



## AMERICAN SOCIETY FOR QUALITY, INC.

### GEOGRAPHIC COMMUNITIES COUNCIL MEMBER UNIT OPERATING AGREEMENT

This Member Unit Operating Agreement (“Agreement”) is entered into as of January 1, 2019, between the American Society for Quality, Inc., a New York not-for-profit corporation (the “Society”) and Columbia Basin (“Member Unit”).

WHEREAS, the Society is a global membership organization dedicated to the advancement of the theory and practice of Quality and the allied arts and sciences and the maintenance of high professional standards among its members;

WHEREAS, Member Unit is a defined group of Society members that desires to pursue and advance the mission and principles of the Society; and

WHEREAS, both the Society and Member Unit believe that assistance, coordination, and cooperation in matters of mutual interest will enhance the achievement and advancement of the Society’s mission and the parties’ common objectives;

NOW THEREFORE, in consideration of the mutual promises of the parties, and in accordance with the provisions hereinafter, the Society and Member Unit agree as follows:

1. Recognition of Member Unit. The Society recognizes Member Unit as an official member community of the Society and authorizes Member Unit to use the designation “Columbia Basin” in connection with the programs, services, activities, and events of the Member Unit subject to the terms and conditions of this Agreement. Member Unit will serve the joint membership of the Society and Member Unit in the geographic area of Columbia Basin/Southeastern Washington. Member Unit will report into the Geographic Communities Council through Region Center Pacific (“Region Center”).
2. Membership. All members of Member Unit must maintain active membership in the Society and be in good standing in accordance with the policies, procedures, and applicable dues schedules of the Society. Membership termination in the Society will likewise terminate membership in the Member Unit.
3. Tax-exempt and Corporate Status. Member Unit is considered to be tax exempt under the Society’s tax-exempt status as a 501(c)(3) not-for-profit organization. Member Unit agrees to govern its activities to preserve the tax-exempt status of the Society and to supply all information to any party required to maintain that tax-exempt status. Member Unit will dedicate its activities to supporting the Society’s mission and will not operate or seek to operate as a corporate entity separate and apart from the Society.

4. Governing Documents. Member Unit agrees that it is bound by and will comply with the Certificate of Incorporation, Bylaws, policies, and all other applicable governing documents of the Society and the Geographic Communities Council, as amended from time to time. Member Unit may develop separate Member Unit policies and procedures, provided that the policies and procedures do not conflict with this Agreement or the Society's governing documents. All Member Unit policies and procedures must be approved by its Region Center.

5. Intellectual Property Ownership. Member Unit and the Society both recognize that the name, logo, and reputation of the Society have significant intangible value. The Society retains all rights and interests in its legal name and trademarks, including the logo incorporating the stylized acronym "ASQ," and all related intellectual property including, without limitation, copyrights, trade names, membership and mailing lists, educational materials, training programs, QBOK®, websites, domain names, videos, images, media, and all other proprietary information (hereinafter collectively referred to as "Intellectual Property"), whether or not registered with any governmental agency or body. Member Unit will not acquire and will not claim any right to the Intellectual Property other than the limited rights granted under this Agreement. In the event of termination of this Agreement, Member Unit will have no rights with respect to, or authority to use, the Intellectual Property and will cease all such use and return all Intellectual Property immediately.

6. Limited License. Subject to the terms and conditions of this Agreement, Society grants Member Unit the nonexclusive, nontransferable right, license, and privilege to use the Society name and trademarks for the purposes of indicating the affiliation of the Member Unit and the Society, providing member services, and conducting activities in furtherance of the common purposes of the parties. All use or display of the Society's trademarks and logos shall inure to the benefit of the Society. Use of the Society name and trademark must be consistent with the ASQ Branding Guidelines, which the Society may amend from time to time. Member Unit will use the Society trademarks in an ethical and legal manner and will not use or alter any Society trademark or related term, phrase, or design in a manner which is likely to be confusingly similar to, or a colorable imitation of, the actual Society trademark. Member Unit agrees to modify or cease any display or use of a Society trademark or logo that the Society determines, in its sole discretion, does not adhere to the ASQ Branding Guidelines. Member Unit will not enter into any agreement with respect to the Society trademarks without the Society's written consent and will not permit the use of the Society's name or trademarks in such a way as to endorse or appear to endorse any product or service provided by third parties without the Society's written consent. Society consent regarding all Intellectual Property matters is authorized by the Executive Director of Organizational Solutions.

