

Founding a joint European Finance-Cooperative to grant ten- to twenty-years lasting and short-term credits with low interest rates to community-led Houses

During its first years of operation, CLHE SCE wants to grant credits to member-houses on the basis of shares from members, but mainly from supporting members. For its foundation, CLHE must start with 30.000€ of shares by law. After its foundation CLHE will start to promote gaining shares from supporting members (by law they are called “investing members”) from public, outside our network of community-led houses, because its credits shall substitute bank credits and not direct credits.

When this phase of operation is successful, then we might try to reach a next phase: German law on European Cooperatives SCE enables financing-cooperatives to be precursors of cooperative banks. Hence after successful and reliable operation of several years, then we could try to derive a German banking licence for CLHE SCE. This would multiply the possible loans to member-houses on the basis of the shares / stock capital of the CLHE SCE.

Together with our non-profit, charitable provable-reached objectives, and our network of trust with our members, this could open doors to gain larger long-lasting low-interest credits from large public institutional credit lenders like EIB to be distributed by CLHE SCE to its member-houses.

Public and political work, support for members and financing joint projects by EU funds will be accomplished by CSN e.V. and partners.

The bureaucratic effort and duration to register a European Cooperative SCE is high and our DSEE gratuity will end in December 2024. Hence we suggest to have our first founding meeting as a first trial December 2023 in Berlin Wannsee, in knowledge that we very probably will need a second founding meeting in mid 2024.

After our meeting in December 2023 in Berlin Wannsee, our discussion will continue and we might want to change the statute draft. We do not expect that we will be able to register the SCE after our first trial, because the statute still has to be checked by the German register office, therefore might need changes, and we have to comply with all requirements to be registered as SCE in Germany:

- Organising of a founding meeting with a resolution on the statute of the SCE.
- At least five founding members from at least two EU-countries.
- Implementation of an employee participation procedure, not yet edited.
- Prove of a shares (= stock capital) of at least 30.000€, to be summoned up by members.
- Approval by and Membership in an Examination-Union of Cooperatives, to be searched for.

We expect that we will adopt the statute after our ongoing discussion and after the check by the register office, then reach all requirements until mid 2024 and then will have to meet a second time for a second founding meeting on the changed statute, for memberships and to summon shares / stock capital by members up to at least 30.000€. The meantime we want to use for discussions, gain memberships and share promises by members, find members to become active in the board and as staff, and build up our infrastructure and network. For this work and our second meeting during 2024 we will use our DSEE gratuity.

We want to apply for EU tenders early in 2024 by CSN e.V. and partners as applicants and carriers. By this we might gain an alignment financing to continue working intensively in 2025.

Commoning Spaces Network

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Community-led Houses Europe

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§1. Name and Seat

1. The name of the cooperative is:
Community-led Houses Europe SCE, short form CLHE SCE.
2. The headquarters of Community-led Houses Europe SCE is Aachen, Germany.
3. The fiscal year is the calendar year.

§2. Purpose

1. The purpose of CLHE SCE is the economic promotion and support of its members. The objectives of the cooperative are
 1. Lending (Credits) to community-led Houses and related tenants like initiatives, groups, companies and legal entities.
 2. Purchase of real estate and lease of real estate to community-led Houses,
 3. Participation in Real Estate, Companies and legal Entities to promote community-led Houses,
 4. as well as ancillary business related to the purposes of CLHE SCE.
2. The extension of business operations to non-members is permitted.
3. Funding is provided for community-led houses with space for living, working, and/or engaging, especially to strengthen the goals of
 1. self-organization,
 2. self-determination,
 3. non-profit orientation,
 4. social, well, healthy housing or spaces,
 5. democratic, peace-loving, respectful community,
 6. sustainability,
 7. preventing the sale of the property,
 8. commitment to social, (non-party) political, cultural, and scientific causes, or renting of space to groups with such goals,
 9. commitment to horizontal networking and mutual support of community-led housing and their networks,
 10. inclusion and intergenerational living, working and engagement,
 11. renting spaces for gainful employment that fit to the goals of the community-led house.
4. The listed goals in community-led Houses are promoted by granting interest, price or lease discounts. Each year the level of discounts, based on the level of achievement of the objectives specified in this statute in community-led Houses is evaluated.

5. Loans starting from 100.000,00€ with interest rates up to 1,5% and terms starting from ten years are accepted for promotion from institutional credit grantors. Private credits are not accepted.

§3. Founding members

The founding members of CLHE SCE are:

1. Natural Persons see attachment A (with name, address, birthdate and -place, email address, group / house / network assignment)
2. Legal entities see attachment B (with name, purpose, registered office adress, address, e-mail address, group assignment, representative natural person in attachment A)
3. Founding Board natural persons in attachment A:
 1. x
 2. y
 3. z

§4. Acquisition of membership

Membership is acquired by an unconditional declaration of membership to be signed by the joiner, admission by the CLHC SCE and payment of share(s) within 90 days of admission, otherwise the admission is forfeited.

