

AMERICAN COLLEGE OF HEALTHCARE EXECUTIVES  
CHAPTER AGREEMENT (Umbrella Chapter Structure)

This Agreement, effective the 1<sup>st</sup> day of September, 2007, is made between the American College of Healthcare Executives ("ACHE"), an Illinois non-profit corporation, and the Canadian Chapter of the ACHE, a nonprofit corporation (the "Chapter"), for mutual consideration, who agree to work together for the betterment of healthcare executives as follows:

1. GRANT OF CHARTER

1.1 Charter. ACHE hereby grants to the Chapter, and the Chapter accepts by action of its governing body, a charter to be a chapter of ACHE. The Chapter shall use only the designation "An independent chapter of ACHE" or "An independent chapter of the American College of Healthcare Executives" with authority to use such designation in connection with the activities of the Chapter in conformance with ACHE's Corporate Identity Standards, subject to the following terms and conditions.

1.2 Service Population. The Chapter is authorized to serve the specific service population identified in Exhibit A.

2. OBLIGATIONS OF ACHE

ACHE's obligations under this Agreement shall include the following:

2.1 ACHE shall:

- a) Permit the Chapter to utilize the ACHE name in the name of the Chapter and permit additional uses of the ACHE name and logo in accordance with Section 4 hereof.
- b) Pay dues rebates to the Chapter in accordance with ACHE dues rebate policy in effect from time to time. (The current policy is attached as Exhibit B.)
- c) Dedicate ACHE support staff to maintain and enhance the ACHE-Chapter relationship.
- d) Provide education, training, information, tools, and consultation that enable chapter leaders to:
  - 1) plan and deliver chapter education and networking events;
  - 2) communicate with chapter members;
  - 3) plan and provide career services;
  - 4) recruit, advance, and retain chapter members; and

- 5) manage the business of the chapter.
- e) Provide all chapters, periodically, with a statement of chapter benefits that identifies the services to be provided pursuant to section 2.1(d) of this agreement.
- f) Notify the Chapter of educational and other opportunities available to Chapter members, including those activities of ACHE that will take place within the territory of the Chapter.
- g) Promote the programs, products, and services of the Chapter and membership in the Chapter to ACHE affiliates.
- h) Provide a means for chapters to maintain and use contact information for individuals who are not chapter members.

2.2 ACHE shall notify the Chapter of changes to the criteria for chapter status and of changes to the dues rebate policy.

### 3. OBLIGATIONS OF THE CHAPTER

The Chapter's obligations under this Agreement shall include the following:

3.1 The Chapter shall:

- a) Accept all ACHE affiliates in the chapter's service population as full chapter members without charging chapter dues.
- b) Not accept as a chapter member any person who is not an ACHE affiliate.
- a) Promote membership in ACHE.
- b) Communicate to members of Chapter affiliated groups that membership in the Chapter affiliated group does not constitute membership in the ACHE.
- c) Promote and encourage the use of ACHE programs, products and services.
- d) Comply with the Criteria for Chapter Status in effect from time to time. (Current criteria are attached as Exhibit C.)

3.2 Access to Records of the Chapter. Upon request by ACHE, the Chapter shall allow ACHE's auditors within 15 days of such request to review the books

and records of the Chapter. It is understood that such audit will be made in a reasonable fashion so as not to disrupt the Chapter's activities and the cost of the audit shall be borne by ACHE.

3.3 Fiscal Year. If the Chapter participates in the Group Exemption maintained for chapters of ACHE, the Chapter shall adopt a December 31 fiscal year.

3.4 Compliance With Laws and Insurance. Each party warrants that it has and shall continue to comply with all applicable laws, regulations, and other requirements that may affect its performance of this Agreement. Each party warrants that it shall make all required filings, such as annual corporate filings and tax filings, as may affect its corporate or tax status. Each party shall maintain appropriate liability insurance.

