

# INTERNATIONAL MUNICIPAL SIGNAL ASSOCIATION, INC.

## Charter Agreement SOUTHWESTERN SECTION IMSA

This Charter Agreement (this "Charter") is made this day, **August 26, 2020** between the International Municipal Signal Association, Inc., a Florida not for profit corporation ("IMSA INTERNATIONAL") and the ***SOUTHWESTERN SECTION of IMSA INTERNATIONAL*** (the "IMSA Section") and is valid until **January 1, 2025**. This document authorizes the IMSA Section to identify itself and act as an IMSA Section of IMSA INTERNATIONAL as described in the bylaws of the IMSA INTERNATIONAL; and serves as an agreement between IMSA INTERNATIONAL and the IMSA Section concerning the relationship between the two parties. IMSA INTERNATIONAL designates the IMSA Section geographic jurisdiction as including and limited to ***the States of Arkansas, Louisiana, Oklahoma, Texas, and the Country of Mexico.***

By signing this Charter, both parties agree to the terms listed herein, and the IMSA Section specifically recognizes that this Charter does not confer the protection of separate corporate status or tax-exemption on the IMSA Section. The IMSA Section assumes responsibility for applying for and maintaining both corporate status and/or tax-exempt status. Failure to abide by the terms of this Charter by either party may cause the termination of this Charter as outlined in Section IIID.

### I. LEGAL DESCRIPTION

International Municipal Signal Association, Inc. is incorporated in the state of Florida, and has been recognized as a 501 (c) 3 tax-exempt organization. This Charter grants the IMSA Section a non-exclusive, revocable, non-transferable, royalty-free license to operate under the name "International Municipal Signal Association, **SOUTHWESTERN SECTION.**"

### II. PURPOSE

Both parties agree that they will work together to achieve IMSA INTERNATIONAL'S organizational mission and vision as defined by IMSA INTERNATIONAL. (For a description, see the IMSA Section Handbook, IMSA Section 1) This does not preclude the IMSA Section from pursuing additional goals that are consistent with the tax exempt purposes of IMSA INTERNATIONAL, as deemed important by the IMSA Section Board of Directors.

### III. LEGAL ISSUES

#### A. Governing Documents

The maintenance of governing documents is important to the health of any nonprofit organization.

IMSA INTERNATIONAL agrees to:

1. Maintain articles of incorporation and bylaws ("governing documents") and to follow the appropriate amendment procedures described therein.
2. Disseminate current copies, and future amended copies, of the governing documents to the IMSA Section with explanation on any impact to the IMSA Section operation.

The IMSA Section agrees to:

3. Maintain articles of incorporation and bylaws that are consistent with IMSA INTERNATIONAL's (and conform to the laws of their state or Canadian province of incorporation) and to follow the appropriate amendment procedures described therein.
4. Assure that any proposed amendments to the IMSA Section's bylaws and articles of incorporation are consistent with IMSA INTERNATIONAL's governing documents, provide copies of the proposed amendments (consistent with the laws in their state of incorporation or Canadian province) to IMSA INTERNATIONAL's Executive Director for the IMSA INTERNATIONAL's Bylaws Committee and Board of Directors approval prior to asking their members to vote on the amendments.

#### **B. Governance**

IMSA INTERNATIONAL is governed by a Board of Directors as described in its articles of incorporation and bylaws. The IMSA INTERNATIONAL Board of Directors has created a Council of Delegates representing the IMSA INTERNATIONAL membership and granted certain membership decision-making authority to the Council.

The IMSA Section agrees to be governed by an IMSA Section Board of Directors, whose members and officers shall be elected directly by the members of the IMSA Section, and to maintain representatives elected by the IMSA Section members on the IMSA INTERNATIONAL Council of Delegates. Provisions for the election of delegates and IMSA Section Board officers are set forth in the IMSA INTERNATIONAL bylaws.

#### **C. Legal Compliance**

Both parties will operate in conformance with their respective governing documents.

