

## **CHAPTER 5: CONTRACT CANCELLATION, RELEASES, REPLACEMENTS**

### **5.1 CONTRACT RELEASES (48/05)**

**5.1.1 FORMS:** All forms relating to contract releases shall be approved by the Membership Committee.

**5.1.2 RELEASE BY ACTIVE RECRUITMENT:** A member may be released from their contract if they actively recruit a suitable replacement to fill their contract and notify Member Services staff in writing. Until the recruited member is verified as a suitable replacement and has a valid contract, the original member shall be responsible for paying all monthly charges and completing all work requirements, and will be until official notification is received from the ICC office.

- A.** A suitable replacement is defined as:
  - 1. A brand new member with no prior contact with the ICC Member Services staff and who has not submitted a membership application.
  - 2. Any person who does not have a contract for the term in question, only if the house is full. (54/07)
- B.** Members with contracts for the term in question are not suitable replacements, but may switch houses in accordance with SR. 5.3.
- C.** The ICC Membership Staff will verify that the potential replacement has been actively recruited by the member seeking replacement by either checking that the member's name was mentioned on the application or otherwise confirming that the prospective member signed as a result of the efforts of the members seeking replacement.
- D.** In order to be fully released, a member must be able to fill the entire duration of their contract. A member may be replaced for a portion of their contract, but they are still responsible for the remainder.
- E.** In circumstances not covered above, a member may petition the Membership Committee, which may deem a person a suitable replacement, even if it is not in accordance with these rules.

### **5.1.3 CONTRACT BUY-OUT (13/2009-2010)**

**5.1.3.1 DEFINITION:** A contract buy-out is a way for members to be released from a Fall/Winter, Fall-Only, or Winter-Only contract after they pay a buy-out fee. Buy-outs are not permitted for Spring/Summer contracts.

### **5.1.3.2 POLICIES & PROCEDURES:**

- A. No shows:** A member who fails to claim his/her contracted housing assignment by communicating with the house within 7 calendar days of any contract period or a member who lives in an ICC house for 7 calendar

days or less from the start of any contract period and is not replaced or released from his/her contract within 21 calendar days of the start of any contract period will be deemed a no show. His/her contract will automatically be voided and he/she will be charged the contract buy-out fee in accordance with SR 5.1.3.2.C.

- B. Forms:** To buy out of a contract, all other members must complete and return a contract buy-out form to Member Services, which will then sign the form and send it to the Finance Office. A record of the contract buy-out should be kept by Member Services and the Finance Office. A copy of the contract buy-out form must also be shared with the appropriate house.
- C. Fees:** The buy-out fee for a Fall/Winter contract is equal to 3 months' worth of house and ICC charges plus any additional balances due to the ICC. The buy-out for an individual Fall or Winter term is equal to 2 months' worth of house and ICC charges plus any additional balances due to the ICC. This formula is not affected by a member being released from house charges.
- D. Share Return:** In the case of a contract buy-out, the value of the member's ICC shares will be applied toward the contract buy-out fee. The member also forfeits his/her right to all rebates and will not be charged any assessments.
- E. Distribution of Buy-Out Fee:** The contract buy-out fee shall be distributed based on the budgeted amounts, i.e., the portion calculated from house charges will go to the house, while the portion calculated from ICC charges will go to the ICC.
- F.** For contract buy-outs, the ICC will only accept Cashier's Checks or Money Orders.

**5.1.4 AUTOMATIC RELEASE:** The exceptions for which members can automatically be released from their contract are the following (written documentation is always required). The Contract Release Committee shall review and approve all cases of automatic release.

- A. DRAFT:** members can be released one month before their induction date into the armed forces.
- B. FLUNKED OUT OF SCHOOL AND LEAVING ANN ARBOR:** the action must be initiated by the school. It cannot be the member's choice to withdraw from school.
- C. UNINHABITABLE ROOM** (see SR 15.8 Uninhabitable Rooms) (9\*42/97)
- D. PREGNANCY:** during the term of the contract.
- E. DEBILITATING ILLNESS OR HOSPITALIZATION** that prohibits a member from living in the ICC. (33/07)
- F. DEATH.**

The ICC may release a member from obligation for the entirety (27/07) of the contract. The ICC generally does not grant releases outside of the automatic releases described in these rules except in the most unusual circumstances. The Contract Release Committee shall notify the Director of Member Services and the

General Manager when decisions are made. (48/05) As well, CRC shall routinely notify the Board of Directors as to its decisions while still maintaining confidentiality. (33/07)

**5.1.5 RELEASE BY COMMITTEE:** Contract Release Committee and Emergency House Operations Team (EHOT) have the power to release a member from their contract. (29-08)

- A. In special cases, a member may be released from their contract by the Contract Release Committee of the ICC. CRC will generally only consider cases where the member has been released from house charges. However, if there is a strong argument, CRC may decide to hear a case without having house release. All other procedures and requirements are subject to the policies of the Contract Release Committee. (33/07)
- B. EHOT procedures are in SR 8.1.1.

