

## **AFFILIATION AGREEMENT CONTRACT**

This Agreement is entered into between the State Employees Association of North Carolina ("SEANC") and the Service Employees International Union ("SEIU") for the purpose of affiliating these two organizations and setting forth the goals and understandings which have brought about this affiliation. Upon the effective date of this agreement, SEANC will become affiliated with and be a part of SEIU.

### **SEANC's Legal Status**

SEIU recognizes that SEANC is a non-profit corporation organized under the laws of the State of North Carolina and is subject to applicable existing and future laws by reason of such status. Nothing in this Affiliation Agreement is intended to change or otherwise impact such status.

### **SEANC's Assets and Liabilities**

All tangible and intangible assets, including but not limited to, real and personal property, membership data, financial rights of any amount, nature or description (including, without limitation, interest and dividends earned on assets) currently held or acquired in the future by SEANC, shall remain the assets of SEANC. SEANC shall retain sole responsibility for all existing and contingent liabilities, debts and other obligations, and any other expenditure necessary to operate SEANC. In the event of any disaffiliation of SEANC from SEIU or by revocation of SEANC's charter by SEIU, SEANC shall retain all SEANC assets and property.

### **Budget**

SEANC shall retain full authority to establish its own operating and investment budget provisions including its dues structure free of any requirement in SEIU's Constitution and Bylaws. SEANC shall have full autonomy to expend funds and revenues as it determines to be appropriate and in accordance with its legal obligations.

### **Per Capita and Rebates**

1. There shall be no initiation fees required by SEIU of SEANC members.
2. Beginning at the effective date of this agreement, SEANC will remit monthly per capita payments to SEIU on each of its members, as provided in the SEIU

Constitution. Payments shall be due by the end of the month following the collection, with the first payment due on or before May 31, 2008.

3. During the first two years of this agreement, SEIU shall rebate all monthly per capita payments paid to SEIU by SEANC. Beginning at the second anniversary of this agreement, SEIU shall rebate all monthly per capita payments paid to SEIU by SEANC, except for \$0.50 per SEANC member until modified pursuant to the "Renegotiation" provision of this agreement. The rebates from SEIU will be made within 24 hours from the time that SEANC remits its per capita payments to SEIU.
4. SEANC will not have any obligations to pay per capita payments to SEIU's Unity Fund, Intermediate Bodies or political action committees unless and until this provision is modified pursuant to the "Renegotiation" provision of this agreement.

### **Employees and Staff**

SEANC shall have full autonomy to employ and set policies for SEANC staff. SEANC may contract for professional or other services from accountants, attorneys, and others as it deems appropriate.

SEIU shall offer SEANC the option of enrolling SEANC staff in one or more of the benefit programs, including health insurance, which SEIU offers to its other local affiliates for the benefit of their staffs. Benefits and rates for such benefit programs in which SEANC may elect to participate shall be established in the same manner as those available to other local unions of SEIU. SEIU waives, with respect to SEANC, the provisions of Article XX of the SEIU Constitution and Bylaws insofar as they would require any participation and payments by SEANC in the SEIU Affiliates' Officers and Employees Pension Fund.

### **Governance**

SEANC, as well as its subordinate bodies, shall continue to be governed by the SEANC Bylaws even where the SEANC Bylaws conflict with SEIU's Constitution and Bylaws in their current form or as hereafter amended. SEIU accepts current SEANC Bylaws and the authority of SEANC membership to amend those bylaws without SEIU approval with respect to the internal governance of SEANC. SEIU respects the right of SEANC to elect its own officers and will not participate in any internal SEANC elections. SEANC, in turn, recognizes and accepts SEIU's Constitution and Bylaws, as they currently exist and as they may be lawfully amended, as governing SEANC's participation as a local union within SEIU, so long as such provisions are not inconsistent with the terms of this Affiliation Agreement.

## **Membership**

SEANC shall continue to have sole authority to determine eligibility for SEANC membership in accordance with the SEANC Bylaws, both current and as may be amended.

SEANC members, as a benefit of the affiliation, shall become members of SEIU with all ensuing rights and privileges.

