural safeguards.

Voting caps normalize progressively and become one vote per natural person at Phase 4 stabilization.

Governance authority transitions fully to owners once structural stabilization criteria are met.

The system is contractual and structural — not personality-driven.

5. What This Is Not

Clarity is achieved by defining boundaries.

Granjalotesis not:

A speculative real estate flip.
A tax-driven association.
A commune dependent on ideological alignment.
A resort-style gated community.
An unstructured eco-experiment.

It does not rely on:

Constant expansion.
Founder authority.
Perpetual capital inflow.
Perfect harmony.

It relies on structure.

Private ownership is clear.
Shared assets are continuous.
Capital is disciplined.
Governance is constitutional.
Phasing reduces collapse risk.

This foundation sets the stage for territorial coherence.

PART II — TERRITORIAL & SPATIAL STRUCTURE

1. Territorial Continuity as Primary Framework

The starting point of Granjalotes is not housing.
It is territory.

The majority of the land remains continuous and structurally unified.

Private lots are embedded within a larger shared landscape that includes:

- Agricultural domains.
- Ecological buffers.
- Water systems.
- Infrastructure corridors.
- Operational hubs.
- Recreational areas.

The shared land is not “leftover space” between houses.
It is the primary structural layer of the project.

This continuity enables:

- Efficient infrastructure routing.
- Integrated water retention logic.
- Scalable agricultural systems.
- Clear zoning between quiet and active areas.
- Long-term ecological resilience.

Fragmented parcels weaken structure.
Continuity strengthens it.

For this reason, the implementation targets a minimum threshold of approximately 80 hectares of usable continuous land.

The territory must be large enough to:

- Support meaningful agricultural continuity.
- Allow water systems to function structurally.
- Create domain separation between residential and productive areas.
- Absorb internal circulation without fragmentation.

Below that threshold, coherence becomes fragile.

2. Social Scale & Density

Territorial size is aligned with human governance capacity.

The target range of 31–51 households corresponds to a social size where:

Participants can realistically know one another.

Voting remains meaningful.

Responsibility remains visible.

Accountability remains personal.

Governance becomes unstable when scale exceeds recognition capacity.

Private lots are intentionally compact, generally within a range of approximately 200–800 m².

This allows:

Preservation of large shared areas.

Lower infrastructure duplication.

Walkable spatial logic.

Clear visual coherence.

Reduced land maintenance burden per household.

Density is used strategically — not maximized.

The goal is not suburban spread.

The goal is structural efficiency.

Compact private lots combined with large shared productive land create a balance between autonomy and continuity.

3. Productive Land Requirement

Agricultural continuity requires scale.

In the Paraguayan climate, meaningful production systems may include:

Rotational grazing.

Orchard and perennial systems.

Agroforestry corridors.

Market gardens.

Tree nurseries.

Managed wood production.

Structurally, productive continuity may require approximately:

0.6–1.0 hectares per household equivalent.

At 31–51 households, this positions the territory within the 80 hectare and above range when ecological buffers and infrastructure are included.

The land is not decorative.
It is a productive backbone.

Agriculture is not an aesthetic layer added later.
It is foundational infrastructure.

Without sufficient productive continuity:

Economic viability weakens.
Ecological systems fragment.
The model collapses into residential clustering.

Granjalotes explicitly avoids that outcome.

4. The Three Pillars

The territory operates on three foundational layers.

These are not symbolic themes.
They are structural categories.

4.1 Residential Life

Private lots provide:

Autonomy.
Privacy.
Transferability.
Rental possibility.
Inheritance continuity.

Residential domains are protected from excessive disturbance through spatial zoning.

Living space remains private — but embedded within shared structure.

Each household:

Controls its dwelling.
Designs within defined envelopes.
Participates in shared governance.
Contributes proportionally to shared systems.

The model protects autonomy without dissolving continuity.

4.2 Collective Agriculture

Agricultural land remains continuous and structured.

Rather than fragmented hobby plots, production may operate through:

- Cooperative models.
- Defined operators.
- Lease arrangements.
- Revenue-sharing structures.
- Professional agricultural contracts.

Continuity ensures:

- Economic viability.
- Ecological resilience.
- Long-term land stewardship.
- Capital efficiency.

Agriculture is treated as foundational infrastructure — not decoration.

The territory remains productive even if individual residents do not directly farm.

Operational roles may be internal or external, but land continuity is preserved.

4.3 Shared Recreation

Recreation strengthens cohesion without overwhelming residential peace.

Shared recreational elements may include:

- Natural swimming water.
- Gathering spaces and quinchos.
- Trails and sports areas.
- Informal learning environments.
- Community events.

Recreation is encouraged — not imposed.

- Participation is voluntary.
- Infrastructure is shared.

The goal is cohesion without collectivization.

