



LEAGUE OF UNITED LATIN AMERICAN CITIZENS

2022 COUNCIL CHARTER AGREEMENT

PREFACE

This Agreement becomes effective as of the _____ day of _____, 2022, between **LULAC COUNCIL NO.** _____ (herein referred to as “**COUNCIL**”) and the **LEAGUE OF UNITED LATIN AMERICAN CITIZENS, INC.** (Herein referred to as “**LULAC**”), a national entity incorporated as a 501(c)(4) organization and registered in the State of Texas under the provisions of the Texas Non-Profit Corporation Act.

WHEREAS, this Agreement creates and is intended to create a network of **LULAC** Local Councils acting within their own community as chartered and authorized by the League of United Latin American Citizens, Inc., a Texas non-profit corporation acting through its President and National Board of Directors, hereinafter referred to as **LULAC NATIONAL** to be hereinafter known as **LULAC NATIONAL NETWORK (LNN)**; and

WHEREAS, the purpose of this network is to provide a vehicle within which to act and work toward the improvement of the quality of life within the United States and Puerto Rico; and

WHEREAS, equality of opportunity and citizenship may best be achieved through the various programs and services that are offered through duly chartered and authorized **LULAC** Local Councils; and

WHEREAS, **LULAC NATIONAL** owns all rights to the use of the name League of United Latin American Citizens known as **LULAC** together with all of its logos used and developed since the years 1929 when **LULAC** came into being; and

WHEREAS, all duly chartered and authorized **LULAC** Local Councils admit and recognize the legal right of **LULAC NATIONAL** to require chartering and adherence to **LULAC NATIONAL**; and

WHEREAS, the undersigned Council hereby requests charter membership in **LULAC** and by doing agrees to adhere to the terms and conditions set forth herein; and

WHEREAS, the Council when chartered and authorized herein, agrees to maintain a corporate ethic of excellence and fully understand that the interests of the corporation are paramount, requiring adherence to conditions and requirements of this agreement and the Texas Non-Profit Corporation Act; and

NOW THEREFORE, in consideration of the premises and other good and valuable consideration; the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1: PURPOSES AND PHILOSOPHY

The purposes and philosophy of **LULAC** are set forth in detail in its Constitution and By-Laws. The Council applying for a Charter pursuant to this Agreement agrees to accept and wholly abide by said rules and principles of purpose and philosophy.

ARTICLE 2: CHARTER AGREEMENT

A Council is the basic unit of active membership in **LULAC**, a national organization. Each Council must and will be identified by a numerical figure issued when the Council is duly chartered by the **LULAC** National Board of Directors pursuant to the terms and conditions of this charter agreement and the requirements and procedures set forth in the **LULAC** Constitution and By-Laws. Once duly chartered, the Council shall have all the rights and powers and will be bound by the limitations and responsibilities as set forth in the **LULAC** Constitution and By-Laws, and this Agreement.

This Agreement becomes a binding contract upon its execution by the contracting parties effective on the date stated above and is renewable annually.

ARTICLE 3: GENERAL AGREEMENT

SECTION A: MEMBERSHIP: There will be two kinds of membership; sustaining membership and applying membership.

1) SUSTAINING COUNCIL: At inception of this Agreement, all currently existing and duly chartered **LULAC** Councils will be approved as “Sustaining Councils”.

A duly chartered Sustaining Council may apply for a **LULAC** Licensing Agreement. A **LULAC** Licensing Agreement grants the chartered Council the right to non-exclusive use of the **LULAC** Service Marks and Trademarks in connection with the Council’s programs and activities. The **LULAC** Licensing Agreement is a separate and distinct contractual relationship between Council and the National Organization.

2) APPLYING COUNCIL: A duly chartered Council which has come into existence for the first time or a Council which has been dormant for a period in excess of 12 months and is applying for re chartering, will be classified and recognized as an “Applying Council”. Applying Councils are automatically placed on a 12-month probationary membership status and will be elevated to the status of Sustaining Council upon successful completion of corporate accounting and financial reporting requirements. The primary purpose of the probationary period is to ensure that the Applying Council evidences the willingness and ability to adhere to **LULAC**’s corporate and financial reporting requirements.

An Applying Council will be ineligible for a **LULAC** Licensing Agreement during its probationary period. However, upon proper consideration and approval, licensing limitations may be waived in accordance with the provisions contained in the **LULAC** Licensing Agreement.

SECTION B: **LULAC** will provide administrative guidance and technical support to all duly chartered councils, consistent with the terms and conditions of this Agreement, the **LULAC** Constitution and By-Laws and its economic and practical abilities and limitations.

