

INTERNATIONAL ASSOCIATION OF CERTIFIED HOME INSPECTORS CHARTER

WHEREAS, the International Association of Certified Home Inspectors (“InterNACHI”) is non-profit corporation and recognized Section 501(c)(6) tax-exempt trade association serving the home inspection industry;

WHEREAS, a group of InterNACHI members have applied to InterNACHI for a Charter for a local Chapter of InterNACHI that will known as the _____ Chapter of InterNACHI (“Chapter”);

WHEREAS, InterNACHI has reviewed the application and desires to grant a charter to Chapter pursuant to which Chapter will be affiliated with InterNACHI;

NOW, THEREFORE, in consideration of the mutual agreements and promises set forth herein, InterNACHI does hereby grant this Charter to the Chapter.

1. Name Rights and Logos. The Chapter shall have the right to use the term “InterNACHI” and the InterNACHI logo only with the inclusion of the Chapter name and only for purposes consistent with the purposes of InterNACHI. A Chapter may also develop its own separate logo. InterNACHI and the Chapter must be kept distinct, especially in communications with the public. Communication by Chapter, its officers or members, in correspondence, advertising, or promotional material must always identify the Chapter by name in such a manner that clearly communicates that the communication is with the Chapter and not InterNACHI. The Chapter’s authority to use the InterNACHI logo, the name “International Association of Certified Home Inspectors,” and the InterNACHI acronym is governed by this Charter and may be terminated by InterNACHI if the Chapter is not using any such marks in accordance with these provisions.

2. Relationship. InterNACHI and Chapter are separately incorporated and governed, and they are discrete institutions whose relationship is described and limited by this Charter. InterNACHI and Chapter are not and shall not be deemed to be joint venturers, partners, legal representatives, and/or agents of the other. At no time shall either party act or represent itself to be acting in any of these capacities. InterNACHI and Chapter shall not have the right or power to bind or obligate the other party in any manner and shall not make, or represent that it has the power to make, any contract, agreement, representation, warranty, or obligation, express or implied, on behalf of die other party, except as set forth in this Charter. Neither InterNACHI nor Chapter shall be liable for any act, error, omission, debt, or other liability or obligation of the other party.

3. Membership. All InterNACHI members in good standing are eligible to become Chapter members, and any InterNACHI member may join one or more InterNACHI Chapters.

4. Dues. The Chapter may set and impose Chapter dues on Chapter members.

5. **Bylaws.** The Chapter shall abide by and promote the Section 501(c)(6) tax-exempt purposes and Objectives of InterNACHI. It shall adopt its own Bylaws that are not contrary or inconsistent with Section 501(c)(6) tax-exempt purposes of InterNACHI. The Chapter shall submit its Bylaws, and all subsequent amendments thereto, to InterNACHI.

6. **Political and Policy Activity.** Chapter agrees that is important for InterNACHI and its affiliated chapters to be consistent when proposing or commenting on actual or proposed legislation, rules, or policy affecting the home inspection industry. Chapter therefore agrees to submit any proposed legislation and/or comments on existing or proposed legislation, rules, or policy for review and comment prior to its submission to the legislative, rule making, or policy making body.

7. **Annual Report.** The Chapter shall submit an Annual Report not later than two weeks after its annual meeting. The Annual Report should include:

- a. List of outgoing and newly elected Chapter Officers and chairs of Chapter Committees;
- b. Summary of activities over the past year, including meetings, special events, and seminars;
- c. Roster of current members and attendance lists; and
- d. A balance sheet as of December 31 of the past year, showing current assets and liabilities and bank account balances.

8. **Legal Formation.** Chapter shall organize as a separate non-profit organization in the chapter's State of operations. The Chapter shall also obtain its own federal employer identification number from the Internal Revenue Service. InterNACHI shall provide financial assistance to the Chapter for the legal formation.

9. **Accounting and Taxes.** The Chapter shall establish and maintain its own accounting and tax records. InterNACHI shall file a group exemption letter with the Internal Revenue Service to have the Chapter be designated as a Section 501(c)(6) tax-exempt organization. In addition, the Chapter shall file in its name and federal employer identification number all federal, state, and local tax returns required by law, including the annual Internal Revenue Service Form 990 tax return. InterNACHI shall provide financial assistance to the Chapter for the accounting and taxes.

10. **Termination.** Either party may terminate this Charter on 30 days written notice. In the event of breach by a party, the other party may terminate immediately by written notice. Upon termination of this Charter for any reason, Chapter shall immediately cease using the names "International Association of Certified Home Inspectors" and "InterNACHI" and the InterNACHI logo, all of which are owned completely and exclusively by InterNACHI, and may no longer claim any affiliation with InterNACHI. Chapter members will remain InterNACHI members regardless of this termination unless they allow their InterNACHI membership to lapse or their membership is otherwise terminated by InterNACHI.

11. **Amendment.** This Charter contains the entire agreement of the parties as

to the subject matter herein, and this Charter may only be amended in a writing signed by both parties hereto.

12. **Venue.** Any litigation arising out of this Charter or the relationship between InterNACHI and Chapter shall take place in the District Court for Boulder County, Colorado, or, if federal jurisdiction is mandated, in the U.S. District Court for the District of Colorado, and the prevailing party shall be entitled to reasonable costs and attorney's fees.

GRANTED THIS _____ DAY OF _____, 200__.

International Association of Certified Home Inspectors, Inc.

By: _____
NICK GROMICKO, Founder