

**Solari Circle for Liquid Investment
Form of Operating Agreement & Guidelines USA 2.0
March 22, 2013**

Introduction

By Catherine Austin Fitts

Following are forms of an Operating Agreement and Guidelines similar to those developed by the First Ever Solari Circle (FESC), which was a Solari Circle that met weekly from 2005-2012.

FESC began in 2005 with an investment simulation and subsequently began investing in securities in 2006 until it was dissolved at the end of 2012. The Operating Agreement and Guidelines created by FESC were based on documents that had been developed by one of the oldest investment clubs in the country.

While these forms are useful to developing your Circle, I strongly recommend that Circle members review and revise them to work for your individual situation and check with counsel familiar with current state law to ensure that your Agreement and Guidelines are appropriate for your area of residence.

A Unique Approach

The form of the Operating Agreement and Guidelines for a Solari Circle encourage a smaller, more intimate group and encourage a more consensus-oriented approach to governance and decision-making.

Investment philosophies and strategies used by investment clubs vary. Traditionally, most investment clubs are concerned with investment returns. Solari Circles are also focused on investment returns and serving the benefit of its members. In so doing, Solari Circles add one inspiration to our investment philosophy and research approach that make Solari Circles unique.

A Solari Circle's investment goal is to produce the best returns for investors, subject to one constraint - not investing in enterprises that the Members believe to have a negative "Total Economic Return."

Total Economic Return includes both "return to the investor" and "return to the network," the network being an enterprise's financial and living ecosystems.

That is, a Circle's focus is on building personal wealth by investing in enterprises which build real wealth for both their investors and the general economy.

As estimating Total Economic Return is an art, not a science,

each Circle develops their own guidelines for estimating Total Economic Return and uses these estimations as a navigational tool to identify primary investment trends, risks and investments. While this research approach takes time, Solari believes that it leads to a deeper understanding of primary investment trends and risk management, which over long periods can enhance investment returns.

Hopefully, it also means we will not invest our hard earning savings in the enterprises that are intentionally harming us and the people we love, the ecosystems that support us, or anyone for that matter. Solari Circles endeavor to profit with those enterprises that make us healthier, wealthier and more powerful individually and collectively.

Additional Resources

Differences aside, numerous guides to creating more traditional investment clubs contain a wealth of valuable information that is helpful to organizers interested in starting a Solari Circle. We found the following three books to be useful:

Starting and Running a Profitable Investment Club, Thomas E. O'Hara and Kenneth S. Janke, Sr., Three Rivers Press, New York, NY, 1998 by the National Association of Investors Corporation

Investment Clubs for Dummies, Douglas Gerlach and Angele McQuade, Hungry Minds, Inc., New York, NY, 2001

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The Complete Idiot's Guide to Starting an Investment Club, Sarah
Young Fisher and Susan Shelly, Alpha, 2000

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Solari Circle for Liquid Investment Form of Operating Agreement USA 2.0

1.1 Name

The name of the Limited Liability Company (LLC) shall be the XXXX ("Circle") or XXXX ("Solari Circle").

1.2 Purpose

The purpose of the Circle is to invest and reinvest in liquid securities and other liquid investments for the mutual benefit of the Members.

The Circle's investment focus is securities or other liquid investments expected to have a positive return to investors in enterprises believed by the members of the Circle to have a positive Total Economic Return to the general economy. Guidelines used for estimating Total Economic Return will be as developed and defined by the members.

1.3 Tax Status

The Circle will elect to be taxed as a partnership.

1.4 Address

The LLC will be formed under the laws of [the State of Delaware {or other jurisdiction}].* All official

correspondence, including investment and billing statements, will be sent to two addresses:

The Address of the Coordinating Member:

[to be filled in by Circle]

The Address of the Treasurer:

[to be filled in by Circle]

1.5 Duration

The Circle commenced on XXXX and shall continue for a period of 60 years from that date unless sooner terminated. In the event of death, withdrawal or addition of Members, the Circle shall not automatically be terminated but shall continue.