The membership can acquire:

1. Natural Persons from community-led Houses or their Networks;
2. Community-led Houses, which may be associations, registered societies, other legal entities or partnerships,
3. Networks of community-led Houses, which can be associations, registered societies, other legal entities or partnerships.

§5. Investing members

1. Individuals, legal entities or partnerships that are not eligible to use or provide the services of CLHE SCE, may be admitted as investing members.

§6. Share capital

1. The share capital of CLHE SCE amounts to 30.000,00€.
2. It is divided into business shares, which are registered in the name of the holders.
3. The share capital is variable.

§7. Cooperative Share

1. The cooperative share amounts to 1.000,00€.
2. At least one share has to be purchased and kept to become and stay member. Members may purchase more shares. Shares may be transferred between members.

3. Partnerships and legal entities like community-led Houses must acquire at least the amount of shares, calculated by amount of residents and staff divided by 10, to be admitted to membership, starting with one share. Each year they have to pay at least one more share until they reach the calculated minimum.
4. Networks of community-led Houses must acquire at least of the amount of shares, calculated by the amount of their members divided by 10, to be admitted to membership, starting with one. Each year they have to pay at least one more share until they reach the calculated minimum.
5. Exceptions from the obligation of purchase of more than one share, including a reason and an end date of the exception, may be applied for.
6. The shares of the investing members shall bear interest at the rate of 0.1 ... 1.5% as jointly determined in writing.
7. The standard redemption period for shares is ten years to promote members with ten-year loans. The minimal redemption period of shares is one year. Before purchase the redemption period may be limited to one year or prolonged to 20 years including all terms. The redemption period of shares may be terminated. After the termination period, these shares change to a redemption period of one year.
8. All changes of shares have to be announced to CLHE SCE to be effective.

§8. Exit

1. Each member may terminate its membership at the end of a fiscal year by giving three months' notice.
2. His/her shares are transferred to credit after his/her departure with the same redemption periods as the shares. The balance of the settlement / refund shall be paid out to the exiting member after the original redemption period. The adopted annual financial statements of the year after departure shall be decisive for the dispute between the retired member and the CLHE SCE.
3. CLHE SCE shall be entitled to set off any claims it may have against the retired member against the credit balance to be paid out. The withdrawn member shall have no claim to the reserves and other assets of the CLHE SCE.

§9. No obligation to make additional contributions in the event of insolvency

Members are not obliged to make additional contributions.

§10. Exclusion

A member may be expelled from the CLHE SCE and/or excluded from General Assemblies and/or from voting and/or from access to the information system with immediate effect on the grounds of

1. conduct of the member that is detrimental to the objectives of the CLHE SCE,
2. the violation of statutory obligations of the member,

3. arrears of dues of at least one year of the member,
4. at least one share has to be kept to stay member,
5. The Board shall decide on the exclusion.
6. The decision by which the member is excluded shall state the reason for exclusion. The decision shall be communicated to the member concerned by the Board immediately by letter or eMail. Membership shall end upon receipt of the letter or eMail.

§11. Board

1. The Board consists of at least four members and is otherwise composed in accordance with the statutory provisions. Staff may be members of the Board, but must be a minority in the Board.
2. For each country represented there should be at least one Board member.
3. The Board may only consist of a maximum of $\frac{1}{4}$ investing members.
4. Only natural persons who are members of CLHE SCE may be members of the Board. This restriction does not apply to employee representatives. A member may also be the natural person authorized to legally represent a member in the form of a legal entity or a partnership. This is limited to one natural person per member entity.
5. After no more than five years in office, members of the Board must be newly elected.

§12. Decisions of the Board

1. A Member of the Board shall convene meetings and decisions.
2. The Board constitutes a quorum if at least two members are present. It passes its decisions by a majority of the valid votes cast.
3. Decisions may also be passed without convening a meeting by way of voting via eMail, other remote communication media or an information platform with a quorum of at least half of the Board members.
4. Board members are authorized to make the declarations required to implement the decisions on behalf of the Board and to receive declarations addressed to the Board.

§13. Staff

1. CLHE SCE has at least one staff person as dependent, fees or honorary employee. The Board determines the number and terms of employment of staff and appoints the staff in accordance with the statutory provisions. The Board is also responsible for concluding the employment contracts and revoking the appointment. Staff is excluded in the Board from decisions about Staff issues.
2. Only natural persons who are members of CLHE SCE can be staff. Staff can also be the natural person authorized to legally represent a member entity. This is limited to one natural person per member entity.

3. Staff decides everything, that is not reserved for the board or the assembly. In the event of an objection, the Board decides, and in the event of another objection, General Assembly decides. Objection periods are 30 calendar days. Objection periods can be shortened by a waiver from the applicant.