#### **D. Breach of Charter; Surrender of Charter**

1. This Charter may be terminated by IMSA INTERNATIONAL upon a material breach of any provision of this Charter or the operational elements attached hereto (Exhibit A) or contained in the IMSA Section Handbook (the "Operational Elements").
2. Upon termination, the IMSA Section shall have the right to appeal through the Mediation and Arbitration of Disputes process in Section III E of this Charter.
3. Investigation – The IMSA INTERNATIONAL Board of Directors shall appoint a Charter Committee to investigate an alleged material breach of this Charter. The Charter Committee shall, by majority vote, report to the IMSA INTERNATIONAL Board of Directors within 30 days of receiving its charge to investigate. If deemed necessary, the IMSA INTERNATIONAL Executive Director or any officer of the IMSA INTERNATIONAL Board may determine that a suspension of the Charter shall be in place during such investigation in order to avoid harm to IMSA INTERNATIONAL.
4. Board Action – The IMSA INTERNATIONAL Board of Directors shall review the investigating Charter Committee's report and render a decision within 45 days of its receipt. Upon its review, the IMSA INTERNATIONAL Board of Directors may terminate this Charter based on the material breach of this Charter by the IMSA Section by the affirmative vote of two thirds of the IMSA INTERNATIONAL directors voting. Any Board action to terminate this Charter shall be promptly communicated to the IMSA Section by certified mail, return receipt requested. The decision of the IMSA INTERNATIONAL Board of Directors may be appealed through the Mediation and Arbitration of Disputes process in Section III E of this Charter.
5. The IMSA Section may surrender this Charter by delivering to IMSA INTERNATIONAL written notice of its intention to do so no less than 30 days prior to the effective date of such surrender.

#### **E. Mediation and Arbitration of Disputes**

The parties agree that all disputes arising under this Charter shall be resolved by the following process:

1. Negotiations – Formal inter-IMSA Sectional or IMSA Section- IMSA INTERNATIONAL negotiations be held.
2. Mediation – If unresolved, mediation shall be conducted using IMSA INTERNATIONAL and IMSA Section volunteers. The decision reached by such volunteers shall be final.

#### **F. Dissolution of the IMSA Section**

Upon dissolution of the IMSA Section, the assets of the IMSA Section shall be transferred to IMSA INTERNATIONAL (unless otherwise described in the articles of incorporation of an incorporated IMSA Section) provided, that IMSA INTERNATIONAL may decline to receive any of such assets. Unrestricted assets will be used at the discretion of the IMSA INTERNATIONAL Board of Directors. Restricted assets not declined by IMSA INTERNATIONAL will be administered by IMSA INTERNATIONAL in accordance with the original intent.

#### **G. Intellectual Property**

1. Limited License. IMSA Section is hereby granted a limited, revocable, non-exclusive license to use (i) the name “International Municipal Signal Association”, acronym “IMSA INTERNATIONAL,” logo of IMSA INTERNATIONAL, and other IMSA INTERNATIONAL trademarks, service marks, trade names, and logos (the “Marks”), (ii) IMSA INTERNATIONAL’s membership lists with respect to past, current or prospective members located within the IMSA Section’s geographic territory (the “Mailing Lists”), and (iii) all copyrighted or proprietary information and materials of IMSA INTERNATIONAL or the IMSA Educational Foundation provided by IMSA INTERNATIONAL to the IMSA Section during the term of this Charter (the “Proprietary Information”)(the Marks, Mailing Lists, and Proprietary Information are collectively referred to as the “Intellectual Property”) in or in connection with the IMSA Section’s name, acronym and logo and for other official IMSA Section-related purposes, with the limited authority to use the Intellectual Property solely in connection with the activities authorized under this Charter, subject to the terms and conditions of this Charter, the Operational Elements, and any written guidelines attached hereto, otherwise incorporated herein, or subsequently provided to the IMSA Section by IMSA INTERNATIONAL.
2. The Intellectual Property is and shall remain at all times the sole and exclusive property of IMSA INTERNATIONAL. Any failure by the IMSA Section to comply with the terms and conditions contained herein, whether willful or negligent, may result in the immediate suspension or revocation of this license, in whole or in part, by IMSA INTERNATIONAL. Failure to comply, whether willful or negligent, also may result in the termination of this Charter by IMSA INTERNATIONAL. The interpretation and enforcement of these terms and conditions, and compliance therewith, shall be made by IMSA INTERNATIONAL in its sole discretion.
3. IMSA INTERNATIONAL’s logo may not be revised or altered in any way and must be displayed in the same form as produced by IMSA INTERNATIONAL. The Marks may not be used in conjunction with any other trademark, service mark, or other mark without the express prior written approval of IMSA INTERNATIONAL.
4. The Intellectual Property must be used by the IMSA Section in a professional manner and solely for official IMSA Section-related purposes. In any authorized use by the IMSA Section of the Intellectual Property, the IMSA Section shall ensure that the applicable trademark and copyright notices are used pursuant to the requirements of United States law and the laws applicable to the IMSA Section’s geographic territory. The IMSA Section shall not permit any third party to use the Intellectual Property without IMSA INTERNATIONAL’s express prior written approval. The Intellectual Property may not be used in any manner that, in the sole discretion of IMSA INTERNATIONAL, discredits IMSA INTERNATIONAL or tarnishes its reputation and goodwill; is false or misleading; violates the rights of others; violates any law, regulation or other public policy; or mischaracterizes the relationship between IMSA INTERNATIONAL and the IMSA Section, including but not limited to the fact that the IMSA Section is a separate and distinct legal entity from IMSA INTERNATIONAL.