1.6 Circle Guidelines

The Members agree that the attached Circle Guidelines amplifying the rights and duties of the Members shall be guidelines for the conduct of the business of the Circle. The Circle Guidelines may be amended by consensus of the Members.

1.7 Contributions

Each Initial Member shall make an Initial Contribution of [\$XXX - \$YYY] (in increments of \$100), and shall be obligated to make additional Annual Contributions, due at the beginning of each year starting January 1, 20__] in the amount of [\$XXX - \$YYY] (in increments of \$100). Any individual or entity who becomes a new Member after January 1 in any given year, as a condition to admission to the Circle, shall purchase by the last day of the calendar month of his or her admission as a new Member sufficient Membership Interests at the then-current net asset value to equal the mandatory Initial Contribution of [\$XXX - \$YYY] (in increments of \$100) and shall pay an entrance fee set by a consensus of the Members.

1.8 Net Asset Value

The Circle will operate on a calendar year. The Treasurer shall determine the net asset value of the interests in the Circle on a monthly basis. A consensus of the Members shall approve the net asset value when it is used to determine the value of Membership Interests for purpose of a transfer or sale.

1.9 Membership Limited

The Circle will have twelve or fewer Members, who are either individuals or entities (such as trusts or single-member LLCs) controlled by individuals approved according to the admissions standards for individuals that:

- are not formed for the purpose of investing in the

Circle;

- are permitted by their governing documents to invest in Membership Interests;
- do not have characteristics (e.g., number of partners) that would adversely affect the
- legal status of the Circle or the Membership Interests under applicable securities, bankruptcy
- or other significant laws; and
- do not conduct active business operations.

The admission of an entity as a Member is intended to accommodate the estate planning needs of an individual otherwise approved as an individual Member without in any way adversely affecting the conduct of the Circle. To that end, the Circle will not deal with or be answerable to any third parties involved in or affiliated with the entity Member and will not approve as a Member, and may expel as a Member, any entity whose governance would call for significant special accommodations or expenses by the Circle. All references to an individual Member herein (including provisions in the case of the death of a Member) shall be to the controlling individual in the case of an entity Member if the context so requires. It shall be the responsibility of the controlling individual of an entity Member to inform the Circle of any material change in governance or other circumstances of the entity that might affect the Circle.

The Circle will not offer Membership Interests to the general public, will not support newspaper or other publicity about the Circle and will not advertise the availability of

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Membership Interests.

1.10 Duties of Members

Each Member agrees to serve the Circle on an active, voluntary basis in those capacities defined by the Circle without compensation except as otherwise provided in this Agreement or the Guidelines or as expressly authorized by consensus of the Circle Members.

Each Member agrees to serve the Circle on a voluntary, consensus basis in one or more of the following capacities, and without compensation:

- Coordinating Member -- (i) co-signs checks and contracts and, in consultation with the Treasurer, calculates net asset value of Membership Interests, (ii) oversees other Member responsibilities, (iii) represents the Circle in the community or at events of interest to the Circle (or delegates this responsibility to or shares it with the Network Member), (iv) is responsible for compliance with federal, state and local laws, if any, (v) provides copies of all Coordinating Member-related records to the Secretary or separate Keeper of Records, (vi) provides whatever other leadership he or she and Members by consensus deem appropriate to ensure the success of the Circle and (vii) serves as or appoints the Meeting Chair.

- Treasurer -- (i) co-signs checks and contracts with the Coordinating Member, (ii) manages bank, cash management and investment account(s), (iii) prepares financial reports for meetings, (iv) calculates net asset value in consultation with the Coordinating Member, (v) maintains Circle books and financial records, (vi) provides copies of all Treasurer-related records to the Secretary or separate Keeper of Records and, (vii) serves or appoints the Tax Matters Member.
- Tax Matters Member -- (i) acquires a tax ID for the Circle, (ii) elects taxation of the Circle as a partnership, (iii) prepares K-1s or such other tax filings as are required by law, and (iv) determines the tax effect of investments, liquidations or other actions proposed by the Circle.
- Meeting Chair - chairs each Circle meeting or appoints a Meeting Chair and develops meeting agenda with the Meeting Organizer.
- Meeting Organizer - (i) determines the time and location of meetings, (ii) notifies Members of time, location and any other necessary meeting arrangements and provides copies of meeting agenda developed with the Meeting Chair and (iii) manages all meeting logistics and serves as or appoints the Meeting Secretary, or serves if the Meeting Secretary is unavailable.