7. Protection of Intellectual Property Rights. Member Unit will make every reasonable effort to resolve matters within Member Unit's control or purview that may adversely affect the Society's Intellectual Property, name, reputation, goodwill, and membership. In precedence over any interest of Member Unit, the Society shall have the sole discretion to take such actions as it deems necessary to protect its Intellectual Property, name, reputation, goodwill, and ability to serve its members. Member Unit will notify its Region Center of any infringement or imitation by others of the Society's Intellectual Property, and the Society will have the sole right to determine whether or not any action will be taken on account of any such infringement or imitation.

8. Confidentiality. Member Unit acknowledges that during the course of this Agreement, it may have access to certain personal identifying or contact information of members or customers of the Society such as names, addresses, phone numbers, email addresses, employment information, and other data (hereinafter collectively referred to as “Confidential Member Information”). All Confidential Member Information compiled or developed by the Society, including without limitation member databases and membership lists, is the exclusive, proprietary, confidential information of the Society. Except as reasonably necessary to conduct its operations or otherwise required by law, Member Unit shall not disclose Confidential Member Information to third parties, and in no event shall Member Unit use, sell, license, sublicense, share, transfer, or otherwise disclose such Confidential Member Information for any purpose without the prior written consent of the Society. It is the policy of the Society to safeguard the personal information of its members in compliance with all applicable laws, and Member Unit agrees to support and comply with this policy by safeguarding and keeping confidential the personal identifying or contact information of its members as directed by the Society, whether provided by the Society or acquired or developed independently by Member Unit. In the event of termination of this Agreement, Member Unit will have no rights with respect to, or authority to use, the Confidential Member Information and will cease all such use and return all Confidential Member Information immediately. Society consent regarding all Confidential Member Information matters is authorized by the Executive Director of Individual Membership.

9. Ethics. Member Unit will adhere to and promote the Society Code of Ethics. Member Unit acknowledges a responsibility to address ethical issues through awareness, education, and example. Member Unit agrees that it will promptly report any ethics violations to the Professional Ethics and Qualifications Committee or its Component Relations Manager.

10. Scope of Activities. Member Unit will not conduct, market, or promote its programs, training, conferences, services, or other activities outside the geographic territory scope described in this Agreement without the written approval of its Region Center. All Member Unit agreements and contracts, specifically including any agreement between a Member Unit and a member, must be arms-length, at fair-market value, open to others, and approved by Member Unit’s Region Center. Signatory authority for any agreement is based on the dollar amount involved and subject to the Society Signatory Authority Matrix.

11. Conferences. Member Unit conferences will be coordinated with Society headquarters to ensure strategic alignment, optimal pricing, and efficient utilization of resources.

12. Marketing and Communications. The Society will assist Member Unit in promoting membership, in marketing members’ participation at programs and attendance at meetings, and in preparing newsletters and other communication from the Member Unit to its membership.

13. Financial Management. The Member Unit fiscal year will coincide with the Society fiscal year. Member Unit is financially aligned to its Region Center. Member Unit finances will be managed by the Member Unit but maintained by the Region Center in accordance with Finance policy. Member Unit is responsible for developing an annual budget in conjunction with its annual business plan, which must align with the Society’s strategic plan. All budgets must be approved by, and all financial activity must be reported to, Member Unit’s Region Center. Member Unit shall conduct an annual review of its financial records and create an annual report that includes

information regarding Member Unit's membership numbers, financial performance, and progress toward goals as specified in the annual business plan as well as any other information required by Finance and Geographic Communities Council policy and procedure.

14. Online Presence and Websites. The Society maintains a centralized online tool for purposes of membership and community communications, networking, and engagement, and Member Unit shall utilize the designated primary platform for such activities with its membership. Member Unit will not maintain a website or other online platform outside of the designated primary platform without the written approval of its Region Center.

