

BYLAWS OF COUCH (current as of 8/3/2008)

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PREAMBLE

Community of Urbana-Champaign Cooperative Housing, hereinafter referred to as "COUCH" or "the corporation", abides by the following principles of cooperation modeled after those established by the Rochdale Society of Equitable Pioneers in 1844 and elaborated in the International Cooperative Alliance's Statement on Cooperative Identity of 1995:

Open Membership. Membership in a co-op is voluntary and non-discriminatory. All who can use its services and agree to share in the responsibilities required to run the co-op shall be eligible to join, regardless of race, sex, gender, sexual orientation, class, age, national origin, cultural identity, spirituality or religious affiliation, physical or mental ability, HIV antibody disease status, marital status, family structure, socioeconomic status, educational status, or other factors not relevant to successful participation in a cooperative community.

Democratic Participation. Each member has exactly one vote regardless of the amount of his or her investment; all members together control the organization.

Neutrality. Cooperatives remain neutral in questions of partisanship and religion.

Limited Interest on Invested Capital. Share capital invested by members shall receive a strictly limited rate of interest.

Distribution of Economic Result. The year-end savings of COUCH may be distributed as a patronage refund to the members, or shall be reinvested in COUCH and its programs.

Education. Cooperatives shall constantly educate their members, employees, and the public in the principles and practices of cooperation, both economic and democratic.

Mutual Cooperation. All cooperative organizations shall actively cooperate on practical matters with other cooperatives at local, national, and international levels, to further serve their members and communities.

Concern for Community. Cooperatives work for the sustainable development of their communities through policies approved by their members.

VISION, PURPOSE & PHILOSOPHY

Our Vision:

We envision a society sustaining a diverse co-operative community that values democratic process, the inherent worth and dignity of people, and concern for physical and social environment. We seek to achieve positive social and economic change in our community by applying the principles of cooperation.

Our Purpose:

We strive:

- to develop and manage a diverse network of inclusive, non-profit, member-controlled, co-operative homes for the people of Champaign-Urbana;
- to educate our membership and community on the principles and practices of co-operation; and
- to build and maintain connections among local co-operatives and community-minded organizations, within the context of the global co-operative movement.

The Philosophy of the COUCH Founders:

Property ownership is an economic justice issue. Students and other low and moderate income residents often pay an excessive portion of their income in rent, for the profit of property owners. A not for-profit, member-owned housing organization can provide lower housing costs and guarantee more responsiveness to resident needs. Living in low-cost cooperative housing and sharing food, tools, equipment, and other resources raises members' standard of living.

Residential neighborhoods in Urbana-Champaign, especially those near the University of Illinois campus, are being destroyed by landlords whose philosophy is to fit as many units as they can onto small pieces of property, and who wastefully allow large, well-constructed historic houses to deteriorate, to make way for cheap, tacky apartment complexes. Structures in which people can live in community and with family and share resources are replaced by structures in which each resident lives in a isolated unit and nothing is shared.

Many people do not form permanent roots in their communities and neighborhoods, or even in their own homes, due to longer work days and the disappearance of free time to do the work that sustains life, such as gardening, cooking, preserving food, and maintaining one's own property. Instead, many of us pay money to distant, indifferent corporations to do that work for us, corporations in whose interest it is to move and manipulate employees without regard to community connections, and to encourage the breakdown of our communities and families into smaller and smaller consuming units to create demand for more and more goods and services. Cooperative living holds the potential of developing more human-oriented economies of scale, whose size and scope are optimized instead of maximized, for the benefit of people rather than institutions, to serve and strengthen our community instead of worsening our division and isolation.

CHAPTER 1: MEMBERSHIP

1.1 Membership in COUCH. Any person who makes primary residence in a House owned or rented by COUCH or is an Associate house representative on the COUCH board, shall be considered a member of COUCH. During the period of a Provisional Board, as described in section 3.13 of these Bylaws, the Board of Directors may admit individual members not making primary residence or boarding in a House owned or rented by COUCH. The Board of Directors may admit individual members to COUCH who board with a regular meal group sponsored by COUCH.

1.2 Admitting new members. The Board of Directors shall establish regulations and provide procedures for admitting new members by means of a membership contract, and for terminating membership. There shall be no discrimination based on race, sex, gender, sexual orientation, class, age, national origin, cultural identity, spirituality or religious affiliation, physical or mental ability, disease status, marital status, family structure, socioeconomic status, educational status, or other factors not relevant to successful participation in a cooperative community, in the admission

of new members or in the termination of membership. Each new member shall pay a membership fee, the amount of which shall be fixed by the Board of Directors. For each new member not previously a member of the North American Student of Cooperation (NASCO), COUCH shall pay a one-time membership fee to NASCO (as determined by NASCO).