4. USE OF ACHE TRADEMARK AND COPYRIGHTED MATERIALS;  
CONFIDENTIAL INFORMATION

4.1 Limited License. Except as specified in Section 1.1, the Chapter shall not use, or cause or permit to be used by any person, the logos, trademarks, service marks, trade names, or copyrighted materials of ACHE without ACHE's prior written consent and to use such only in accordance with ACHE's Corporate Identity Standards for Independent Chapters as in effect from time to time.

In accordance with United States copyright law, the Chapter shall not make or cause to be made any copies of ACHE's educational materials or membership publications, or resell any of same, without ACHE's prior written consent. With respect to any permitted use of ACHE's logo, mark, name, or copyrighted materials, the Chapter shall ensure that the applicable copyright or trademark notice is made, pursuant to requirements of U.S. law, the laws of applicable states, and any other guidelines that ACHE shall prescribe. In any event, upon expiration or termination of this Agreement, all use by the Chapter of ACHE's proprietary property, such as logos, marks, names, or copyrights, shall end immediately. The Chapter's obligations to protect ACHE's property under this Section 4.1 shall survive the expiration or termination of this Agreement.

4.2 Confidential Information. Each party shall, during the term of this Agreement and thereafter, maintain the confidentiality of any or all of the other party's confidential or proprietary information or data owned by it which is identified as confidential at the time it is disclosed (collectively, "Confidential Information"). Such Confidential Information shall at all times remain the property of its owner and shall be deemed to be furnished in confidence and solely in connection with the party's obligations under this Agreement. Upon termination of this Agreement for any reason, the party shall immediately deliver to the owner all written documentation, including copies, of or concerning such Confidential Information, shall make no further use thereof, and shall make reasonable efforts to ensure that no further use is made by its employees, agents, or contractors. The confidentiality obligations under this Section 4.2 shall survive the expiration or termination of this Agreement.

5. SEPARATE ENTITIES; INDEMNIFICATION; ACHE ACTIVITIES

5.1 Separate Entities. ACHE and the Chapter expressly acknowledge and agree that they are, and shall remain, separate entities and that no partnership or agency is created by virtue of this Agreement. As such, neither party shall be authorized to incur any liability, obligation, or expense on behalf of the other. The Chapter is not liable or responsible for the debts or obligations of ACHE and ACHE is not liable for the debts or obligations of the Chapter.

5.2 Indemnification. In furtherance of the above intention and agreement, ACHE hereby agrees to indemnify and hold harmless the Chapter, its officers, directors, agents, members and employees, from and against any action, suit, proceeding, claim, damage, liability, obligation, cost or expense which may arise by reason of any act or omission by ACHE, or any of its officers, directors, affiliates, or employees thereof. The Chapter hereby agrees to indemnify and hold harmless ACHE, its officers, directors, agents, affiliates, and employees, from and against any action, suit, proceeding, claim, damage, liability, obligation, cost or expense which may arise by reason of any act or omission by the Chapter, or any of its officers, directors, members, or employees thereof.

5.3 ACHE Activities. ACHE may, in its sole discretion, conduct its own activities with the specified service population identified on Exhibit A during the term of this Agreement. ACHE reserves the right to modify or change the service population described in the attached Exhibit A. ACHE agrees to consult with an existing chapter before granting a charter to a chapter serving any of the service population listed in Exhibit A. The Chapter shall refrain from entering into an official relationship with another national scope personal membership organization serving healthcare executives without prior written approval of ACHE.

6. TERMINATION OF CHARTER

Either party may terminate the charter granted to the Chapter, with all of its attendant rights and obligations, (a) for any reason upon ninety (90) days written notice to the other party, and (b) upon ten (10) days notice to the other party in the event of the other party's material breach of this Agreement. Upon delivery of notice of termination, for any reason and by either party, the Chapter shall promptly deliver to ACHE a current roster of all members of the Chapter, including all contact information, to enable ACHE to communicate with such members. From and after the date of termination, the Chapter shall cease to identify itself as a chapter or Chapter of ACHE and may only utilize printed material bearing any mark of ACHE with ACHE's specific written permission for post-termination use. For a period of two years following termination of the Charter, the Chapter shall refrain from entering into an official relationship with another national scope personal membership organization serving healthcare executives.