- Meeting Secretary -- (i) obtains, tallies and records votes of Members with respect to all matters requiring Membership vote, (ii) prepares minutes of meetings, distributes them and makes changes for final approval by a consensus of the Members, and (iii) acts as Keeper of Records (unless a separate Keeper of Records is appointed) or provides a copy of the final minutes to the Keeper of Records.
- Keeper of Records -- (i) maintains copies of financial statements, tax records, accounting records, bank statements, contracts, meeting minutes and Circle calendar, (ii) maintains records of Circle proxy votes and, if designated to do so by the Researcher/Due Diligence Member, keeps a calendar of annual meetings of companies in which the Circle holds stock, (iii) maintains copies of investment proposals and files and (iv) maintains online resources, if any, including online forum, Wiki and/or website.
- Investment Analyst Member -- (i) monitors and tracks performance of individual Circle investments and investment sectors and (ii) notifies Circle Members as investment-specific issues arise.
- Researcher/Due Diligence Member -- in coordination with the Investment Analyst (i)

researches and provides due diligence on existing investments and investment proposals of interest to the Circle, (ii) researches information as to the Total Economic Return of the companies and enterprises in or proposed to be included in the Circle's investment portfolio including issues relating to stewardship, lawfulness, ethics and application of industry best practices, (iii) researches areas of interest to the Circle for investment opportunities, (iv) researches events, laws, trends or other matters that may impact the value of existing or potential Circle investments, (v) keeps a calendar of annual meetings of companies in which the Circle holds stock, obtains proxy voting power, if possible, proposes Circle positions on proxy votes and votes Circle proxies if the Circle chooses to do so and (vi) researches ordinary and wild card risks that would enhance or detract from the value of existing investments and, where appropriate, proposes actions.

- Network Member – maintains contact with other Solari Circles, maintains membership in any investment club organization] if the Circle determines that such membership is desirable and keeps the Circle informed of trends in Solari Circles and investment clubs and matters of interest to them as investment entities.

1.11 Circle Contractors

The Circle may enter into agreements for services with Members (such as tax preparation, legal or brokerage services) only on fully disclosed basis, at reasonable fair market compensation levels and upon the annual consensus vote of all Members.

1.12 Partial or Full Withdrawal

A Member may withdraw by giving written notice to the other Members. The effective date of withdrawal shall be at the next monthly valuation date unless the Tax Matters and Treasurer agree to a different withdrawal date. Within thirty days after the next regular Circle meeting at which notice is given of an intent to withdraw, the withdrawing Member's interest in the Circle shall be liquidated by payment to the Member of the liquidating value of the Member's shares [less a withdrawal charge of 1.0%] and less all amounts due from the Member to the Circle.

In the event of death of a Member or involuntary transfer of a Membership Interest by operation of law, for purposes of the buyout of such Member's Membership Interests, the successor to such Member ("Successor Member") shall be treated as a Passive Member and as a withdrawing Member except that the withdrawal charge shall be waived.

The liquidating value of the Member's Interests shall be determined by multiplying the number of the Member's Interests by the net asset value per interest in accordance with

the determination of the net asset value of the Circle at the next regular meeting or as otherwise agreed by the Members following the Member's death or withdrawal. A Member who has withdrawn from the Circle under this Article cannot apply to rejoin the Circle for at least one year after the date of withdrawal.