**5.1.6 RELEASE FROM HOUSE CHARGES:** Individual co-ops may release members from the house portion of charges according to house procedure. Houses may not release members from their ICC charges. Houses that choose to release members from contract obligations take responsibility for paying any costs remaining for spaces vacated by released members. A House Charges Release Form must be turned into the ICC Membership Office by a house officer. Unless otherwise specified in the house constitution:

- A. The Fall/Winter house may release members from house charges for any term.
- B. The Spring/Summer house may release a member from house charges for Spring/Summer, but may release a member for the Fall/Winter term only with the approval of the Membership Committee. (32/05)

**5.1.7 BOARDER RELEASES:** Boarders not residing in ICC houses are automatically released of responsibility for ICC charges if they are completely released from house charges. Under special circumstances, members who room and board within the ICC may be released from the boarding portion of their contract with approval from the boarding house. (21/05)

## **5.2 VOIDING CONTRACTS:**

**5.2.1 DEFINITION:** Voiding a contract is cancellation of the obligations of a member for their contract and all attendant rights as detailed in the contract by the ICC. Voiding contracts is generally not a member initiated action. Contract releases must be voluntary on the part of the contract holder whereas a contract can be voided without the consent of the member if any of the following situations applies.

**5.2.2 NON-APPEARANCE AND DEPARTURES:** At any point after the start of the contract period or immediately if the member notifies the ICC they will not be occupying the space, the Membership Committee and the ICC office staff shall be authorized to declare a contract void on behalf of the co-op; provided an immediate and suitable replacement can fill the vacancy caused by such contract

cancellation. No single individual on the committee may approve a contract void; the approval must appear in the committee minutes. (For No shows see 11.4) (92/97)

### **5.2.3 NON-PAYMENT OF DEBTS:**

**5.2.3.1** Advance contracts may be voided on ten days written notice by the ICC if the signer owes any money to the house under contract or to any other house or boarding co-op. This action is to be carried out by the ICC staff in consultation with the ICC Treasurer and Finance Committee. (88/96)

**5.2.3.2 APPEALS OF VOIDED CONTRACTS:** Any person having a contract cancelled because of a bad debt has the right to explain their situation through the appeal process. Any appeal of a contract cancellation caused by bad debt shall be heard by the Finance Committee who shall render a final decision on the matter. (88/96)

**5.2.4 ERROR BY ICC:** The Board of Directors, or Membership Committee, may vote to void a contract and refund all or part of the membership fee in cases where error on the part of the ICC or its agents has blocked fulfillment of the contract. No such refund will be made to a person who has lived in the ICC for more than three weeks prior to discovery of the error or request for the refund. If refund is made, the Board, and/or the Membership Committee, shall determine the source of error. This section shall not apply to cases of eviction.

**5.2.5 PREVIOUS MEMBER OVERSTAY:** The overstay of a previous contract holder in the space to be occupied by the new contract holder is not the responsibility of the ICC and is not reason to void a contract.

## **5.3 SWITCHING HOUSES: (48/05)**

Members who wish to switch houses may do so in accordance with the following rules:

**5.3.1 EXCHANGING PLACES:** Before or during the contract period, two members with contracts may exchange places for the same contract period, provided such exchange is recorded in writing in the ICC office. The responsibility in such matters shall lie solely with persons directly involved, i.e. both persons must ensure that their space is filled.

**5.3.2 SWITCHING INTO AN EMPTY SPACE:** (32/05) A member with a contract for a space in one ICC house may switch their contract to an un-contracted space in another ICC house. The member will then be responsible for only one set of ICC charges plus both sets of house charges, unless they are released from their original house charges under the following rules:

**5.3.2.1** Fall/Winter members are automatically released from their original house charges if they switch on or before June 30.

**5.3.2.2** Spring/Summer members are automatically released from their original house charges if they switch on or before April 15.

**5.3.2.3** After these dates, a member may be released from their original house charges according to SR 5.1.6 (Release from house charges)