5. The Two Operational Hubs

Activity is concentrated to prevent territorial friction.

5.1 Plaza Hub

The civic and social center may include:

- Small commercial units.
- Shared kitchen or café space.
- Flexible meeting rooms.
- Guest accommodation.
- Covered terraces and gathering areas.

The Plaza shapes identity and daily rhythm.

It serves as:

- Social anchor.
- Commercial interface.
- Event space.
- Administrative reference point.

Activity is concentrated here so that residential zones remain calm.

5.2 Workshop & Production Hub

The functional core may include:

- Fabrication areas.
- Tool storage.
- Agricultural equipment bays.
- Modular rentable workspaces.
- Repair and maintenance facilities.

Production is concentrated to protect residential quiet zones.

The Workshop Hub reduces duplication of:

- Tools.
- Machinery.
- Storage space.
- Infrastructure.

It also creates potential income-generating opportunities.

6. Zoning & Domain Clarity

Spatial clarity prevents conflict.

Domains are organized into:

- Quiet residential zones.
- Agricultural production areas.
- Water-oriented spaces.
- Operational hubs.
- Circulation corridors.

Participants choose proximity to activity based on preference.

Structure protects autonomy by clarifying boundaries.

Without zoning clarity:

- Noise conflicts increase.
- Operational friction rises.
- Governance tension escalates.

Spatial logic reduces governance strain.

7. Masterplan Before Allocation

Final lot allocation occurs only after:

- Topography is studied.
- Water logic is mapped.
- Agricultural continuity is defined.
- Hubs are positioned.
- Access routes are optimized.

Design precedes division.

This preserves long-term coherence and prevents short-term positioning from distorting territorial logic.

Speculative early lot picking is avoided.

The masterplan is structurally defined before ownership fragments the territory.

This principle protects the long-term asset base.

PART III — OWNERSHIP & GOVERNANCE STRUCTURE

1. Ownership Model: Lot + Inseparable Share

Ownership within Granjalotes consists of two inseparable components:

A defined private lot.

An inseparable proportional share in the common territory and shared assets.

These two elements cannot be separated, transferred independently, or structurally detached from one another.

The shared territory includes:

Agricultural land.

Infrastructure corridors.

Water systems.

Operational hubs.

Recreational areas.

Reserve buffers.

Future expansion buffers where defined in the masterplan.

Ownership of a private lot automatically includes:

Governance participation.

Proportional financial responsibility.

Shared benefit in collective assets.

Participation in reserve formation.

Exposure to shared risk proportionate to ownership.

This structure prevents:

Fragmentation of land.

Free-riding behavior.

Speculative detachment of value from responsibility.

Short-term extraction at the expense of long-term coherence.

Ownership is territorial and structurally linked.

The shared land remains continuous by design and by legal structure.

2. Shared Ownership Association (SOA)

Governance is always exercised through the Shared Ownership Association (SOA).

The SOA:

Exists from Phase 0 onward.

Remains the sole governing body throughout all phases.

Does not dissolve or transfer governance to a separate entity.

There is no governance “handover” between different legal bodies.

During early phases, governance authority is exercised under development conditions defined in the Transitional Development Appendix.

Upon Phase 4 stabilization, all transitional mechanisms automatically expire, and governance operates exclusively under the Constitutional Charter and Bylaws.

The SOA administers:

Common land.

Infrastructure systems.

Shared facilities.

Collective agreements.

Budgetary processes.

Reserve formation.

Capital decisions within its authority.

The SOA does not own private lots.

It governs shared structure only.

This separation preserves private autonomy while protecting territorial continuity.

The territorial ownership structure defined in this framework shall remain structurally continuous and cannot be converted into individual land ownership.

Any modification affecting the collective land structure requires constitutional amendment according to the SOA statutes.

3. Voting Threshold Structure

Voting thresholds are defined according to impact level.

The system distinguishes between:

Core Structural Principles — 100% Approval Required

Structural Rules — 80% Approval Required

Operational Rules — 50% Approval Required

3.1 Core Structural Principles — 100%

These include:

- Inseparable ownership structure.
- Existence of the SOA as governing body.
- Constitutional governance framework.
- Core territorial architecture.
- Irreversibility of shared land continuity.

These elements define the identity of the system.

They cannot be altered without unanimous consent.

This protects long-term structural integrity.

3.2 Structural Rules — 80%

These include:

- Land use definitions.
- Ownership caps.
- Building envelopes.
- Hub positioning logic.
- Infrastructure backbone modifications.
- Developer termination vote (where applicable in Phases 2–3).
- Major structural budget decisions.

Structural matters require a high majority to protect stability while allowing evolution.

This prevents:

- Minority capture.
- Frequent structural oscillation.
- Short-term decision swings.