Any Member who wishes to do so may submit a written request to withdraw a part of his or her investment in the Circle, provided only that such withdrawal does not reduce his or her equity in the Circle below that Member's required cumulative Annual Contributions. The withdrawn Circle interest shall be valued as of the monthly valuation date set by the Treasurer. Payment of the amount withdrawn shall be made during the month following the valuation and will be subject to [the withdrawal charge of 1.0%] and deduction of the withdrawing Member's share of any accrued but unpaid Circle expenses.

1.13 Distributive Share of Net Income

The net income of the Circle shall be computed on a cash basis. The fiscal year for the Circle shall be the calendar year. Each Member's distributive share of the net income for each calendar year shall be in proportion to the Member's Interests at the end of the calendar year.

1.14 Distribution of Income

After payment of all expenses and necessary reserves, Circle

income shall be available for distribution or reinvestment, as determined by a consensus vote of the Members.

[Alternative: No income shall be distributed to any Member except upon the Member's death or withdrawal or termination of the Circle.]

1.15 Use of Income

In general, Circle income shall be used to pay expenses, establish or add to reserves for future contingencies, invest and reinvest in investments, [pay distributions] and fund withdrawals by Members. Notwithstanding any other provision hereof, Circle funds may be used for other purposes as authorized by a consensus vote of all of the Members.

1.16 Admission of New Members

The number of Members will be limited to twelve* unless the Members by consensus agree otherwise. Any current Member, together with a seconding Member, may propose a new Member be admitted to the Circle as of the beginning of the calendar month (that is, immediately subsequent to the setting of the net asset value), by the payment of the net asset value for each Membership Interest purchased plus an entrance fee to be determined, through the following sequence of events:

- The sponsoring Member shall send to the other Members a resume, biography or similar

descriptive document and proposal for admission (including the number of Membership Interests proposed to be purchased by the proposed Member) explaining why the addition of the proposed individual as a Member would add value to the Circle. The seconding Member will notify the Member as to his or her affirmance.

- A consensus vote of the Circle will determine whether the proposed Member will be invited to attend a meeting to be interviewed by the Circle.
- The proposed Member shall attend a regular meeting of the Circle at which Members will interview the proposed Member.
- Any Member intending to vote against the admission of a proposed Member (or to limit or require a greater number of Membership Interests be purchased by the proposed Member than has been proposed) is required to provide all other Members with a Notice of Dissent in writing reasonably in advance of the next Circle meeting.
- At the next Circle meeting, following a discussion of the merits of admission of the proposed new Member under the conditions proposed, the Members shall vote on whether to admit the proposed Member as proposed or otherwise. The approval of all Members is required to admit a new

Member. If not all Members attend the meeting at which the vote is taken, the Coordinating Member shall poll the Member(s) who have not yet voted and thereafter announce the results to the Circle as a whole.

- The newly elected Member shall be bound by the Circle Operating Agreement and Circle Guidelines in the same manner as the other Members and shall sign the same by the time of the first meeting he or she attends as a Member.

In the event of the pending withdrawal of a Member or announcement of an intent to withdraw by a Member, a proposed Member approved as provided above may be permitted to purchase one or all of the Membership Interests of the withdrawing Member on terms negotiated by the withdrawing and proposed Members at a value and effective date determined by them, provided that the Coordinating Member, the Tax Matters Member and the Treasurer agree that the transaction may occur other than as of the beginning of the calendar month (that is, immediately subsequent to the setting of the net asset value). An entrance fee to be determined by the Members will be paid in the event of a direct transfer.

**A size greater than twelve is discouraged.*

1.17 Expulsion of Members

A Member may be expelled from the Circle at a meeting of the Circle by the vote of at least all but three of the then current Circle Members (excluding for this purpose any Successor Member, who shall not have a vote). Any Member proposing to expel another Member shall inform all the other Members, including the Member proposed for expulsion, of the proposed expulsion and the cause for such proposed expulsion in advance of the meeting at which the expulsion is to be put forth for a vote. The Member proposed for expulsion shall be given a time to address the Circle before any vote on expulsion is taken. If the requisite Members vote in favor of expulsion, the Circle will repurchase the expelled Member's Membership Interests for cash either: (i) at the next setting of the net asset value of Membership Interests at an amount equal to such net asset value, or (ii) immediately at an amount equal to the most recently set net asset value, at the option of the expelled Member. In no event shall the expelled Member be required to pay a withdrawal fee.