5. Use of the Intellectual Property shall create no rights for the IMSA Section in or to the Intellectual Property or its use beyond the terms and conditions of this limited and revocable license. All rights of usage of the Intellectual Property by the IMSA Section shall terminate immediately upon the revocation, surrender or other termination of this Charter. The IMSA Section's obligations to protect the Intellectual Property shall survive the revocation, surrender or other termination of this Charter.

#### **H. Agency**

This Charter is not intended to create an agency relationship of any kind. The IMSA Section has no authority to obligate IMSA INTERNATIONAL. The IMSA Section agrees not to contract any obligations in the name of IMSA INTERNATIONAL, nor to use IMSA INTERNATIONAL's credit in conducting any activities under the Charter, except upon the express written authority of IMSA INTERNATIONAL's Executive Director.

#### **I. Indemnification**

IMSA INTERNATIONAL and the IMSA Section each agree to indemnify and hold harmless each other and their respective members, officers, directors, employees and agents and other IMSA Sections for any and all claims, losses, damages, liabilities, judgments, or settlements, including reasonable attorney's fees, costs, and other expenses incurred, on account of any activities conducted by the IMSA Section and IMSA INTERNATIONAL respectively. The rights and responsibilities established in this paragraph shall survive indefinitely the termination of the Charter.

#### **J. Waiver**

Either party's waiver or, failure to exercise, any right provided for in this Charter shall not be deemed a waiver of any further or future right under this Charter.

#### **K. Successors and Assigns**

This Charter shall be binding on the parties, and on their successors and assigns, without regard to whether it is expressly acknowledged in any instrument of succession or assignment. However, this Charter shall be void upon its assignment by the IMSA Section to any other person or entity without the express written consent of IMSA INTERNATIONAL.

#### **L. Notices**

All notices and other written communications under this Charter shall be addressed as indicated below, or as specified by subsequent written notice delivered by the party whose address has changed.

If to IMSA INTERNATIONAL: International Municipal Signal Association, Inc., 597 Haverty Court, Suite 100, Rockledge, FL 32955. If to IMSA Section: **SOUTHWESTERN SECTION IMSA, PO Box 4507, Cedar Hill, Texas 75106. Office Email: [imsasw@tx.rr.com](mailto:imsasw@tx.rr.com)**

#### **M. Governing Law**

This Charter shall be governed in all respects by the law of the State of Florida.

#### **N. Amendment**

This Charter and the Operational Elements constitute the entire agreement between the parties, and supersedes all prior writings or oral agreements. This Charter or the Operational Elements may be amended only in writing by clearly setting forth the amendments and signed by both parties against whom enforcement is sought.

**O. Warranty**

Each party warrants that the individual signing this Charter on its behalf is duly authorized to do so.

**IN WITNESS THEREOF**, each of the parties hereto has caused this Charter to be executed by its duly authorized agent.

International Municipal Signal Association, Inc.