1.3 Termination of membership. The Board of Directors may terminate, or provide procedures for the termination of the membership of any person violating any provisions of his or her membership contract. No person's membership shall be terminated except after a hearing open to the membership of COUCH.

1.4 Associate Houses. Cooperative Houses not rented or owned by COUCH may, with the approval of the Board of Directors, become Associate Houses of COUCH. Members of Associate Houses are not members of COUCH, unless individually admitted by the Board of Directors during the period of a provisional board, or elected by the house as a Provisional Co-op Representative. Cooperative Houses may wish to join COUCH to assist in recruiting members, to form an official association for the purpose of future rental or purchase by COUCH, or to receive services that COUCH may offer to its member houses.

CHAPTER 2: BUSINESS AND FINANCE

2.1 Power of Governance. The business and other affairs of this corporation shall be managed by a Board of Directors (hereinafter called "the Board"). The actions of the Board, the Articles of Incorporation, and these Bylaws shall be binding on all members of the corporation.

2.2 Omitted.

2.3 Fiscal Year. The fiscal year of the corporation shall begin on the first day of June and end on the last day of May of the succeeding year. After the close of the year, the Treasurer shall close the books of the corporation in a timely manner. A review by an external party shall be organized if financially feasible.

2.4 Open Books. The books and records of COUCH may be examined during business hours, or by appointment, at the head office of the corporation by any member of COUCH or his or her agent or attorney.

2.5 Bonding. The Board may require the officers of this corporation and any other members who have charge of money on behalf of COUCH or any of its Houses to be bonded, the amount of the bond to be determined by the Board.

2.6 No compensation by others. No officer or other member acting as an agent of COUCH shall accept payments from any other source for the performance of his or her duties, except with the express consent of the Board.

2.7 Compensation of Board members or committee chairs. Members of the Board and committee chairs may not be compensated for fulfilling their responsibilities as Board members or for positions which pose a direct conflict of interest. They may only be compensated by COUCH for internships; maintenance work; temporary, part-time work which is not in the COUCH office; and other positions only with the consent of the Board. All job openings shall be conspicuously posted

in all COUCH coops, except in the cases of emergency hiring. This section shall not apply to the Executive Director.

CHAPTER 3: BOARD OF DIRECTORS

3. Membership of the Board. The Board shall be composed of the President; the Vice-Presidents; the Treasurer; the Recording Secretary; the Executive Director, should the board choose to appoint one (all non-voting, except in the case of a Provisional Board, as described in section 3.13 of these Bylaws); and the duly elected representative of each co-op. Each member shall be subject to recall by a special meeting. Any vacancy among the members of the Board shall be filled as soon as possible. Vacancies among officers shall be filled according to the procedures in section 5.7. Vacancies among co-op representatives shall be filled by the same method as ordinarily used to fill them. The Executive officers of the Board, with the exception of the President, may also be co-op representatives. During the period of a Provisional Board, however, the President may also be a coop representative.

3.1.1. Co-op representatives. All COUCH member and associate houses shall have representation on the COUCH board. All co-op representatives shall attend the meetings of their co-op, and shall perform other duties assigned them by act of the Board or their co-op.

3.1.1.1. Election. A co-op's representative shall be elected at a co-op's house meeting and shall serve for a term of one year. If a co-op's representative is absent from Champaign-Urbana for part of the one year term, a co-op may elect a temporary representative for that part of the term. A co-op may remove and replace its representative in accordance with its rules.

3.1.1.2. Attendance. A co-op representative shall be required to have attended one of the previous two board meetings in order to be a voting member of the board. This shall not apply to the first board meeting of a representative's term.

3.1.1.3. Residence. Co-op representatives must make primary residence or board in the COUCH coop they represent during the term for which they are elected.

3.1.1.4. Proportional Representation. Houses with 3 to 8 members shall have one representative to the board, with 9 - 16 shall have 2, 17 - 24 shall have 3, and in case of larger houses, the number of representatives shall increase by one for each 8 members beyond 24.

3.1.1.5. One Representative, One Vote. At no time shall a representative have more than one vote.

3.1.2. Liaison responsibilities of co-op representatives. Each co-op representative shall be responsible for bringing to the attention of the members of his or her co-op such activities within the corporation as may concern them. Each co-op representative shall also be entrusted with the responsibility of bringing to the attention of the Board such matters as may concern the corporation.

