

## **2013 CFMA CHAPTER AFFILIATION AGREEMENT**

THIS CHAPTER AFFILIATION AGREEMENT (the "Agreement"), is made this 1st day of June 2013, by and between the Construction Financial Management Association ("CFMA"), a New Jersey nonprofit corporation, with its principal place of business at 100 Village Boulevard, Suite 200, Princeton, NJ 08540, and [full corporate name of local chapter] ("CHAPTER"), a [state of incorporation] nonprofit corporation, with its principal place of business at \_\_\_\_\_.

The parties agree as follows:

### **I. Grant of Charter to CHAPTER**

A. Charter. CFMA hereby grants to CHAPTER a non-exclusive charter to be a chapter of CFMA. CHAPTER is authorized to use the name "Construction Financial Management Association," acronym "CFMA," and logo of CFMA in or in connection with CHAPTER's name, acronym and logo, with the authority to use such marks in connection with CHAPTER's activities authorized under this Agreement, subject to the terms and conditions of this Agreement and any written guidelines attached to this Agreement, otherwise incorporated herein, or subsequently provided to CHAPTER by CFMA.

B. Term and Termination. The Term of this Agreement shall commence on the effective date set forth above and shall continue until revoked by CFMA or surrendered by CHAPTER, pursuant to the terms of this Agreement for revocation and surrender.

### **II. Summary of Responsibilities and Common Goals**

CFMA and Chapter will each comply with the Summary of Responsibilities ("Responsibilities") attached to this Agreement as Exhibit A, as such Responsibilities now exist or as they may hereafter be revised by the parties. CHAPTER does not have to submit required materials in one document.

CFMA and CHAPTER further agree to promote the purpose of CFMA as described in CFMA's Bylaws, Article I and as described in CFMA's Mission and Core Values attached to this Agreement as Exhibit B.

### **III. Mutual Support**

CFMA agrees to provide guidance to Chapter for its governance and operations, to include leadership training, templates, and model documents, as outlined in Exhibit A.

Chapter agrees to conduct programs and activities that further the tax-exempt mission and purposes of CFMA, to encourage its members to participate in CFMA activities, and otherwise to support CFMA to the fullest reasonable extent possible.

#### **IV. Articles of Incorporation, Bylaws and Other Requirements**

As a condition of receipt of its charter as a chapter of CFMA, CFMA provided its approval to the Articles of Incorporation and Bylaws of CHAPTER. Any amendments to CHAPTER's Articles of Incorporation or Bylaws must first be submitted to, and approved by, CFMA. CHAPTER agrees to abide by Chapter Guidelines attached to this Agreement as Exhibit C, and shall comply at all times with all of the chapter-related requirements set forth in CFMA's Bylaws.

#### **V. Compliance with Laws**

CHAPTER warrants that it is in material compliance with all applicable laws, regulations and other legal standards that may affect its performance under this Agreement, and shall remain in material compliance with, and otherwise conduct its activities at all times in accordance with, all applicable laws, regulations, and other legal standards. Further, CHAPTER warrants that it shall maintain at all times all permits, licenses and other governmental approvals and shall make all required filings, such as annual reports and tax filings that may be required in connection with its performance under this Agreement.

Further, CHAPTER warrants that it is a nonprofit corporation in good standing with the laws of INSERT JURISDICTION, and that it shall at all times operate in a manner consistent with the tax-exempt purposes of CFMA. CHAPTER shall maintain all records related to its corporate and tax status and forward to CFMA a copy of any adverse notice or other correspondence received from any governmental agency. CHAPTER shall notify CFMA in writing of any audit performed by any governmental agency within seven (7) days of the commencement of such audit.

CFMA warrants that it is in material compliance with all applicable laws, regulations and other legal standards that may affect its performance under this Agreement, and shall remain in material compliance with, and otherwise conduct its activities at all times in accordance with, all applicable laws, regulations, and other legal standards. Further, CFMA warrants that it shall maintain at all times all permits, licenses and other governmental approvals and shall make all required filings, such as annual reports and tax filings, that may be required in connection with its performance under this Agreement.

#### **VI. Intellectual Property**

Limited License. CHAPTER is hereby granted a limited, revocable, non-exclusive license to use (i) the name "Construction Financial Management Association,"



acronym "CFMA," logo of CFMA, and other CFMA trademarks, service marks, trade names, and logos (collectively referred to as the "Marks"), (ii) CFMA's membership mailing and electronic mail lists with respect to past, current, or prospective members of CFMA located within the geographic area in which CHAPTER is permitted by CFMA to operate (collectively referred to as the "Mailing List"), and (iii) all copyrighted or proprietary information and materials provided by CFMA to CHAPTER during the Term of this Agreement (the "Proprietary Information") (the Marks, Mailing List, and Proprietary Information are collectively referred to as the "Intellectual Property") in or in connection with CHAPTER's name, acronym and logo and for other official CHAPTER-related purposes, with the limited authority to use the Intellectual Property solely in connection with the activities authorized under this Agreement, subject to the terms and conditions of this Agreement and any written guidelines attached hereto, otherwise incorporated herein, or subsequently provided to CHAPTER by CFMA.