§14. Representation

1. CLHE SCE is represented by two staff persons.
2. The Board may grant to any staff the power of sole representation.

§15. Transactions subject to approval

The following matters require the approval of the Board:

1. Lending over 30.000,00€ to member(s),
2. Participations over 30.000,00€,
3. Purchase of real estate over 60.000,00€,
4. Sales over 30.000,00€,
5. Lease of real estate of more than one year or indefinite,
6. Side transactions over 5.000,00€,
7. Transactions with non-members,
8. Staff or Board member business with themselves, their dependents and relatives.

§16. Rights and duties of members

1. Each member has the right
 1. to transact business according to the list of listed purposes with CLHE SCE upon approval of CLHE SCE,
 2. attend the General Assembly and request information there on CLHE SCE matters;
2. Each member has the duty to support the CLHE SCE to the best of his ability. The member has in particular
 1. comply with the decisions of the General Meeting,
 2. immediately notify any change of his name, address, bank details and/or e-mail address without delay.
 3. immediately notify any change in its partnership agreement, legal form and ownership structure of its legal entity,

§17. General Assembly

1. The ordinary General Assembly shall be held within the first six months after the end of the financial year. Extraordinary General Meetings may be convened as required.
2. The General Meeting takes place hybrid or online.

3. The General Meeting of Shareholders is convened by a member of the Board.
4. At least 10% of the members of the CLHE SCE may, in a motion signed by them and stating the purpose and reasons, demand that the Board convene an extraordinary General Assembly.
5. The General Assembly shall be convened by direct notification of all members and/or by announcement in the information system and/or by e-mail, observing a period of notice of at least seven working days, whereby the day of dispatch of the notification or the day of the announcement and the day of the General Assembly shall not be counted. The items on which decisions are to be adopted must already be announced when the meeting is convened.
6. The General Assembly shall be chaired by members of the Board.

§18. Voting rights / majority requirements

1. Each member has one vote within his/her group.
2. The General Assembly has a quorum if at least one vote from each of the voting groups is present or represented. Groups without members are ignored.
3. Voting takes place in four groups, each with a $\frac{1}{4}$ share of the vote:
 1. Natural Persons,
 2. Community-led Houses,
 3. Networks of community-led Houses,
 4. investing Members.
4. An attempt must be made to reach a consensus through the exchange of arguments.
5. $\frac{1}{4}$ of each group-vote is added to the total result.
6. The decision of the General Assembly shall require a simple majority of the votes cast, unless a larger majority is required by law or by these Articles of the Statutes.
7. A majority of $\frac{3}{4}$ of the vote in each single group is required for the following decision items:
 1. Amendments to the Articles of Association.
 2. Dissolution of CLHE SCE.
8. Decisions of the General Assembly shall be recorded in the minutes in accordance with § 47 of the Cooperatives Act.

§19. Reserve

At least 20% of the net profit for the year must be allocated to the legal reserve until at least 100% of the total of the shares in the cooperative are reached.

§20. Announcements

The announcements of the CLHE SCE are published by eMail and/or on its information platform. Each non-excluded member shall be granted access to the information platform of the CLHE SCE.

§21. Dissolution and transfer of assets

1. After dissolution, CLHE SCE continues to exist as an unregistered association CLHE Verein, unless the dissolution decision provides otherwise.
2. The assets of the CLHE SCE shall be transferred to this unregistered association CLHE Verein and shall continue to be administered in accordance with these statute. If this is not possible, then the assets of the CLHE SCE will be transferred to the Syndikatstiftung, Schenckstr. 1, D-60489 Frankfurt am Main and administered by it in accordance with this statute.

§22. Should individual provisions of this Agreement be invalid or unenforceable or become invalid or unenforceable after conclusion of the Agreement, the validity of the remaining provisions of this Agreement shall not be affected thereby. The invalid or unenforceable provision shall be replaced by a valid and enforceable provision whose effects come as close as possible to the objective pursued by the invalid or unenforceable provision. The above provisions shall apply mutatis mutandis in the event that the Articles of Association prove to be incomplete.

End of Statute.

Attachment A founding Members

Name Surname, Street #, CC, PC, Location, Birthdate, Birthplace, # of ID, eMail-Address, Affiliation, Signature

Attachment B founding Community-led Houses

Name, Purpose, Street #, CC, PC, Location, Date of Founding, Registration #, Register name Address, representing Person from Attachment A, eMail-Address, Statute attached, Affiliation, Signature

Attachment C founding Networks of Community-led Houses

Name, Purpose, Street #, CC, PC, Location, Date of Founding, Registration #, Register name Address, representing Person from Attachment A, eMail-Address, Affiliation, Statute attached, Signature

Attachment D founding investing Members

Name Surname, Street #, CC, PC, Location, Birthdate, Birthplace, # of ID, eMail-Address, Affiliation, Signature

Berlin, 6.12.2023