3.3 Operational Rules — 50%

These include:

- Maintenance budgets.
- Annual financial decisions.
- Operational adjustments.
- Facility usage rules.
- Committee formation.
- Routine procurement decisions.

Operational matters require standard majority.

This allows agility without structural instability.

4. Financial Responsibility

Shared infrastructure and shared territory require proportional contribution.

Financial responsibility attaches to ownership share.

The SOA may:

- Collect periodic contributions.

- Offset costs through shared asset income.

- Build structural reserves.

- Reduce or eliminate fees if income permits.

- Adjust contributions within constitutional limits.

Unpaid obligations attach to the ownership share and may affect:

- Voting eligibility (within constitutional bounds).

- Transferability conditions.

- Access to non-essential shared facilities.

Enforcement remains property-based and proportionate.

Private lot access cannot be revoked.

The SOA's authority remains structurally limited to shared domains.

5. Conflict Resolution

Conflict is handled proportionally.

The ladder follows escalating stages:

- Direct dialogue.

- Structured mediation.

- Formal measures within legal limits.

- Civil legal action as a last resort.

Formal measures may include:

Proportionate financial penalties.
 Temporary suspension of non-essential shared privileges.
 Voting suspension where constitutionally permitted.

Enforcement mechanisms are designed to:

Preserve proportionality.
 Avoid overreach.
 Maintain territorial coherence.
 Prevent escalation into personality-based governance.

Governance is structural — not emotional.

The system assumes disagreement is natural.

It designs containment in advance.

6. Developer Role Within Governance (Phases 0–3)

During Phases 0–3, development coordination authority exists under the Transitional Development Appendix.

The Developer refers to **Granjalotes**, the development company initiating and coordinating the early phases of the project.

Throughout this document the term **Developer** refers to this entity.

The Developer:

- operates within defined budgetary scope
- coordinates masterplan development
- executes the approved masterplan
- plans and implements Phase 2 infrastructure
- coordinates early infrastructure planning
- leads marketing of the project
- reports transparently to the SOA

Removal requires structural majority as defined in the Constitution.

Compensation during development phases is predefined and not subject to ad-hoc renegotiation during active execution.

Upon Phase 4 stabilization:

All development-phase authorities expire automatically.
The Development Director role terminates structurally.
Governance fully normalizes to owner control.

This transition is structural, not discretionary.

PART IV — PHASE STRUCTURE

1. Overview of Phased Structure

Development proceeds through four structural phases.

Phasing functions as a capital risk management mechanism.

Each phase defines:

- Capital state
- Infrastructure state
- Governance state
- Developer authority scope

Progression between phases is conditional.

No phase advances through political discretion alone.

The Development Mandate is strictly phase-bound.

Stabilization is triggered by objective financial completion — not vote preference.

During the early phases the Developer may operate without fixed management compensation, prioritizing project stability and infrastructure completion.

2. Phase 0 — Capital Alignment

Objective:

Secure land acquisition readiness and structural capital alignment.

Requirements:

- Phase 0 capital threshold achieved
- Developer Subordinated Capital contributed
- Legal due diligence completed
- Land acquisition terms validated

No lot-based voting applies during Phase 0.

During this phase and phase 1 the Developer coordinates masterplanning, project formation and external communication, while the SOA structure is prepared for territorial ownership and governance..

3. Phase 1 — Land Acquisition & Master Planning

Objective:

Acquire land and finalize the integrated Masterplan.

Requirements:

- Land legally acquired
- Masterplan drafted and approved
- Infrastructure budget finalized
- Development sequencing defined

No lot-based voting applies during Phase 1.

Governance remains under the Development Mandate framework.

4. Phase 2 — Infrastructure Execution

Objective:

Execute Core Infrastructure and allocate residential lots.

Activation:

- Masterplan approved
- Infrastructure execution initiated

4.1 Voting Activation

Lot-based voting becomes active in Phase 2.

Voting eligibility requires:

- Full payment of at least one residential lot
- Recognition as Natural Person owner

Each eligible Natural Person holds one (1) vote.

Operational Matters (50%) may be exercised.

Structural Matters (80%) and Core Structural Amendments (100%) remain suspended.

4.2 Governance Scope

The approved Masterplan and infrastructure budget may not be altered without required structural approval.

Operational votes may not interfere with execution of approved infrastructure.

The Development Director retains executive implementation authority within approved budgets.

4.3 Reporting

Monthly financial reporting shall be provided to all eligible members, including:

- Infrastructure progress
- Budget variance
- Liquidity status
- Structural Reserve position

General Assembly meetings may be convened as necessary.

5. Phase 3 — Activation & Operational Governance

Objective:

Transition from development execution to operational territory.

Trigger Conditions:

- Core Infrastructure operational
 - Lots legally and physically buildable
-

5.1 Governance Activation

Operational Matters (50%) remain active.

