

NATIONAL ASSOCIATION OF CERTIFIED HOME INSPECTORS

CHARTER

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

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

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

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

1. Name Rights and Logos. The Chapter shall have the right to use the term “NACHI” and the NACHI logo only with the inclusion of the Chapter name and only for purposes consistent with the purposes of NACHI. A Chapter may also develop its own separate logo. NACHI 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 NACHI. The Chapter’s authority to use the NACHI logo, the name “National Association of Certified Home Inspectors,” and the NACHI acronym is governed by this Charter and may be terminated by NACHI if the Chapter is not using any such marks in accordance with these provisions.

2. Relationship. NACHI and Chapter are separately incorporated and governed, and they are discrete institutions whose relationship is described and limited by this Charter. NACHI 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. NACHI 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 NACHI nor Chapter shall be liable for any act, error, omission, debt, or other liability or obligation of the other party.

3. Membership. All NACHI members in good standing are eligible to become Chapter members, and any NACHI member may join one or more NACHI 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 NACHI. It shall adopt its own Bylaws

that are not contrary or inconsistent with Section 501(c)(6) tax-exempt purposes of NACHI. The Chapter shall submit its Bylaws, and all subsequent amendments thereto, to NACHI.

6. Political and Policy Activity. Chapter agrees that is important for NACHI 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. NACHI 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. NACHI 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. NACHI 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 "National Association of Certified Home Inspectors" and "NACHI" and the NACHI logo, all of which are owned completely and exclusively by NACHI, and may no longer claim any affiliation with NACHI. Chapter members will remain NACHI members regardless of this termination unless they allow their NACHI membership to lapse or their membership is otherwise terminated by NACHI.

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 NACHI 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__.

National Association of Certified Home Inspectors, Inc.

By: _____

NICK GROMICKO, Founder