A Circle may set by the consensus of all initial Members a mandatory participation for meeting attendance as well as contribution to the investment activities of the Circle. Members may be expelled by the Coordinating Member and Treasurer upon consultation with the Circle if their participation and contribution does not meet the mandatory levels.

A Member shall be expelled from the Circle automatically upon the voluntary or involuntary filing of a petition in bankruptcy of such Member (or the beneficiary or equity

holder of such Member in the case of a Member that is a trust, single-member LLC or other entity Member) or the assignment of such Member's assets for the benefit of creditors.

1.18 Passive Members

Voting rights belong to Members that have been interviewed and approved by Circle Members by consensus. Successor Members resulting from the death (estate or heirs), assignment of assets for the benefit of creditors or disability of a Member, or assumption of interests through court actions or by operation of law, are considered Passive Members and do not enjoy voting rights and are not eligible to hold office, attend meetings or have access to Circle records, unless expressly required by law.

1.19 Cash Management

The funds of the Circle shall be kept in a separate account or accounts in the name of the Circle in such financial institution(s) as the Members by consensus shall determine or shall be invested in the name of the Circle in such manner and upon such terms and conditions as the Circle Members deem appropriate. No funds other than funds of the Circle shall be deposited in Circle accounts. All withdrawals from Circle accounts or investments shall be made on the signature or other authorization of at least two Members.

1.20 Accounting

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The fiscal year of the Circle shall be the calendar year. The Circle's books of account shall be maintained, and its income, gains, losses and deductions shall be determined and accounted for, in accordance with the cash method of accounting pursuant to generally accepted accounting principles. The Circle's books of account and records shall be maintained at the Treasurer's office (with copies at the office of the Keeper of Records) and, if the Members elect, may be reviewed annually by an internal auditor or independent auditor or accountant selected for such purpose. The Treasurer shall prepare an annual financial report of the Circle and furnish a copy to the Members promptly after it has been prepared. Any Member shall have the right to inspect and make copies of the Circle's books and records from time to time during normal business hours at such Member's sole cost and expense.

1.21 Liabilities of Members

Except as otherwise provided under the [state limited liability act], (a) the debts, obligations, and liabilities of the Circle, whether arising in contract, tort, or otherwise, shall be solely the debts, obligations, and liabilities of the Circle, and (b) none of the Members or office holders shall be personally liable for any judgment, decree, or order of a court, or in any other manner for any debt, obligation, or liability of the Circle solely by reason of being a Member or office holder.

1.22 Voting

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Members other than Passive Members shall be entitled to vote in accordance with their respective proportions of Membership Interests. Routine matters may be determined informally, but a record shall be kept of all votes for which a consensus is required, including but not limited to votes as to (a) the acquisition or disposition of assets, (b) the net asset value determination, (c) the amendment of Circle Guidelines or this Agreement, (d) the admission or expulsion of a Member, (e) the approval of compensation of Members for the services rendered to the Circle under their respective agreements for services, if any, and (f) the financial institution(s) chosen to hold/invest Circle cash and invest cash and asset balances.

1.23 Confidentiality

The affairs of the Circle, including but not limited to the investments of the Circle, and the confidential information described below ("Confidential Information") shall be kept in strict confidence by all Members and, to the extent such matters are disclosed to accountants, attorneys and other advisors or to spouses or ex-spouses, may be disclosed only if the recipients of such information agree to be bound to the terms of this confidentiality clause.