Structural Matters (80%) become exercisable upon Phase 3 declaration.

Core Structural Amendments (100%) remain suspended.

Semi-annual General Assembly meetings are mandatory.

An Annual Operating Budget must be approved by Operational Vote.

Quarterly financial reporting shall be provided to all members.

Operational Circles may formally assume delegated domain oversight.

5.2 Budget Continuity Mechanism

If the proposed Annual Operating Budget is not approved:

The previously approved operating budget shall remain in force, adjusted by a maximum of five percent (5%) for cost continuity, until a new budget is approved.

Operational continuity may not be impaired through budget rejection.

5.3 Development Authority

During Phase 3, the Development Director retains coordinative executive authority strictly within approved annual budgets.

Authority is implementation-focused and does not override structural voting thresholds.

6. Phase 4 — Stabilization & Constitutional Maturity

Objective:

Achieve full financial and institutional stabilization.

Trigger Conditions:

1. All non-developer SOA loan instruments are fully repaid or converted.
 2. Core Infrastructure backbone is completed.
 3. Structural Reserve meets or exceeds constitutional minimum.
 4. The operating budget has been balanced for at least twelve (12) consecutive months.
-

6.1 Effects of Phase 4 Declaration

- The Development Mandate terminates automatically.
- Coordinative executive authority expires.
- Governance operates fully under the Constitutional Charter.

Core Structural Amendments (100%) become exercisable upon Phase 4 declaration.

Developer Subordinated Capital may remain outstanding and does not affect stabilization status.

Surplus liquidity shall be applied in accordance with capital protection provisions

PART V — INFRASTRUCTURE, LANDSCAPE & ECONOMIC SYSTEM

1. Core Infrastructure Backbone

Infrastructure is not decorative.
It is structural.

The backbone is designed to establish territorial autonomy before expansion.

The core infrastructure layer includes:

- Primary access routes.
- Water retention and drainage systems.
- Internal circulation corridors.
- Primary utility corridors.
- Agricultural preparation zones.

Workshop foundation.
Plaza core structural shell.

Infrastructure is sequenced to:

Enable lot buildability.
Support agricultural continuity.
Protect water logic.
Prevent duplication of systems.
Avoid premature embellishment.

Execution follows the masterplan locked in Phase 1.

The infrastructure budget:

Is estimated in Phase 0.
Refined in Phase 1.
Verified prior to Phase 2 activation.

Capital thresholds prevent:

Under-financing.
Over-financing.
Scope creep.
Execution paralysis.

Only defined Core Infrastructure must be completed before Exit Pool reductions begin.

Secondary or aesthetic expansions are not prerequisites for structural stabilization.

2. Water Systems as Structural Layer

Water management is territorial infrastructure.

It integrates:

Retention basins.
Surface drainage channels.
Erosion control systems.
Irrigation backbone.
Long-term water storage logic.

Water systems are designed to:

Stabilize microclimate.
Reduce erosion risk.
Enhance agricultural resilience.

Support recreational integration.
Increase long-term land value.

Water is treated as structural capital.

It is engineered first, not last.

Without water logic:

Agricultural productivity declines.
Infrastructure deteriorates.
Operational cost increases.
Ecological stability weakens.

Water design precedes lot division.

3. Agricultural Continuity & Operational Roles

Agriculture remains continuous and non-fragmented.

It may support:

Rotational grazing systems.
Orchard and perennial systems.
Agroforestry corridors.
Nursery operations.
Managed timber cycles.
Market-oriented production.

Agricultural scale is preserved by:

Limiting private lot size.
Protecting shared land continuity.
Maintaining domain zoning.

Beyond structural land use, agriculture creates operational opportunity.

These roles may include:

Caretaker positions.
Leaseholder arrangements.
Agricultural management contracts.
Revenue-sharing production models.
Specialized cultivation agreements.

Operational roles may be filled by:

Internal lot owners.
Designated agricultural operators.
External professionals under defined contracts.

Internal participation is prioritized where viable.

If no internal operator assumes a role under sustainable terms, external operators may be contracted.

This structure allows:

Meaningful economic participation.
On-site income generation.
Professional agricultural continuity.
Long-term stewardship alignment.

Agriculture functions simultaneously as:

Infrastructure.
Economic layer.
Community stabilizer.

4. The Plaza Hub — Civic & Economic Core

The Plaza Hub concentrates civic and social activity.

It may include:

Leasable commercial units.
Shared kitchen or café space.
Flexible event rooms.
Guest accommodation.
Covered terraces and gathering areas.
Administrative reference space.

The Plaza:

Shapes identity.
Supports daily rhythm.
Provides commercial interface.
Anchors governance physically.