A. The Intellectual Property is and shall remain at all times the sole and exclusive property of CFMA. CFMA's logo may not be revised or altered in any way, and must be displayed in the same form as produced by CFMA. The Marks may not be used in conjunction with any other trademark, service mark, or other mark without the express prior written approval of CFMA. CHAPTER shall not permit any third party to use the Intellectual Property without CFMA's express prior written approval. CHAPTER shall not sell or trade the Intellectual Property without CFMA's express prior written approval. The Intellectual Property must be used by CHAPTER in a professional manner and solely for official CHAPTER-related purposes.

B. Failure by CHAPTER to comply with the terms and conditions herein may result in the immediate suspension or revocation of this license, in whole or in part, by CFMA. Failure to comply also may result in the suspension or revocation of the charter of CHAPTER by CFMA, as described in CFMA's Bylaws, Article II, Section 6. All rights of usage of the Intellectual Property by CHAPTER shall terminate immediately upon the revocation, surrender or other termination of this Agreement. CHAPTER's obligations to protect the Intellectual Property shall survive the revocation, surrender or other termination of this Agreement.

C. Upon the termination or expiration of this agreement, CHAPTER shall (i) immediately cease utilization of the Intellectual Property; and (ii) return all originals and copies of the Intellectual Property (whether printed, electronic, recorded, or in other tangible form) at CFMA's request.

## **VII. Relationship of Parties**

Neither party, nor any of its members, officers, directors, managers, agents, employees, independent contractors or representatives will (a) be considered an agent, partner, joint venturer, employee, or representative of the other party for any purpose whatsoever, (b) have any authority to make any agreement or commitment for, or to incur any liability or obligation in the other party's name or for or on its behalf, and (c) represent to outside parties that they or any of them has any right to bind the other party



to this Agreement. CHAPTER is not, and will not be deemed to be, for any purpose, an employee or agent of CFMA. CFMA will not be responsible to CHAPTER, or to any governmental authority, for the payment or withholding of any foreign, federal, state or local income, unemployment or other employment-related taxes in connection with any payments to CHAPTER contemplated by this Agreement.

Unless expressly agreed to in writing by the parties, neither party is authorized to incur any liability, obligation or expense on behalf of the other, to use the other's monetary credit in conducting any activities under this Agreement, or to represent to any third party that CHAPTER is an agent of CFMA. CHAPTER acknowledges that this Agreement creates no obligation on the part of CFMA to fund the obligations of CHAPTER. CHAPTER acknowledges that it shall remain solely responsible for CHAPTER'S own debts and obligations.

#### **VIII. Indemnification**

CHAPTER shall indemnify, save and hold harmless CFMA, its subsidiaries, affiliates, related entities, partners, agents, officers, directors, employees, members, shareholders, attorneys, heirs, successors, and assigns, and each of them, from and against any and all claims, actions, suits, demands, losses, damages, judgments, settlements, costs and expenses (including reasonable attorneys' fees and expenses), and liabilities of every kind and character whatsoever (a "Claim"), which may arise by reason of any act or omission by CHAPTER or any of its subsidiaries, affiliates, related entities, partners, officers, directors, employees, members, shareholders or agents. CHAPTER shall promptly notify CFMA upon receipt of any Claim and shall grant to CFMA the sole conduct of the defense to any Claim.

CFMA shall indemnify, save and hold harmless CHAPTER, its subsidiaries, affiliates, related entities, partners, agents, officers, directors, employees, members, shareholders, attorneys, heirs, successors, and assigns, and each of them, from and against any and all claims, actions, suits, demands, losses, damages, judgments, settlements, costs and expenses (including reasonable attorneys' fees and expenses), and liabilities of every kind and character whatsoever (a "Claim"), which may arise by reason of any act or omission by CFMA or any of its subsidiaries, affiliates, related entities, partners, officers, directors, employees, members, shareholders or agents. CFMA shall promptly notify CHAPTER upon receipt of any Claim and shall grant to CHAPTER the sole conduct of the defense to any Claim.

The provisions of this Section shall survive any revocation, surrender or other termination of this Agreement.

#### **IX. Revocation or Surrender of Charter**

A. Revocation of Charter. The charter granted by CFMA to CHAPTER hereunder shall remain in full force and effect unless and until revoked by CFMA or surrendered by CHAPTER in accordance with the provisions of this Agreement. CFMA,



through its Executive Committee, shall have the authority to revoke or suspend the charter of CHAPTER if the Executive Committee reasonably determines that the conduct of CHAPTER is in material breach of any provision of this Agreement.

B. Surrender of Charter. CHAPTER may surrender its charter by delivering to CFMA written notice of its intention to do so no less than sixty (60) days prior to the effective date of such surrender.

#### **X. Dissolution of CHAPTER**

CHAPTER cannot dissolve itself without:

- A majority approval from a full membership vote;
- A three-month notice to the full membership after such an approval;
- Contacting CFMA Headquarters via e-mail or telephone at least 30 days prior to the membership notice.