If any Member is required by any law, legal authority, court order or other legal process to disclose confidential matters of the Circle, unless prohibited by law, such Member shall

inform other Members of the necessity for such disclosure, the matters to be disclosed, and other relevant information as soon as reasonably possible so that other Members may be afforded an opportunity to obtain a temporary restraining order or take other action. General information on Circle operations, policies and experiences may be shared with other similar community investment circles by the Coordinating Member for the purpose of supporting the development of Solari Circles, but (i) disclosure of specific investment holdings and Member-specific information shall be prohibited except upon the consensus agreement of the Members (or, in the case of Member-specific information, the affected Member(s)) and (ii) disclosure of this Operating Agreement, and any other materials made available through Solari, Inc. shall not be shared other than through a *Solari Report* subscription or purchase through Solari, Inc.

1.24 Conflicts

A Member shall have a right to invest in any actual or prospective investment of the Circle individually. Each Member shall disclose any and all conflicts of interest with the Circle no later than the next Circle meeting and before any vote with respect to which such Member has a conflict of interest. Any Member may transact business with the Circle at arm's length and on the same terms and conditions upon which non-Members may transact business with the Circle, but upon full disclosure of the Member's interest to the Circle.

1.25 Termination

The Circle shall be liquidated and dissolved and its affairs shall be wound up upon the first to occur of any of the following (each a “Termination Event”):

1. Sixty years from execution date;
2. The sale of all or substantially all of the Circle’s assets;
3. The agreement of all of the Members to dissolve the Circle; or
4. The entry of a final and non-appealable decree of judicial dissolution under [Section 18-802 of the Delaware Limited Liability Act {Section ____ of other state limited liability act}]

1.26 Winding Up

Upon the occurrence of a Termination Event, the Circle shall continue solely for the purposes of winding up its affairs in an orderly manner, liquidating its assets, and satisfying the claims of any creditors and Members in accordance with the [state limited liability act]. No Member shall take any action that is inconsistent with, or not necessary to or appropriate for, the winding up of the Circle’s business and affairs. The Coordinating Member and the Treasurer shall be responsible for overseeing the winding up and dissolution of the Circle and shall take full account of the Circle’s assets and liabilities, and the Circle’s assets shall be liquidated as promptly as is consistent with obtaining the fair value thereof, and the proceeds therefrom, to the extent sufficient therefor, shall be applied and distributed in the following

order:

1. First, to the payment and discharge of all Circle liabilities to creditors other than Members, if any;
2. Second, to the payment and discharge of all Circle liabilities to contracting creditors who are Members in their capacity as contractors, if any;
3. Third, to the establishment of any reserves reasonably deemed necessary by the Coordinating Member and Treasurer for any contingent liabilities of the Circle, if any. Any such reserves shall be deposited in an escrow account in the name of the Circle for the purpose of (i) paying any such contingent liabilities, and (ii) at the expiration of such period deemed advisable by the [Managing] Member and Treasurer, distributing the balance of such reserves in the manner hereinafter provided;
4. Fourth, to the payment and discharge of all net Circle liabilities to Members, if any; and
5. The balance, if any, to the Members in accordance with the Members' respective capital account balances.

The Circle's existence shall continue until its assets have been distributed, and its existence shall terminate when a Certificate of Dissolution has been filed with the [Secretary of State] in accordance with the [Delaware {or other state} Limited Liability Company Act]. The establishment of any reserves as provided above shall not extend the Circle's existence, but any such reserves shall be distributed in the manner provided above when the obligations or liabilities for which such reserves were established have been satisfied or

otherwise disposed of.

1.27 Restrictions on Transferability

Except as expressly provided herein, no Member may pledge, assign, transfer or obligate in any manner the Membership Interests in the Circle. In the event of an involuntary transfer, including a transfer at law, the Member whose Membership Interests have been or will be transferred shall provide notice of such transfer, or impending transfer, as soon as reasonably possible. The holder of a Membership Interest who has not been approved by the other Members as a Member in accordance with the terms hereof shall have no right to vote the Membership Interest or to receive confidential Circle information but shall have the right to have his or her Membership Interest(s) repurchased by the Circle at the net asset value as of the next monthly valuation date, or otherwise as agreed by all other Members, when sufficient Circle income or resources exist for such repurchase.