Economically, it may:

Generate lease income.
Support internal enterprise.

Reduce reliance on external services.
Contribute to shared cost offsets.

Activity is concentrated here to preserve residential quiet.

5. Workshop & Production Hub — Functional Economy

The Workshop Hub supports:

Construction phases.
Agricultural operations.
Equipment maintenance.
Repair and fabrication.
Small-scale production.

It may include:

Modular rentable workshop units.
Equipment bays.
Shared tool libraries.
Fabrication areas.
Material storage.

Economically, it may:

Generate rental income.
Enable internal productive enterprise.
Reduce capital duplication.
Support agricultural efficiency.

Production remains concentrated to protect residential calm.

6. Shared Asset Income Logic

Shared assets may generate income.

Income may:

Offset operational costs.
Reduce periodic contributions.
Build Structural Reserve.
Support reinvestment.
Stabilize financial exposure.

The system does not assume surplus.

It is structured to allow it.

If surplus emerges:

Allocation follows constitutional and budgetary processes.

Long-term stability is prioritized over speculative yield.

The objective is resilience, not aggressive profit extraction.

7. Core Structural Completion Before Expansion

Development prioritizes structural completion before embellishment.

Core structural elements include:

Primary infrastructure backbone.

Water systems operational.

Agricultural domains functional.

Lots legally and physically buildable.

Workshop hub minimally operational.

Only after structural stability is secured may secondary enhancements proceed.

Non-essential expansions include:

Additional plaza features.

Recreational enhancements.

Architectural refinements.

Optional landscape elements.

This sequencing discipline prevents:

Capital dilution.

Partial build paralysis.

Debt spiral expansion.

Structural fragility.

Durability precedes embellishment.

8. Operational Circles & Representation

As the territory activates, operational domains may form structured circles within the SOA.

These may include:

Agriculture Circle.
Infrastructure Circle.
Plaza & Services Circle.
Finance & Administration Circle.

Each circle:

Oversees its defined operational domain.
Prepares budget proposals.
Coordinates execution.
Reports transparently to the SOA.

Circles operate within delegated authority.

They do not replace the SOA.

This structure:

Prevents governance overload.
Encourages distributed responsibility.
Allows expertise-based leadership.
Protects domain clarity.

Operational clarity strengthens territorial durability.

PART VI — CAPITAL STRUCTURE, PURCHASE VALIDATION & REPAYMENT DISCIPLINE

1. Capital Objective

The Early Capital structure secures, prior to Phase 1 activation:

- Land acquisition
- Transfer and legal costs
- Integrated masterplanning
- Defined Core Infrastructure for Phase 2

- 20% contingency buffer

Phase 2 execution shall not depend solely on speculative lot sales.

Phase 1 (land acquisition) may only activate when:

1. Full Early Capital budget alignment is achieved, and
2. **A minimum of forty percent (40%) of projected residential lots are secured through registered Lot Purchase Pledges prior to Phase 1 activation..**

This ensures structural demand validation prior to territorial acquisition.

2. Capital Instruments

The Early Capital framework operates through three instruments:

1. **Development Loan**
2. **Lot Purchase Pledge**
3. **Contribution Credit**

These instruments may operate independently or in combination.

There are no capital tiers.

Developer Structural Contribution

In addition to the capital instruments described above, the developer provides a structurally subordinated capital buffer as defined in *Part VII — Developer Role & Structural Safeguards*.

This contribution:

- Is not classified as a Development Loan
- Carries no interest
- Is fully subordinated to all other SOA loan instruments
- Participates in repayment only after all other loan obligations are cleared

Details are defined separately to preserve structural clarity between investor capital and developer safeguards.

3. Development Loan

The Development Loan provides acquisition and backbone infrastructure capital.

Minimum participation:

€25,000 (or local currency equivalent)

3.1 Terms

- 3.5% simple annual interest
- No compounding
- Interest accrues only on outstanding principal
- No fixed maturity
- No unconditional redemption rights
- Principal repayment governed by Sales Waterfall and Phase 3 amortization rules

Simple interest accrues annually at 3.5% on outstanding principal and is payable only upon principal repayment events. There is no mandatory annual cash coupon prior to repayment triggers.

Accrued interest is payable upon principal repayment events, including sales-based repayment and Phase 3 amortization discipline.

The Development Loan does not constitute a fixed annual cash coupon obligation prior to repayment events.

3.2 Conversion Bonus (2%)

A **2% lot conversion bonus** applies **only if** the loan is converted into lot credit by the conversion deadline.