3.1.3. Provisional Board. All Board members shall have voting privileges from the inception of the corporation until a representative quorum of at least three co-op representatives is established. The first Board shall be considered a Provisional Board. The purpose of a Provisional Board shall be to seek out and enter into membership agreements with enough co-ops to form a representative

quorum. Once a quorum is formed, the Provisional Board shall set the earliest reasonable date for elections for a new President. If the quorum is lost because of the sale, transferal, or other dissociation of member co-ops from the corporation, the Board shall revert to Provisional status as described above. A Provisional Board retains all the powers and responsibilities of a regular Board.

3.1.3.1. Associate Houses. During Provisional Status, Associate Houses may choose to elect a representative, who shall not be counted towards the three required to end Provisional Status. Provisional co-op representatives may vote on the Provisional Board, may be Executive Officers (including the President), and may have one vote at Membership and Special Meetings. Provisional co-op representatives, as Members of the corporation, must pay a membership fee. During Provisional Status, the Board may also approve other members as voting board members, who may also be Executive Officers.

3.2 Powers of the Board. The Board may administer the affairs of COUCH and exercise all powers of the corporation, except those reserved to the co-ops or to the members of the corporation in Annual or Special meeting, as given under the laws of the State of Illinois and the Articles of Incorporation; in compliance with the Rochdale Principles, as elaborated in the Statement on Cooperative Identity, 1995; and in keeping with the mission and philosophy of COUCH as described in these Bylaws.

3.3 Specific Powers of the Board. The Board shall have sole power to:

- a) authorize the purchase, sale, mortgage, transfer, rental, or acceptance of real property on behalf of the corporation with approval of a Special Meeting;
- b) accept gifts on behalf of the corporation;
- c) borrow money and issue promissory notes or bonds of the corporation for the repayment thereof, and to mortgage, pledge, or otherwise grant security interests in any and all property of the corporation, both real and personal, as security for debts and undertakings of the corporation;
- d) purchase or sell personal property incident to the purchase or sale of real property;
- e) control and administer any funds which the Board may establish;
- f) authorize the purchase of personal property or enter into any contract, in the name of the corporation, for the administration of the corporation; and
- g) authorize the room charge assessment of all members or co-ops to meet the estimated expenses involved in managing the corporation.

3.3.1 Limitations on assessments. The Board shall set the total room charge assessments for each member co-op, in accordance with the estimated expenses to be incurred for the operation of that co-op. New variations in assessments aside from what the board has approved must be approved by a vote of 2/3s of the membership at an annual or special meeting.

3.4 Other powers of the Board. The Board shall also have the power to:

- a) set up committees, direct their activities, and appoint chairpersons to them;
- b) arbitrate any disputes between or among COUCH co-ops;
- c) interpret the Articles of Incorporation or these Bylaws; and
- d) call Special Meetings of the Membership as provided in Section 7.21 of these Bylaws.

3.5 Supervision in the event of dissolution. The Board shall, in the event of dissolution of the corporation, supervise the distribution of the remaining assets of the corporation according to the Articles of Incorporation.

3.6 Meetings of the Board. Meetings of the Board shall be open to all members of COUCH. Regular meetings of the Board shall be held at times and places to be determined by the Board.

The Board shall make reasonable and appropriate effort to make the times and places of meetings as accessible as possible to the members of the Board and to the membership of COUCH.

Attendance by voting Board members equal to two thirds of the number of voting Board members shall constitute a quorum required for the transaction of business. Any question of substance arising at a meeting of the Board may be decided by a majority vote. Tied votes mean that the motion does not pass.

3.7 Special meetings of the Board and referendums. The President may call a special meeting of the Board and shall do so whenever requested by a simple majority of the Directors, or by ten percent of the membership of the corporation. Twenty percent of the Board may request a referendum.

3.8 Procedures of the Board. The Board may establish rules to govern its affairs and the administration of the corporation. In the absence of such special rules, meetings of the Board shall be conducted according to "Robert's Rules of Order, Revised."

3.9 Codification of the Rules. All permanent rules and regulations adopted under Section 3.3 of these Bylaws shall be codified in the "Standing Rules of COUCH." All permanent rules and regulations adopted under Sections 3.4 and 3.8 of these Bylaws shall be codified in "The Operating Procedures of the Board of Directors of COUCH."

CHAPTER 4: EXECUTIVE OFFICERS; THEIR DUTIES

4.1 Executive Officers. The executive officers of this corporation shall be the President, Vice-Presidents, Treasurer, Recording Secretary, and, at the option of the board, an Executive Director. The officers shall all be members of the corporation, the Executive Director excepted.