Another Member (or proposed Member approved as provided above) may be permitted to purchase one or all of the Membership Interests of the unapproved holder or transferee of a Membership Interest on terms negotiated by such holder or transferee and the purchasing Member at a value and effective date determined by them, provided that the Coordinating Member, the Tax Matters Member and the Treasurer agree that the transaction may occur other than as of the beginning of the calendar month (that is, immediately subsequent to the setting of the net asset value). An entrance

fee to be determined by the Members will be paid in the event of a direct transfer to a proposed Member.

1.28 Amendments

The Circle Operating Agreement and Guidelines may be amended at any regular or special meeting of the Circle by a consensus vote of all of the Members. If not all Members attend the meeting at which the vote is taken, the Meeting Chair shall poll the Members who have not yet voted and thereafter announce the results to the Circle as a whole. Written notice of the substance of the proposed amendment shall be given to all Members prior to the meeting at which the amendment is voted on.

Signature: _____

Signature: _____

Signature: _____

Signature: _____

Signature: _____

Signature: _____

Signature: _____

Signature: _____

Signature: _____

Signature: _____

Signature: _____

Signature: _____

DATED: (Month) (Day), (Year)

***NOTE:** This form assumes the Circle is formed under the Delaware Limited Liability Company Act, which may be selected by a Circle as the state of formation for various reasons, including the provision in Section 18-702(b) that, unless otherwise provided in a limited liability company agreement, assignment of a limited liability company interest does not entitle the assignee to become or to exercise any rights or powers of a member of a limited liability company formed under the Delaware Limited Liability Act. This may or may not be the case under the statutes of certain other states. Circle Members are advised to seek advice of counsel on this issue.

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2.1 Membership

2.1.1 Guests

Members may not admit guests to any meeting without the prior permission of all other Members in attendance at the meeting.

2.1.2 Admission of New Members

As a condition of admission as a new Member, an individual is required to listen to:

[list to be determined by a consensus of the Members]

and to read:

[list to be determined by a consensus of the Members]

2.2 Meetings

2.2.1 Regular Meetings

Generally, meetings shall be convened on a [weekly/bi-

weekly/monthly] basis [in person or by telephone conference call, or a combination thereof, with the call-in instructions posted by or at the direction of the Meeting Organizer]. An Agenda approved by the Coordinating Member for the meeting will be circulated to the Members by the Meeting Organizer [or posted on the on the Circle's private forum and/or listserv]. The Coordinating Member will conduct the meeting or appoint a Meeting Chair. The Meeting Secretary will take notes of the meeting and post them in final form to the Keeper of Records, the Members and [on the Circle's forum, wiki and/or listserv]. Other Members are responsible to read the meeting notes and to propose revisions as warranted. If the Meeting Secretary is not present, the Meeting Organizer will serve as Meeting Secretary. The Coordinating Member may cancel a regular meeting upon notice to other Members.

2.2.2 Due Notice and Communications

Unless otherwise provided, due notice of a meeting, a vote or other Circle action other than a regularly scheduled meeting shall require a communication given by e-mail or telephone at least one day in advance of such Circle meeting, vote or action. [All Members must have regular access to email, and] e-mail communications shall be considered the equivalent of "hard copy" communications with respect to all Circle matters.

2.2.3 Special Meetings

A special Circle meeting may be called by any Member upon notice to the other Members or to the Coordinating Member, Meeting Organizer and Treasurer. The Meeting Organizer who will be responsible for setting the date and time of the meeting and sending e-mail notice or calling the other Members to notify them of the special meeting, specifying date, time (in applicable time zones), call-in instructions and purpose and/or agenda.

2.2.4 Voting

The following decisions not covered in the Operating Agreement will require a consensus vote:

[To Come from Circle]

The following decisions not covered in the Operating Agreement will require a [majority or two thirds of respective interests, one person-one vote, or other method as specified] vote:

[To Come from Circle.]