3.3 Conversion Window & Expiry

Development Loans may be converted into lot credit:

- During Phase 2 allocation, and

- **Until three (3) months after official Phase 3 activation** (the “Conversion Deadline”)

After the Conversion Deadline:

- Development Loans remain loans unless otherwise repaid
- The **2% conversion bonus expires** for any portion not converted

3.4 Conversion Mechanics

Upon conversion, the loan portion converts into lot credit consisting of:

- Principal
- Accrued simple interest
- **2% conversion bonus** (if converted by deadline)

Converted capital ceases to be debt and becomes ownership subject to applicable voting caps.

4. Lot Purchase Pledge

The Lot Purchase Pledge is a prepaid purchase credit instrument intended to validate early demand and incentivize timely acquisition.

4.1 Amount

€7,000 per pledge certificate.

Each pledge represents €7,000 of prepaid lot purchase credit, redeemable at lot purchase and applied directly against the gross lot price.

4.2 Discount Benefit

- Provides a 3% discount on the final lot purchase price.
- May be combined with the Development Loan 2% conversion bonus.
- Maximum total discount per lot: 5%.

The discount right remains valid until three (3) months after official Phase 3 activation (the “Pledge Deadline”).

After the Pledge Deadline:

- The 3% discount right expires permanently.
- The €7,000 prepaid amount remains fully redeemable as lot purchase credit at standard pricing.

4.3 Payment & Status

- Paid together with the Early Capital capital call.
- Immediately deployable by the SOA.
- Does not constitute debt.
- Carries no interest.
- Does not generate voting rights independently of lot ownership.

4.4 Post-Deadline Status & Refund Mechanism

If a pledge has not been applied toward a lot purchase by the Pledge Deadline:

- The discount right expires permanently.
- The €7,000 remains usable as purchase credit at standard pricing.
- Alternatively, the holder may elect refund treatment.

Refund treatment:

- Carries no interest.
- Does not convert into a Development Loan.
- Does not obtain priority over any SOA loan instrument.
- Becomes eligible for repayment only after all Development Loan principal and accrued interest have been fully repaid or converted.
- May not impair Core Infrastructure completion.
- May not reduce the Structural Reserve below constitutional minimum.

Refund payments are processed solely from surplus liquidity after all capital protection provisions are satisfied..

5. Contribution Credit

Professional work performed during Phase 0 and Phase 1 may be compensated through Contribution Credit.

Eligible contributors may include:

- Developer
- Designer

- Technical advisors
- Approved structural contributors

Contribution Credit is issued **only after verified delivery** of work.

5.1 Election Options (Contributor Choice)

At issuance, the contributor may elect:

Option A — Loan Credit

- Recorded as Development Loan
- 3.5% simple interest
- Eligible for the same **2% conversion bonus** and the same **Conversion Deadline** (three months into Phase 3)
- Participates in repayment rules (including optional Exit Pool fast lane)

Option B — Pledge Credit

- Recorded as Lot Purchase Pledge
- Valued at €7,000 per pledge unit
- 3% lot discount
- Same pledge expiry (three months into Phase 3)
- Transferable under pledge rules

Contributors may elect a combination of Loan Credit and Pledge Credit.

5.2 Cap Treatment

Contribution Credit is:

- Exempt from the **cash** Early Capital hard cap (since it is issued after delivery), but
- Included in total **structural exposure**, and
- Limited by percentage constraints defined in the Phase 1 budget approval

This preserves liquidity while keeping total obligations transparent.

6. Core Infrastructure Definition

Core Infrastructure is defined in the Integrated Masterplan approved at the end of Phase 1 by 70% of committed Early Capital.

Core Infrastructure includes at minimum:

- Primary access roads
- Water backbone and retention systems
- Drainage and erosion control
- Primary utility corridors
- Basic terrain preparation enabling construction readiness

Principal repayment may not compromise completion of Core Infrastructure.

7. Repayment Framework & Exit Pool Fast Lane

There is only one loan category.

Beginning at Phase 2, any loan holder may voluntarily elect to enter the **Exit Pool fast lane** for all or part of their outstanding loan balance.

The Exit Pool is **not** a separate debt class.

It is a **priority repayment queue**.

No governance dispute, leadership transition, or removal event accelerates loan maturity or triggers immediate repayment

Loans not elected into the Exit Pool remain standard loans.

8. Sales-Based Repayment (Continuous Mechanism)

Each time a lot sale occurs, net proceeds are applied in the following order:

1. Completion of remaining Core Infrastructure
2. Reserve Minimum funding
3. Principal repayment

Principal repayment is executed immediately upon availability.

Repayment order:

- ① Exit Pool participants (pro rata among them)
- ② Remaining loan balances (pro rata)

Repayment includes:

- Principal portion
- Accrued interest attributable to that portion

Once repaid:

- That principal ceases to accrue interest immediately
- Remaining balances recalculate

Sales-based repayment is not capped.