4.2 President. The president shall be the chief executive officer of the corporation; shall preside at all meetings of the membership and meetings of the Board of Directors; shall execute all documents and reports required by law and as directed by the Board; shall have custody of money together with the Treasurer and Executive Director; and shall report at each Annual Meeting of the corporation. The President shall obtain any necessary and appropriate training in meeting facilitation, with the assistance of the educational resources of COUCH.

4.3 Vice-Presidents. The Board may create or dissolve Vice-President positions. The Vice-Presidents shall perform all duties of the President in the absence or disability of the President. In addition, the Vice-Presidents shall chair such committees as are assigned to them by act of the Board and shall be responsible for the efficient functioning of these committees as well as any other ad-hoc committees which the Board assigns to them. They shall arrange for their designated committees to report to the Board at least every two months, except where the Board may designate a different period of reporting. The Vice-Presidents shall obtain any necessary and appropriate training in meeting facilitation, with the assistance of the educational resources of COUCH.

4.4 Treasurer. The Treasurer shall be the business and finance officer of the corporation and shall report regularly to the Board on the financial condition of COUCH; shall execute all documents and reports required by law; and shall contract for an annual independent financial audit and report to the Board. The Treasurer shall also be responsible for monitoring and evaluating the financial

management of COUCH by staff. The Treasurer shall chair the Finance Committee. The Treasurer may also fill the position of Recording Secretary, with the approval of the Board.

4.5 Recording Secretary. The Recording Secretary shall attend all Annual and Special meetings of the membership, and all meetings of the Board; shall record the minutes of all such proceedings in books kept for that purpose; shall serve all notices and sign all reports and documents as directed by the Board; shall have custody of the corporate seal; and shall affix such seal to all documents as directed by the President or Board. The position of Recording Secretary may be filled by the Treasurer, with the approval of the Board.

4.6 Executive Director. The Board may appoint an Executive Director. The Executive Director shall administer the affairs of the corporation as specified in his or her contract and according to such procedures as instructed by the Board.

4.7 Comportment of Directors. Directors are elected or appointed for the service of the membership. Directors shall to the best of their ability be accessible to and actively seek out the membership to address matters of concern to the corporation, and shall conduct themselves in a respectful manner when interacting with members in an official capacity.

4.8 Omitted.

CHAPTER 5: ELECTION, APPOINTMENT, AND RECALL OF DIRECTORS

5.1 Election and appointment of officers. The executive officers and co-operative representatives shall be elected officers.

5.2 President. The President shall be elected by a simple majority of the membership of COUCH (see Standing Rules). The President shall serve for one year or until his or her successor is chosen, unless he or she resigns or is recalled. The President may be recalled at any Special Meeting called for that purpose.

5.3 Vice-Presidents. The Vice-Presidents shall be elected by a simple majority of the COUCH membership. Each shall serve for one year or until his or her successor is chosen, unless he or she resigns or is requested to resign by the President acting with the consent of the Board.

5.4 Representatives. Each co-op representative shall be elected by the members of the co-op in which he or she resides or boards. A co-op must elect as its representative a member who resides or boards at that co-op. Each co-op shall adopt procedures setting the date for elections within the coop, prescribing election procedures and providing for easy recall by the membership of the co-op. These procedures must be in accordance with Section 3.111 of these Bylaws.

5.5 Treasurer and Recording Secretary. The Treasurer and Recording Secretary shall be elected by a simple majority of the COUCH membership. They shall serve for a term of one year or until their successors are chosen, unless they resign or are requested to resign by the Board.

5.6 Executive Director. An Executive Director may be hired or dismissed by the Board.

5.7 Filling vacancies. Any vacancy among the officers other than the President shall be filled as soon as possible by appointment by the President with the consent of the Board. In the case of a vacancy in the office of President, a special membership election shall be held as soon as possible.

5.8 Absence or Disability of the President. If the President of COUCH is absent from Champaign-Urbana or unable to perform duties for an extended period, the Board of Directors shall appoint a temporary President to fill the position until he or she returns to duty.

5.9 Executive Committee. The President, Vice-Presidents, Treasurer, Recording Secretary, and Executive Director, if one is appointed, shall constitute the Executive Committee, which shall meet regularly between Board meetings to plan the agenda for the next Board meeting. The Executive Committee shall schedule reports from COUCH committees which are to be written and distributed to the membership of COUCH with the agenda at least one week before each Board meeting.

CHAPTER 6: MANAGEMENT BY COOPERATIVES

6.1 Assignment of responsibilities by the Board. The Board may assign management responsibilities to cooperatives comprised of members in any portion of the residence and/or boarding operation of COUCH, provided the designated unit is compact and small enough to favor direct democracy. The co-op shall be the smallest unit of decision-making recognized by COUCH. Co-ops should be reasonably similar in number of members.