IMSA SOUTHWESTERN SECTION

On this date: 9/11/20

On this date: August 26, 2020

IMSA INTERNATIONAL President: Dan Michalak

IMSA Section President: Randy E. Wellhausen

  
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Signature

Signature

**EXHIBIT A**  
**INTERNATIONAL MUNICIPAL SIGNAL ASSOCIATION, INC.**  
**OPERATIONAL ELEMENTS OF AGREEMENT BETWEEN IMSA INTERNATIONAL AND THE CHARTERED IMSA SECTION**

**I. OPERATIONS**

**A. Legal Description**

IMSA INTERNATIONAL agrees to have an operational policy that indicates that the Executive Director will:

1. Not alter the association name and logo without the input (and due consideration of the input) of the IMSA Section.

The IMSA Section agrees that:

2. In all oral and written communications, the IMSA Section will identify itself only in the way expressly described in Section I of the Charter Agreement.
3. In all oral and written communications, the IMSA Section will abide by the graphics display policies established by IMSA INTERNATIONAL (IMSA Section Handbook, Section 3).

**B. Governance**

IMSA INTERNATIONAL agrees to have an operational policy that indicates that the Executive Director will:

1. Communicate the IMSA INTERNATIONAL bylaws as it relates to the election of delegates from the IMSA Section to the Council of Delegates.
2. Provide financial support of IMSA INTERNATIONAL, as determined by the IMSA INTERNATIONAL Board of Directors, to the IMSA Section to assist in supporting the IMSA Section is primary delegate participation in Council of Delegates meetings outside of the Annual Conference.

The IMSA Section agrees to:

3. Utilize an IMSA Section Nominating Committee that is as described in the IMSA Section Bylaws.
4. Conduct at least two IMSA Section board meetings per year.
5. Conduct at least one business meeting of its membership per year as described in the IMSA Section bylaws.
6. Provide the number of delegates to actively participate in the Council of Delegates in accordance with the IMSA INTERNATIONAL bylaws.
7. Provide financial support, as determined by the IMSA Section Board, to enable delegates to participate in delegate meetings and other delegate functions including the annual IMSA INTERNATIONAL Council of Delegates meeting in conjunction with the IMSA INTERNATIONAL Annual Conference.

**C. Legal Compliance**

IMSA INTERNATIONAL agrees to have an operational policy that indicates the Executive Director shall:

1. Cause the organization to remain in good standing under the law.
2. Cause the organization to continue to qualify for exemption pursuant to section 501(c)(3) of the Internal Revenue Code.
3. Submit required financial reports to the government as defined by federal and state law.

4. Operate in compliance with all other applicable federal, state, and local laws, regulations, and ordinances.
5. Retain appropriate legal counsel for IMSA INTERNATIONAL.
6. Assist the IMSA Section in identifying appropriate legal counsel when requested.

The IMSA Section agrees to:

7. Remain in good standing under the law in the state or Canadian province where it is incorporated (if the IMSA Section is incorporated).
8. Inform IMSA INTERNATIONAL if it intends to change its incorporation status (i.e., to pursue incorporation or to let a current incorporation lapse).
9. Inform IMSA INTERNATIONAL if it intends to qualify for a separate tax exemption or allow a current tax exemption to lapse.
10. Submit required financial reports to the government as required by federal and state law or Canadian Provincial law.
11. Operate in compliance with all other applicable federal, state, and local laws, regulations, and ordinances and Canadian law as applicable.
12. Identify appropriate legal counsel for the IMSA Section when necessary.
13. Immediately notify the IMSA INTERNATIONAL office of any legal action.

#### **D. Financial Operation**

IMSA INTERNATIONAL agrees to have an operational policy that indicates the Executive Director will:

1. Operate under generally accepted financial and fiscal policies as adopted by IMSA INTERNATIONAL.
2. Ensure that IMSA INTERNATIONAL policies cannot obligate the IMSA Section to any financial or legal contractual obligation without specific, prior, mutual, written amendment to this agreement.
3. Annually make available to the IMSA Section a report of the financial status of IMSA INTERNATIONAL and, a copy of its federal and state tax forms.
4. Obtain an audit by a certified public accountant that shall render an opinion concerning the fair presentation of IMSA INTERNATIONAL's finances on a frequency set by the IMSA INTERNATIONAL Board of Directors.
5. Abide by all financial reporting laws.