Should CHAPTER elect to discontinue operations or dissolve, CHAPTER Bylaws guide the disbursements of monies and assets to be applied by its Board of Directors. If CHAPTER Bylaws do not include information on dissolving of the CHAPTER, funds and assets are sent to CFMA Headquarters for payment of all obligations of the CHAPTER and further disbursement as overseen by CFMA's Executive Committee.

#### **XI. Miscellaneous**

A. Entire Agreement. This Agreement supersedes and replaces all prior understandings, whether oral or written, and except as otherwise provided herein, can only be amended by means of a written amendment signed by both parties.

B. Warranties. Each party covenants, warrants and represents that it shall comply with all laws, regulations and other legal standards applicable to this Agreement, and that it shall exercise due care and act in good faith at all times in performance of its obligations under this Agreement. Each party further warrants and represents that it is incorporated as a nonprofit corporation in good standing, that it shall remain in good standing, and is and shall remain exempt from federal income tax under Section 501(c)(6) of the Internal Revenue Code, pursuant to the group exemption determination letter issued to CFMA by the Internal Revenue Service. The provisions of this Section shall survive any revocation, surrender or other termination of this Agreement.

C. Assignment. This Agreement may not be assigned, or the rights granted hereunder transferred or sub-licensed, by either party without the express prior written consent of the other party.

D. Governing Law. This Agreement will be governed by, and the rights and liabilities of the parties will be determined, solely in accordance with the laws of the State of New Jersey, United States of America, except for its conflict-of-laws principles. Any legal action taken or to be taken by either party regarding this Agreement or the

rights and liabilities of parties under this Agreement will be brought only before a court of competent jurisdiction located within the State of New Jersey, United States of America. Each party hereby submits to the jurisdiction of the courts located within the State of New Jersey, United States of America, in relation to any dispute arising from or in connection with this Agreement.

E. Waiver. The failure of either party to enforce strictly and promptly any of the provisions of this Agreement shall not operate as a waiver of such party's rights to enforce such provision at a later time or to revoke a charter based upon such material breach of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused duplicate originals of this Agreement to be executed by their respective duly authorized representatives as of the date and year first above written.

Construction Financial Management Association

By: Michael Molaro  
Name: Michael P. Molaro  
Title: Director, Chapter Services

[Full corporate Name of Chapter]

By: Andree Nicholson  
Name: Andree Nicholson  
Title: President

*Middle Tennessee Chapter of  
Construction Financial  
Management Association.*



## **Exhibit A**

### **Summary of Responsibilities of CFMA**

- A. Provide a Dashboard "Benchmarking" product to include but not limited to membership size, chapter retention rate, meeting attendance, chapter structure, chapter activities, and chapter leadership.
- B. Provide a quarterly Chapter Leader's Information Package containing regular updates and talking points on CFMA activities.
- C. Provide an annual "Troubleshooting" Guide to include but not limited to possible solutions based on chapter analysis data to stagnant meeting attendance, lack of member involvement, or high membership turnover.
- D. Schedule a periodic chapter visit with a goal of one visit per chapter every three years.
- E. Present an annual Chapter Summit as a forum for chapters to discuss common challenges and opportunities.
- F. Provide copies of all CFMA insurance policies, including Directors & Officers (D&O) Insurance.
- G. Include CHAPTER as a corporation covered by CFMA's group tax exemption under Section 501(c)(6) of the Internal Revenue Code.

### **Summary of Responsibilities of Chapters**

- A. Chapter Year-End Financial Statements (Balance Sheet).

## **Exhibit B**

### **Mission**

To be essential to the success and growth  
of construction financial professionals.

### **Core Values**

Integrity, Competency, Relationships and Friendships,  
Leadership, Innovation, Member Responsiveness



## **Exhibit C**

### **CFMA CHAPTER GUIDELINES**

- 1) All persons who choose to affiliate themselves with a local chapter must be members of CFMA nationally.
- 2) A chapter may charge local dues, which will be collected by CFMA and disbursed to chapters electronically quarterly.
- 3) A chapter is required to comply with the applicable sections of the CFMA bylaws and to incorporate in its state.
- 4) Chapter officers should consist of a President, a Vice President, a Secretary and a Treasurer. These officers must be elected by vote of that chapter's members. It is strongly recommended that the President and Vice President are General Members.
- 5) Chapter officers or its Board of Directors may establish committees, as they deem necessary. It is strongly recommended that chapters establish, at a minimum, a Program Committee and Membership Committee to ensure strong chapter "lifeblood."
- 6) The Chapter is solely responsible for its financial obligations and is responsible for any state or other regulatory requirements resulting from its activity.
- 7) Chapters in formation seeking official chapter status are required to consist of a minimum of 20 affiliates and a 60/40 general to associate ratio.
- 8) Effective April 1, 2007, all new chapters must be in compliance with the Chapter Affiliation Agreement before receiving legal CFMA chapter status.