7. WARRANTY; LIMITATION OF LIABILITY

7.1 WARRANTY. ACHE MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED (INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE) CONCERNING ANY EDUCATIONAL MATERIALS, EDUCATIONAL PROGRAMS, MEMBERSHIP PUBLICATIONS OR ANY OTHER ARTICLE OR SERVICE PROVIDED HEREUNDER. ALL GUARANTEES, WARRANTIES, CONDITIONS AND REPRESENTATIONS, EITHER EXPRESS OR IMPLIED, WHETHER ARISING UNDER ANY STATUTE, LAW, COMMERCIAL USAGE OR OTHERWISE ARE HEREBY EXCLUDED.

7.2 LIMITATION OF LIABILITY. THE CHAPTER ACKNOWLEDGES AND AGREES THAT ACHE SHALL NOT BE RESPONSIBLE FOR ANY DAMAGES WHICH THE CHAPTER MAY INCUR FROM ANY CAUSE, WHETHER LIABILITY IS ASSERTED IN CONTRACT OR TORT (INCLUDING NEGLIGENCE). IN NO EVENT SHALL ACHE BE LIABLE TO ANY PERSON FOR LOSS OF PROFITS, LOSS OF USE, LOSS OF PRODUCTION, LOSS OF GOODWILL, OR INCIDENTAL, INDIRECT, CONSEQUENTIAL, OR SPECIAL DAMAGES OF ANY KIND.

8. APPEAL

A Chapter may request an opportunity to present an objection to a proposed modification of its service population under Section 5.3 or a proposed termination under Section 6 to the ACHE Board of Governors, in which case the proposed action shall not become effective unless and until ratified by the ACHE Board of Governors.

9. MISCELLANEOUS

9.1 Entire Agreement. This Agreement (together with any exhibits hereto) constitutes the entire Agreement between ACHE and the Chapter with respect to the subject matter hereof. This Agreement may be amended only by a writing executed by both parties.

9.2 Controlling Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois, and venue for any litigation arising hereunder shall be Chicago, Illinois.

9.3 Waiver. Any waiver by either party to this Agreement of any provision shall not be construed as a waiver of any other provision of this Agreement, nor shall such waiver be construed as a waiver of such provision with respect to any other event or circumstance, whether past, present, or future.

9.4 Severability. If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, the remaining provisions shall be enforceable to the maximum extent possible.

9.5 Successors and Assigns. This Agreement shall inure to the benefit of the parties and their successors and assigns. Neither party may sublicense or assign any of its rights or obligations under this Agreement without the prior written consent of the other party.

9.6 Notices. Any notice contemplated by, or made pursuant to, this Agreement shall be in writing and made by courier, facsimile, or mail addressed or directed to ACHE Regional Services at One North Franklin Street, Suite 1700, Chicago, Illinois 60606 or the Chapter at the home or business address of the President of the Chapter in office at the time the notice is sent. Either party may change the address for notice by 10 days advance written notice to the other party.

9.7 Termination of Prior Chapter Agreement. This agreement supersedes and replaces any prior chapter agreement between the parties and terminates any such agreement on the effective date of this agreement.

Signature page to follow

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives, effective as of the date first written above.

FOR THE:

Canadian Chapter of ACHE

(Chapter Name)

Sandra J. Hanmer

(Signature)

Sandra J. Hanmer

(Name)

Chapter President

8/20/07

(Date)

FOR THE:

AMERICAN COLLEGE OF HEALTHCARE EXECUTIVES

Thomas C. Dolan

(Signature)

Thomas C. Dolan, Ph.D, FACHE, CAE  
President and Chief Executive Officer

8-31-07

(Date)

## **EXHIBIT A**

### **Service Population of the Chapter**

#### **Canadian Chapter of the ACHE**

The Chapter is authorized to serve all ACHE affiliates residing in Canada as defined by ACHE's assignment procedures.