9. Liquidity Protection

Exit payments may not reduce available funds below:

- Remaining Core Infrastructure Budget
- Reserve Minimum Threshold (minimum **20%** of projected infrastructure and operational exposure)

Prior to Phase 3, interest accrues but is not a cash obligation unless repayment occurs.

No repayment event may compromise infrastructure completion or reserve stability.

10. Phase 3 Amortization Discipline (Backstop)

Beginning **three (3) months after official Phase 3 activation**, the SOA shall ensure annually:

- Payment of 3.5% simple interest on outstanding loan balances
- Minimum 5% principal reduction across outstanding loan balances

This minimum principal reduction acts as a structural backstop in periods of low sales activity.

Additional principal reduction may occur if liquidity thresholds are satisfied.

There is no arbitrary upper cap on principal reduction.

11. Annual Lot Price Adjustment

Beginning at Phase 2 activation, base lot pricing may be adjusted annually to reflect:

- Inflation
- Infrastructure progression
- Market alignment

The intended minimum annual adjustment target is **5%**.

This preserves early participation advantage and discourages indefinite postponement of purchase.

PART VII — CONTINUITY & INSTITUTIONAL RESILIENCE

1. Purpose

The Continuity Framework ensures that:

- No individual is structurally indispensable
- Infrastructure execution cannot stall due to personal interruption
- Governance cannot enter a vacuum state
- Capital discipline remains enforceable
- Phase progression remains coherent

The objective is institutional resilience beyond personality.

2. Development Mandate (Phase 0–2)

During Phase 0 through Phase 2, the Developer (Managing Director) is mandated to coordinate:

- Land acquisition execution
- Masterplan commissioning and integration
- Infrastructure sequencing oversight
- Budget discipline
- Capital alignment enforcement
- Phase transition certification

This mandate is executive in function but bounded by constitutional limits and structural voting thresholds.

The Developer does not hold ownership over common land beyond their proportional share.

3. Automatic Authority Normalization at Phase 3

Upon official Phase 3 activation:

The Developer's authority automatically narrows from executive mandate to coordinated oversight unless reaffirmed.

From this moment:

- All budgets require annual SOA approval
- Operational Circles assume domain execution authority
- Infrastructure oversight becomes delegated unless renewed
- Strategic decisions require structural vote

Unless explicitly reaffirmed by structural vote, the Developer's role becomes advisory and coordinative only.

This transition ensures institutional decentralization as the territory matures.

4. Incapacity Protocol

If the Developer:

- Becomes physically or medically incapacitated
- Is legally restricted from fulfilling duties
- Is unreachable for sixty (60) consecutive days
- Is demonstrably unable to perform mandated responsibilities

Then authority automatically transfers to an Interim Continuity Board.

5. Interim Continuity Board

The Interim Continuity Board is activated by:

A capital-weighted vote subject to existing voting caps.

The Board shall consist of:

- Minimum three active voting members
- Elected through expedited capital vote
- Bound by existing constitutional voting thresholds

The Board's authority is limited to:

- Infrastructure continuity
- Financial discipline enforcement
- Operational coordination
- Stabilization of Phase execution

The Board may not:

- Alter structural principles
- Modify ownership architecture
- Change capital terms

The Interim Board remains in place until:

- The Developer resumes duties, or
- A replacement Managing Director is appointed by structural vote.

6. Removal Mechanism

The Developer may be removed by:

An 80% structural vote.

Upon removal:

- An Interim Continuity Board is immediately activated
- All infrastructure contracts remain binding
- Core Infrastructure completion obligations remain enforceable
- External technical review may be commissioned if deemed necessary

Removal does not suspend capital discipline or repayment obligations.

7. Development Authority Limitation

Development authority is strictly governed by:

- Phase definitions under Part IV
- Developer Mandate provisions under Part VIII

No automatic authority extension occurs based on sales percentage, operational maturity, or discretionary vote.

Authority narrows progressively through phase transitions and terminates automatically upon Phase 4 declaration.

No parallel maturity trigger exists.

8. Financial Continuity Lock

Under no circumstance may:

- Core Infrastructure funds be diverted
- Reserve minimum thresholds be impaired
- Repayment discipline be suspended without structural vote

Continuity protection applies equally to:

Capital
Governance
Infrastructure
Operational stability

PART VIII — DEVELOPER ROLE & STRUCTURAL SAFEGUARDS

1. Purpose

This section defines:

- The Developer's structural capital commitment
- The scope and limits of executive authority
- The voluntary and removal mechanisms
- The conditions for performance compensation

The structure aligns developer accountability with institutional stability while preventing tactical governance behavior.

The system is designed to mature beyond the Developer.

2. Developer Subordinated Capital

2.1 Nature and Purpose

The Developer provides a subordinated structural capital contribution intended to:

- Strengthen Phase 0 capital alignment
- Absorb first-loss risk during early development
- Increase protection of all other SOA loan instruments

This contribution is not designed as a return instrument.
It is a structural safeguard.