ARTICLE 4: COVENANTS OF CHARTERED COUNCIL

SECTION A: The Council shall reflect “**LULAC**” and its assigned number in its name. Council shall be known and shall do business as it is registered with **LULAC**. The Council shall conspicuously identify itself as a duly chartered Council of **LULAC** in all dealings with its clients, contractors, public officials, and others, and shall prominently place appropriate notice of its charter membership on all forms, business cards, stationary, advertising, signs and other materials where **LULAC** membership is disclosed.

SECTION B: Revenues and Expenses: The Council shall be solely responsible for its revenues and expenses in providing, managing, or otherwise conducting the business affairs of the Council.

SECTION C: Principles of Operation: The Council shall operate its programs, services, and business activities in keeping with the purposes, philosophy, and standards described in the **LULAC** Constitution and its By-Laws and this Agreement.

SECTION D: Record Keeping, Accounting, Reporting Standards: The Council shall open and maintain bank accounts to be used in general operational activities of the Council as well as an account for designated specific purposes, which cannot be used for the general operational activities.

These bank accounts shall be subjected to inspection by **LULAC** and their status must be reported to **LULAC**.

The Council shall keep correct, current, and complete books and records of accounts, and shall keep minutes of proceedings of its members, officers, board of directors, and committees having any authority of the Council and shall keep at its principle office, a record of the names, addresses, and telephone numbers of its member entitled to vote.

All books and records of a Council may be inspected by the **LULAC** National Treasurer for any purpose at any reasonable time.

SECTION E: Financial Records and Annual Reports: A Council shall maintain current, true and accurate financial records with full and correct entries made with respect to all financial transactions of the Council, including all income and expenditures in accordance with generally accepted accounting principles.

Based on these records, the officers of the council or trustees shall prepare an annual report of the financial activity of the council. The financial report is due no later than sixty (60) days after the close of their accounting period. The report must include a statement of support, revenue, expenses, changes in fund balance, and a balance sheet for all funds. These reports are due in the National office as directed by the National President or National Treasurer.

All records, books, and annual reports shall be kept at the council's principal office and shall be maintained for at least three years after closing of the accounting period.

A council that fails to maintain financial records, prepare an annual report, or otherwise fail to follow any of the provisions herein in the manner prescribed by this section shall have its council charter forfeited and/or not renewed.

SECTION F: Service Marks and Trademarks: When applicable. Council agrees to cooperate with LULAC to protect the Service Marks of “LULAC” all Service Marks Trademarks, Logos, and any other service marks or trademarks registered from time to time to LULAC, and to protect it from unauthorized use by anyone or any entity who does not have authority from LULAC to display or otherwise make use of such service marks or trademarks.

Council shall not be required to bring any legal action or proceeding to protect the marks, but shall cooperate fully with LULAC or any of its members who bring an action or proceeding to protect the marks.

Council further agrees to maintain the high standards of LULAC in its use of such service marks and trademarks. Council’s use, in any way, of the service mark “LULAC”, all service marks, trademarks, logos, and any other service mark or trademark registered to LULAC or any of the members shall be governed by the form of this Agreement.

SECTION G: Personal and Real Property: Each Council shall have the right to acquire property, both real and personal, to facilitate the furtherance of their programs. Council shall maintain a running inventory of any such property acquired by Council from any and all sources.

The Council shall provide that any property acquired is the property of LULAC and that it shall be turned over to the National Office or its designated Chartered Council in the event that said Council’s Charter become forfeited and/or not renewed by LULAC National.

SECTION H: Hold Harmless: Council agrees to hold LULAC National “harmless” from any and all claims made against the Council or entity arising out of acts or failures to act by said Council/entity, and to provide funds to LULAC National for attorney’s fees and costs resulting from any such claim.

ARTICLE 5: COVENANTS OF LULAC

SECTION A: Support: LULAC will provide administrative and technical guidance and assistance to its duly Chartered Councils.

SECTION B: Advocacy: LULAC will serve as an advocate at the national level to inform the public, corporate leaders and elected officials of LULAC’s achievements as well as the needs and issues concerning the Hispanic community.

SECTION C: Annual Financial Statement: LULAC agrees to make available to Council, upon request, an Annual Financial Statement.

ARTICLE 6: MEMBERS

SECTION 5: Restrictions: Unless authorized by the National Board of Directors, the LULAC members, life members, and distinguished members are not allowed to use Local, State, or National LULAC assets, any variation of the LULAC name of symbol, LULAC scholarship money or other LULAC property, either directly or implied, for personal monetary or material gain. Neither shall such members contribute or assist toward a non-members gain of LULAC assets that are appropriated in an unauthorized manner.

COUNCIL PRESIDENT

DATE

COUNCIL SECRETARY

NATIONAL PRESIDENT