The IMSA Section agrees:

6. To operate under generally accepted financial and fiscal policies.
7. To distribute a copy of the IMSA Section adopted financial and fiscal policies to IMSA INTERNATIONAL upon adoption and amendment.
8. That the IMSA Section policies may not obligate IMSA INTERNATIONAL to any financial or legal contractual obligation without specific, prior, mutual, written amendment to this agreement.
9. To annually make available a report of the general financial status of the IMSA Section, a copy of all federal and state or Canadian tax filing documents, as required by law to be filed.
10. To adhere to the approved financial reporting practices as adopted by the IMSA INTERNATIONAL Board of Directors. (IMSA Section Handbook, Section B)
11. To abide by all financial reporting laws.

### E. Business Practices

Both parties agree to conduct their business and activities in accordance with generally accepted principles governing operations of incorporated organizations.

IMSA INTERNATIONAL agrees to have an operational policy that indicates that the Executive Director will:

1. Maintain an office for IMSA INTERNATIONAL.
2. Maintain a mailing address and phone number for IMSA INTERNATIONAL.
3. Abide by all applicable employment laws.
4. Maintain and abide by written personnel policies and procedures approved by the IMSA INTERNATIONAL Board of Directors.

The IMSA Section agrees to:

5. Maintain a mailing address, email and phone number for the IMSA Section office that is located within the geographic jurisdiction of the IMSA Section.

### F. Insurance

IMSA INTERNATIONAL agrees to have an operational policy that indicates that the Executive Director will:

1. Maintain insurance coverage for IMSA INTERNATIONAL directors' and officers' liability, general liability, and umbrella liability.
2. Provide access to group discount coverage for optional purchase by IMSA Sections.
3. Maintain other insurance coverage necessary for the protection of IMSA INTERNATIONAL, as determined by the IMSA INTERNATIONAL Board.

The IMSA Section agrees:

4. To pay the premium for the IMSA Section's directors' and officers' liability, general liability, and umbrella liability insurance separate from IMSA INTERNATIONAL and provide proof of such separate coverage to the IMSA INTERNATIONAL Executive Director.
5. To maintain other insurance necessary for the protection of the IMSA Section, as determined by the IMSA Section Board of Directors, including bonding of the IMSA Section Treasurer.

## **II. SERVICES TO IMSA INTERNATIONAL MEMBERS**

As associations, IMSA INTERNATIONAL and the IMSA Section will provide a baseline of services to their members. IMSA INTERNATIONAL and the IMSA Section may provide more than the baseline services in any or all areas outlined below.

1. IMSA INTERNATIONAL agrees to continue to be incorporated as a membership association with member categories determined by the IMSA INTERNATIONAL Board of Directors.
2. IMSA INTERNATIONAL agrees to have an operational policy that indicates that members must be affiliated with an IMSA Section.

In as much as IMSA INTERNATIONAL grants IMSA Sections charter defined by geographic boundary lines:

3. IMSA INTERNATIONAL grants the IMSA Section the geographic jurisdiction of ***the States of Arkansas, Louisiana, Oklahoma, Texas, and the Country of Mexico***. The IMSA Section agrees that its members are limited to only those individuals who are IMSA INTERNATIONAL members and are affiliated with the IMSA Section.
4. The IMSA Section agrees that it will not seek to recruit members that are not in its geographic jurisdiction.

5. The IMSA Section (IMSA Section "A") agrees that it will communicate with and obtain consent in writing or electronically from another IMSA Section (IMSA Section "B") if IMSA Section "A" desires to provide services or conduct activities within IMSA Section "B"s geographic jurisdiction.

#### **A. Serving Member Needs**

Determining the needs of members is important in the continued development of member services. The IMSA Sections and IMSA INTERNATIONAL will use various methods to collect and interpret member needs. At a minimum,

IMSA INTERNATIONAL agrees to have an operational policy that indicates the Executive Director will:

1. Conduct a member needs assessment to assist the Council of Delegates in developing IMSA INTERNATIONAL'S strategic initiatives as directed by the IMSA INTERNATIONAL Board of Directors.
2. Work with the IMSA Section to ensure both parties' needs assessments solicit valuable information.
3. Share the results of the needs assessment with the IMSA Section and IMSA INTERNATIONAL members.
4. Recommend to the IMSA INTERNATIONAL Board of Directors member services to meet the identified needs of members and IMSA INTERNATIONAL'S mission.