For a Circle meeting, a quorum shall consist of [X Members or X%] of the current Circle Membership Interests, whichever is less.

2.2.5 Proxies

Proxies by fax or by receipt confirmed e-mail shall be valid on all questions including admission or expulsion of Members; amendment of the Circle Operating Agreement or Circle Guidelines; and dissolution of the Circle. A Member may give that Member's proxy to any other Member, providing the proxy specifically directs the manner in which the vote is to be cast. The Meeting Secretary will be responsible for counting and reporting votes.

2.3 Official Duties

2.3.1 General

The official functions to be filled by Circle Members are described in the Operating Agreement. The Circle will annually review roles and responsibilities and may rotate them periodically by consensus.

2.3.2 Removal

A Member may be removed from an official responsibility by vote of [To Come from Circle.]

2.3.3 Auditing

A Member other than the Treasurer, as designated by other the other Members on an annual basis, will review

the Circle's investment and financial records. The auditing Member shall be authorized to select and engage an outside auditor for a payment amount to be approved by the Members if the auditing Member determines the engagement of a third party is desirable.

2.4 Payments

2.4.1 Withdrawal for Failure to Make Payments

Any Member who has not made that Member's required Annual Contribution when due shall receive prompt written notice from the Treasurer of the amount due. If the Member informs the other Members he or she is unable to fund the required contribution, the Members may determine to advance funds for the contribution by means of a promissory note, which shall be treated as an investment of the Circle. If within 60 days of receipt of such written notice, the Member fails to make the payment due and the other Members have not agreed to advance the required contribution, that Member shall be deemed to have withdrawn from the Circle as of 60 days from the date when the contribution was due.

2.5 Expenses and Compensation

Costs of meetings and other business expenses shall be recorded in a separate account, and paid out of the cash portion of the portfolio. These costs shall be allocated proportionately with Membership Interests. Reasonable

compensation may be voted by the Members for any Member who performs legal, accounting or other services for the Circle.

2.6 Investment Practices and Limitations

Generally, investment decisions shall be made by [Number or percentage vote to be determined by the Circle]. No investment decision shall be made without the vote of at least [X] percent of the Membership Interests. Every effort will be made to assure that there is general understanding of a consensus in Circle investment process and decisions, including areas of research and investment focus and guidelines for estimating Total Economic Return.

In case of emergency, investment votes may be conducted by confirmed receipt e-mail or fax between regular meetings.

The Circle will invest no more than [X] percent of the net asset value of the Circle in any one investment and a Circle investment may not account for more than [X] percent of the equity interests of a given corporation or other entity.

For purposes of cash management, the Circle may invest in [equity interests in a trust or other vehicle that invests solely in gold and/or silver bullion (such as Central Fund of Canada), certificates representing an interest in gold and/or silver bullion (such as Perth Certificates), repositories of gold and/or silver bullion (such as Gold Money) or silver and gold coins whose price reflects minimal premiums to

melt value (i.e., not numismatic or rare coins) to be used as alternative to cash. Such a strategy would be used to hedge against devaluations in the value of the US dollar and other fiat currencies. This means that the [X] percent rule in this paragraph would not apply to these investments.]

The Circle shall not borrow or open a margin account. However, the Circle may issue notes to redeem a Membership Interest.

2.7 Liability

In the event of willful misconduct, made with knowledge and with intent to defraud, a Member shall be liable for any loss or damage to the Circle. In the event of bad faith, a Member shall be liable for any loss or damage to the Circle up to the amount the Member has invested and the amount the Member has been paid or owed as a Contractor to the extent that the bad faith applies to the Member's Contracting function.

2.8 Amendments

These Guidelines may be amended at any regular or special meeting by a [consensus vote of all members or consensus vote of all members less three, as chosen by a consensus vote of all members of the Circle] of the Members.

Written notice of the substance of the proposed amendment to the Guidelines shall be provided in advance of the meeting

at which the amendment is voted upon.