6.2 Extent of delegated responsibilities. The government and administration of the several co-ops shall be left to the members of the respective co-ops insofar as their actions do not jeopardize the interests of the corporation, the membership as a whole, or other co-ops, and insofar as those actions are in compliance with the Rochdale Principles, as expressed in the Statement on Cooperative Identity, 1995, and with the mission and philosophy of COUCH as described in these Bylaws.

6.3 Management responsibilities of the co-ops. The co-ops shall be responsible for managing the residence and boarding operations of COUCH. With the assistance of the collective resources of COUCH as provided by the Board, each co-op shall be responsible for:

- a) enforcing membership contracts;
- b) collecting fees and deposits as fixed by the Board;
- c) supervising and providing for the minor maintenance of all real and chattel property according to standards provided by the Board;
- d) keeping records of membership meetings and transactions within the co-op;
- e) terminating membership according to COUCH procedures;
- f) educating its members in the philosophy and operation of cooperatives;
- g) coordinating the purchase of food and supplies;
- h) maintaining house books according to standard COUCH operating procedures;
- i) maintaining an accessible and conspicuous area within the public areas of the house for the display of notices relevant to Sections 2.7 and 7.3 of these Bylaws and other pertinent information;
- j) bringing to the attention of the Board matters of concern to the corporation; and
- k) other duties as assigned by the Board.

6.4 Management responsibilities of the Board. The Board of Directors, not the individual co-ops, shall be responsible for the major maintenance and upkeep of COUCH-owned houses.

CHAPTER 7: MEMBERSHIP AND SPECIAL MEETINGS

7.1 Annual Meeting. A regular meeting of the membership shall be held each year at a suitable time to be determined by the Board; this shall be the annual meeting and shall be for the installation of the new COUCH president and for the transaction of such other business as may properly be brought before a meeting of the membership. Ten percent of the membership of COUCH shall constitute a quorum required for the transaction of business. The time and place shall be determined by the Board or a committee of the Board. The order of business at the Annual Meeting shall be: (1) call to order; (2) reports by officers and special reports; (3) installation of the new COUCH President; (4) unfinished business; (5) new business; and (6) adjournment. Annual meetings shall be conducted according to "Robert's Rules of Order, Revised."

7.2 Special meeting/polls of the members. Questions of particular importance may be decided by a poll of the general membership which shall be called a Special Meeting.

7.2.1. Call for meeting. The President shall call a Special Meeting at the instruction of the Board, or upon receipt of a petition for such a meeting signed by ten percent of the membership. The instruction or petition initiating the Special Meeting shall clearly specify the business to be transacted. If the Board has adopted a Standard Proposal Format, the instruction or petition must follow that format.

7.2.2. Place and time. The President shall determine the time and place(s) at which the polling shall occur. The polling shall not occur less than seven days or more than twenty days after receipt of the instruction or petition. The polling shall occur in a manner so as to be accessible to as many of the membership of COUCH as is feasible and reasonable.

7.2.3. Ballot. The ballot for a Special Meeting shall be drawn up by a committee of six members appointed by the board. The balloting shall be conducted as a secret ballot. Each ballot shall include along with the special question, the following question: "Does this ballot fairly reflect the opposing views on this issue?"

7.2.4. Vote on fairness question. The vote of the Special Meeting shall be valid only if a majority of members of COUCH, or two-thirds of those voting on that question, whichever is smaller, answer that question in the affirmative.

7.3 Notice of meetings. Notice for a Membership Meeting or a Special Meeting shall be given by posting a conspicuous announcement in each co-op not less than seven days before the time set for the meeting. The announcement shall specify the time, place, and agenda for the meeting. The Secretary shall deliver in a timely fashion to each co-op a copy of each announcement. The written declaration of the Secretary and President that required notice has been given shall be sufficient evidence of such notice.

7.4 Powers of the members at meetings. The membership in Membership or Special Meetings may exercise any of the powers granted to the corporation. The membership in Membership or Special Meetings shall have the power to recall any elected officer before expiration of his or her term and shall have sole power to amend the Articles of Incorporation or these Bylaws.

7.5 Voting. Each member present at Membership or Special Meetings shall have one vote on each question. Voting by proxy shall not be permitted. All questions shall be decided by a simple majority

of votes cast, except amendments to the Articles of Incorporation or in the case of purchase, rental, or sale of real property, which shall require a two-thirds majority of the votes cast.

7.6 Other provisions. The Board may provide further for the conduct of Special Meetings.