The IMSA Section agrees to:

5. Conduct, or participate in the conduct of, an IMSA Section member needs assessment as directed by the IMSA INTERNATIONAL Board of Directors.
6. Share the results of the needs assessment with IMSA INTERNATIONAL.
7. Develop member services to meet the needs of IMSA Section members and IMSA INTERNATIONAL'S mission.

#### **B. Education, Training and Certification**

IMSA INTERNATIONAL and the IMSA Section are dedicated to providing education, training, and certification opportunities to their members. Various delivery methods will be utilized by both parties.

IMSA INTERNATIONAL agrees to have an operational policy that indicates that the Executive Director will:

1. Provide for the development of related training and education including programs for certification.
2. Provide for the creation and publication (either printed or electronic) of new materials of interest to IMSA INTERNATIONAL members.
3. Provide links to appropriate educational resources for use by "members only".
4. Develop relationships with other organizations to share vital information.
5. Maintain an updated website listing of all IMSA INTERNATIONAL and IMSA Section educational opportunities.
6. Provide an annual IMSA INTERNATIONAL national educational offering. (Annual conference)
7. Support and assist, where needed, with IMSA Section educational offerings.
- 8.

The IMSA Section agrees to:

9. Provide for at least one educational offering for its members each calendar year.
10. Offer at least two certification courses for IMSA Section members each calendar year.
11. Provide IMSA INTERNATIONAL with a current list of all educational opportunities for posting on the IMSA INTERNATIONAL website and publication in the IMSA Journal.

12. The IMSA Section shall adhere to the IMSA INTERNATIONAL Certification Policies and Procedures Manual.

### **C. Leadership Development**

IMSA INTERNATIONAL and the IMSA Section are also dedicated to providing for appropriate training for their volunteers.

IMSA INTERNATIONAL agrees to have an operational policy that indicates the Executive Director, in conjunction with the Board of Directors, will:

1. Annually orient all new members of the IMSA INTERNATIONAL Board of Directors.
2. Partner with the IMSA Section to develop future leaders of IMSA INTERNATIONAL and the IMSA Section including board development.

The IMSA Section agrees to:

3. Annually orient all new members of the IMSA Section board.
4. Provide training for other IMSA Section volunteers as needed.
5. Partner with IMSA INTERNATIONAL to develop future leaders for the IMSA Section and IMSA INTERNATIONAL.

### **D. Communication**

Communication with IMSA INTERNATIONAL is key to the provision of baseline member services. Various media will be used by both parties.

IMSA INTERNATIONAL agrees to have an operational policy that indicates the Executive Director will:

1. Frequently communicate with members and the IMSA Section to disseminate knowledge and information.

The IMSA Section agrees to:

2. Frequently communicate with its members and IMSA INTERNATIONAL to disseminate knowledge and information.

### **E. Legislation and Advocacy**

Numerous legislative and public policy issues affect the membership of IMSA INTERNATIONAL. In order to serve our membership, IMSA INTERNATIONAL agrees to have an operational policy that indicates the Executive Director will:

1. Communicate, at least annually, all national committee and representative reports to all IMSA Section Primary and Alternate Delegates and IMSA Section Secretaries.

The IMSA Section agrees to:

2. Monitor state legislation and regulations in the following states *Arkansas, Louisiana, Oklahoma, and Texas*. The IMSA Section should coordinate with other IMSA Sections that have a geographic jurisdiction in the same state or province.
3. Disseminate that information to its members and IMSA INTERNATIONAL.

### **F. Member Recruitment and Retention**

IMSA INTERNATIONAL and the IMSA Section will work together to recruit new members and retain current members.

IMSA INTERNATIONAL agrees to have an operational policy that indicates the Executive Director will:

1. Provide written and electronic materials for use in marketing to members and prospective members.
2. Provide member data to the IMSA Section on a monthly basis.
3. Provide assistance to the IMSA Section in the development and implementation of member recruitment and retention efforts.

The IMSA Section agrees to:

4. Develop and implement member recruitment and retention efforts.
5. Recruit members only within the geographic territory of the IMSA Section as described in Section II above.

**IMSA Section Handbook is included with this Charter to provide support and information to the IMSA Section in carrying out the provisions of this agreement.**