2.2 Amount

Developer Subordinated Capital shall equal:

1.5 times the projected average residential lot price as defined in the Phase 0 financial projection approved prior to land acquisition.

The amount becomes fixed upon Phase 0 capital alignment and does not adjust with future lot price revisions.

2.3 Treatment Within Capital Alignment

Developer Subordinated Capital:

- Forms part of the Phase 0 capital alignment threshold
- Contributes to minimum acquisition funding
- Remains structurally junior to all other SOA loan instruments

Its inclusion in capital alignment does not modify its subordinated position.

2.4 Economic Terms

Developer Subordinated Capital:

- Carries 0 percent interest
- Has no compounding
- Has no maturity date
- Has no conversion rights
- Has no lot discount rights
- Has no priority repayment rights

It is not classified as a Development Loan.

2.5 Subordination and Repayment Position

Repayment waterfall priority:

1. Core Infrastructure completion
2. Structural Reserve protection
3. All other SOA loan instruments (principal and accrued interest)
4. Developer Subordinated Capital

Developer Subordinated Capital may not be repaid unless:

- All other SOA loan instruments are fully repaid or converted
- Structural Reserve remains above constitutional minimum
- Infrastructure completion is not impaired

Once all other SOA loan instruments are cleared and structural obligations are satisfied, available surplus liquidity shall be applied to Developer Subordinated Capital repayment before any discretionary surplus distribution.

Repayment is dependent on liquidity availability.
There is no repayment guarantee.

Developer Subordinated Capital may not be impaired or cancelled by ordinary majority vote.

2.6 Loss Absorption Logic

In the event of:

- Infrastructure overrun
- Capital shortfall
- Controlled restructuring
- Liquidation

Developer Subordinated Capital absorbs loss before any other SOA loan instrument is impaired.

Investor capital is protected first.

3. Development Mandate

3.1 Role

The Developer serves as Development Director during Phases 0–3.

The mandate exists to:

- Coordinate land acquisition
- Integrate and implement the Masterplan
- Execute infrastructure sequencing
- Enforce budget discipline
- Certify readiness for phase transitions

The mandate is execution-oriented and phase-bound.

It does not confer permanent governance authority.

3.2 Authority Boundaries

At all times, the Development Director:

- Operates strictly within approved budgets
- May not override structural voting thresholds
- May not alter capital terms
- May not amend the Masterplan without required structural approval
- Holds no unilateral amendment authority

Authority narrows progressively through phase transitions.

During Phase 3, authority is limited to coordinative executive implementation within approved annual budgets.

3.3 Development Compensation Structure

The Developer does not receive fixed monthly management compensation during the development phases.

Compensation is realized through limited lot participation upon territorial stabilization.

This structure prioritizes project cashflow, infrastructure completion and reserve formation during the early phases.

If the Developer becomes unable or unwilling to fulfill the development mandate defined in this framework, project continuity shall follow the Continuity Framework defined in Part VII.

3.4 Developer Step-Down

The Developer may step down from the development mandate only after ensuring a structured transition of responsibilities according to the Continuity Framework defined in Part VII.

The Developer remains responsible for ensuring an orderly transfer of project knowledge, documentation and coordination structures to the continuity governance body.

3.5 Developer Removal

Removal of the Developer may occur only in case of material failure to perform the development mandate defined in this framework.

Such removal requires a structural vote and activation of the Continuity Framework defined in Part VII

3.6 Automatic Termination at Phase 4

Upon Phase 4 declaration:

- The Development Mandate terminates automatically
- No vote is required
- No renewal mechanism exists
- No executive authority persists

Governance fully normalizes under the Constitutional Charter.

The Developer holds no structural executive position beyond Phase 4.

4. Developer Performance Compensation

Developer compensation is realized through the allocation of a limited number of lots upon territorial stabilization.

This structure prioritizes project cashflow and infrastructure completion during early development.

No ongoing developer management fees are charged during the project formation phase

These lots:

- Is awarded only upon Phase 4 stabilization
- Must be selected from remaining available residential inventory at the time of Phase 4 declaration
- Carries no additional discount

If no inventory remains available at Phase 4 declaration:

The Developer shall receive a cash equivalent equal to the gross sale price of the last lot sold.

No additional equity layer exists.

No promote structure exists.

No profit participation exists.

5. Structural Safeguards

The Developer:

- Holds no permanent voting advantage
- Is subject to constitutional voting caps
- Has no unilateral amendment authority
- Has no override rights

Authority progressively normalizes through phase transitions.

At Phase 4:

- All development authority expires
- Governance operates solely under the Constitutional Charter
- The system becomes fully self-governing

The architecture prioritizes structure over personality.