## **EXHIBIT B**

### **ACHE Dues Rebate Policy**

ACHE shall provide the chapter with a ten percent (10%) rebate of ACHE affiliate dues payments made by chapter members at the time of the rebate calculation.

#### **Calculation of Dues Rebate Payments**

Chapter rebates shall be paid as soon after January 31 of each year as practicable. The rebate due to chapters shall be calculated based on the ACHE dues payments of all ACHE affiliates who are members of the chapter on January 31 of each year. ACHE dues payments eligible for rebates shall include all payments for the current year dues received by ACHE as of January 31 and all payments for the prior year dues received by ACHE since January 31 of the prior year.

## EXHIBIT C

### Current Criteria for Chapter Status

#### A. Criteria for Provisional Chapter Status

A prospective chapter that submits documentation demonstrating that it has met the following criteria may be designated as a provisional chapter. All chapters must continue to meet these criteria. Provisional chapters must attain chartered status within three years of being designated a provisional chapter.

<b>Criteria for Provisional Chapter Status</b>	
1	The chapter bylaws must require the President and President-Elect of the chapter to be ACHE affiliates.
2	The organization must have a mission statement that helps advance ACHE's mission.
3	The organization must be governed by bylaws that are compliant with relevant laws.
4	The chapter must be incorporated as an Illinois not-for-profit organization.
5	The chapter must obtain an exemption from federal income taxes under section 501(c) of the Internal Revenue Services code.
6	The chapter must fully execute a chapter agreement (Umbrella Chapter Structure) with ACHE.
7	The chapter must provide, in the chapter bylaws, that any Regent of ACHE who is a member of the chapter shall be an ex-officio, voting member of the chapter board of directors and must be a member of the chapter nominating committee, or committee which serves the nominating function.
8	The chapter must provide, in the chapter bylaws, that only chapter members are eligible to vote in chapter matters or to serve as officers or directors of the chapter or as members of the operating committees of the chapter.
9	The chapter must charge individuals who are not chapter members or ACHE affiliates a fee to attend chapter education or networking events that is at least 15% greater than the fee charged to chapter members and the chapter must similarly restrict access to the other benefits of chapter membership to chapter members.

**B. Criteria for Chartered Chapter Status**

A prospective or provisional chapter that submits documentation demonstrating that they have met the criteria for provisional chapter status and the following criteria may be designated as a chartered chapter. All chartered chapters must continue to meet all of these criteria.

<b>Criteria for Chartered Chapter Status</b>	
10	The organization must have been in operation for a period of two years.
11	The organization must have at least 50 active ACHE affiliates, excluding students, residing within the chapter's assigned service population.
12	The chapter must have a formal affiliation agreement with chapter affiliated groups. The agreement and subsequent revisions must be subject to ACHE review and approval prior to use. The agreement must require chapter affiliated groups to: <ul style="list-style-type: none"><li>• set goals and implement a program to recruit chapter affiliated group members to become ACHE affiliates;</li><li>• set goals and implement a program to help ACHE affiliates advance their ACHE credentials;</li><li>• contribute to a quarterly newsletter (online or printed) for chapter members;</li><li>• support and promote the ACHE Code of Ethics;</li><li>• offer and provide programs and services to ACHE affiliates residing in the area of the chapter affiliated group who may not be members of the chapter affiliated group; and</li><li>• contribute to a chapter Web site provided with ACHE assistance.</li></ul>
13	At least one of the directors and officers of the chapter must attend the annual ACHE-sponsored Chapter Leadership Conference each year.
14	The chapter must provide the following reports of its activities on a timely basis: <ul style="list-style-type: none"><li>• chapter financial statements (annually)</li><li>• listing of elected and appointed chapter leaders (annually and updated as needed)</li><li>• chapter self assessment reports (annually)</li><li>• chapter event reports (quarterly)</li></ul>
15	The chapter must maintain a current multi-year plan for chapter growth, financial stability, and value/service to members.