15. Violation of Operating Agreement. Violation of any term or condition of this Agreement by Member Unit will be reported to the Chief Executive Officer ("CEO"), who will document the violation. The CEO, or an authorized designee, will work in conjunction with chair of the Geographic Communities Council to investigate and resolve the violation. If, upon instruction from the CEO and the chair of the Geographic Communities Council, Member Unit fails to or cannot remedy the violation within an acceptable amount of time based on the nature and circumstances of the particular situation, then it shall lose good standing and be subject to corrective action, which could lead to member leader removal or Member Unit dissolution in accordance with Society and Geographic Communities Council policy and procedure, review by the Professional Ethics and Qualifications Committee, termination of this Agreement by the Board of Directors, and/or legal action. In the event a violation of this Agreement presents substantial and eminent risk to the Society, the CEO is responsible for immediately reporting the violation to the Chair of the Board of Directors, who may schedule a vote of the Board of Directors on termination of this Agreement.

16. Member Unit Dissolution. The Society will use reasonable and prudent efforts to assist any member unit that is struggling or otherwise in distress to protect the rights and privileges of its membership, execute expected services, and protect the financial funds and legal status of the Society. The Geographic Communities Council has primary responsibility for evaluating and establishing corrective action steps for a struggling Member Unit. If Member Unit is no longer in good standing, it may be dissolved in accordance with the Bylaws and Society and Geographic Communities Council policy and procedure. In the event of dissolution, any remainder of Member Unit's net funds or assets after discharge of all its debts and legal obligations will remain with the Society and be transferred within the Society as determined by the Board of Directors. The Board of Directors has the sole responsibility and authority to approve the dissolution of Member Unit.

17. Agency. Nothing in this Agreement is intended to make either party a general or special agent, legal representative, joint venturer, partner, employee, or servant of the other for any purpose whatsoever. Further, a party's employees, representatives, and agents shall not be considered employees, representatives, or agents of the other party for any reason. Unless approved by Member Unit's Region Center and executed in compliance with the Society Signatory Authority Matrix, Member Unit is not authorized to assume or create any commitment, obligation, or responsibility on behalf of or in the name of the Society, including but not limited to, contractual obligations and obligations based on warranties or guarantees. Any unauthorized commitment, obligation, or responsibility created or entered into by Member Unit on behalf of or in the name of the Society shall be grounds for corrective action, which could lead to member leader removal, Member Unit dissolution in accordance with Society and Geographic Communities Council policy

and procedure, review by the Professional Ethics and Qualifications Committee, termination of this Agreement, and/or legal action.

18. Term and Termination. The initial term of this Agreement shall be three years from the effective date. Provided Member Unit complies with the terms and conditions herein, the Agreement will automatically renew for successive three-year terms unless otherwise terminated by the Board of Directors. The Board of Directors has the complete and sole authority to amend or terminate this Agreement at any time by a majority vote. In the event Member Unit is dissolved, then the Agreement will automatically terminate on the date of such dissolution. All of the agreements, representations, warranties, and indemnities made by Member Unit in this Agreement shall survive the expiration or termination of this Agreement, subject only to the applicable statutes of limitation.

19. Annual Review. The chair of Member Unit is responsible for reviewing this Agreement on an annual basis and maintaining compliance with, and reporting any violations of, the terms and conditions contained herein.

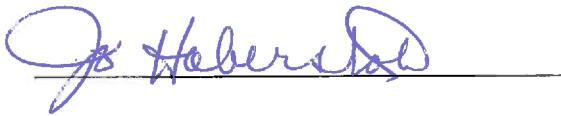
20. This Agreement non-assignable and supersedes and voids any previous operating agreement between Member Unit and the Society.

Columbia Basin

AMERICAN SOCIETY FOR  
QUALITY, INC.

Signature:

Signature:



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Name: Jo Haberstock

Name;

Title: Chair

Title: Chair of the Board of Directors

Date: 12/31/2018

Date:

<b>1.0</b>	<b>Revision Notes</b>		
	<i>Description of Current Revision</i>		
	<i>Type of Revision</i>	X	Standard Revision
			Temporary Deviation
	<i>Deviation Termination Date, if applicable</i>	N/A	
	<i>Proposing Individual/Group</i>	Board of Directors/General Counsel	
	<i>Date of Review (Bylaws Committee)</i>	N/A	
	<i>Designated Approval Authority</i>	Board of Directors	
	<i>Approval Date</i>	Date: 20181102	
	<i>Effective Date</i>	Date: 20190101 Note: (If Applicable)	

<b>2.0</b>	<b>Document History</b>	
	<i>Governance Document ID</i>	<i>Revision Date</i>
	Replaces: S 1.00 Appendix A; D 1.01 Appendix A; S 12.00 Appendix A	