SEIU recognizes the valuable contributions retired members have made and continue to make in service to SEANC, and that SEANC has built one of the most effective and vibrant retiree member programs in the nation. SEIU will support enhancement and expansion of retiree programs through the SEANC Retiree Council. SEIU will also work together with SEANC to build a political program that ensures retirement and health security on the state and federal level and holds elected officials accountable to the issues of older workers and retirees.

## **Political Activities**

SEIU and SEANC shall endeavor to work together, to cooperate, and to act in unison in promoting candidates and political positions for mutual benefit. SEIU agrees that SEANC's Employees Political Action Committee (EMPAC) will fulfill its requirements based on the SEANC EMPAC Bylaws on political education and that SEANC may continue to do fundraising for EMPAC. SEANC shall retain autonomy on endorsement decisions for all North Carolina elections, but SEANC recognizes that SEIU retains its right to determine the extent of SEIU's own political expenditures in the state. Given the legal issues that may arise for both SEIU and SEANC if separate affiliated organizations maintain independent Federal Political Action Committees, SEANC shall not establish or maintain a Federal Political Action Committee.

## **Member Benefits**

SEIU recognizes the value to SEANC and its members for SEANC to offer its members a broad range of benefits including, but not limited to, scholarships, insurance products and member discounts, and SEIU agrees to SEANC's continued fundraising for and through such member benefit programs.

## **Collective Bargaining Representative**

SEANC seeks to repeal current language of G.S. 95-98 and become the representative bargaining agent for all state employees in North Carolina. SEIU will recognize SEANC's jurisdiction over North Carolina state employees and fully commits to protect SEANC jurisdiction and relationships against challenges from other labor organizations. As the experiences of SEIU's state affiliates in many other states have taught valuable lessons in how to win for state workers and the organizations that represent them, SEIU will assist SEANC with negotiations and contractual agreements. SEIU will work with SEANC to build a political program to accomplish the needed legislative changes, and will be a steadfast ally with SEANC in the fight to improve the lives of North Carolina state workers.

## **Commitment of Services**

SEIU maintains a large and skilled staff and has developed relationships with many types of consultants to provide organizing and service support to SEANC. Pursuant to the affiliation agreement, SEIU will make available to SEANC all the services, organizing support, and grants as provided to other locals from SEIU.

Services provided to SEANC by SEIU may include, but are not limited to: education and training for both members and staff; legal services; membership communications and information materials; membership benefit programs; organizing assistance and grants; political program development; public relations; research assistance; support in developing strategic bargaining campaigns, technological development and utilization to enhance both member communication and participation, and public support for working family issues; worksite safety and health concerns, and staff assistance to help during extraordinary times when unexpected problems or opportunities arise.

## **Organizing Assistance**

SEIU is committed to helping SEANC build the best organizing program possible.

## **Public Policy**

SEIU and SEANC shall work together to improve the employee benefits available to SEANC members. SEIU agrees that it shall not take any public or private position that would seek to amend or modify the retirement or health benefits provided to state employees and retirees through any of the North Carolina employee retirement systems, the State Health Plan and/or the North Carolina Office of State Personnel in a manner that would, as decided solely by SEANC, reduce such benefits.

## **Participation in SEIU Governance**

SEIU welcomes and looks forward to SEANC participation at all levels of SEIU. SEIU agrees that SEANC representatives shall be eligible to participate in and have full voting rights as an SEIU local union in the governance of SEIU, including, but not limited to:

1. Pursuant to Article XI, Section 6(k) of the SEIU Constitution, SEIU shall, at the time of affiliation, appoint the SEANC President and Executive Director to the SEIU International Executive Board ("IEB") as Board Members, to serve until the next SEIU International Convention (the year 2008 Convention). The SEIU President shall support the election of the SEANC President and Executive Director to the position of IEB Board Members at that Convention. After the year 2008 Convention, if for some unanticipated reason SEANC does not retain two Board Member positions on the IEB, the SEIU President shall appoint the SEANC President and Executive Director to ex-officio status on the IEB, with voice but not vote, and the IEB shall appoint such individuals to fill the next vacancies as members of the IEB, pursuant to Article VII of the SEIU Constitution.
2. The SEIU President shall appoint at least one representative of SEANC to the SEIU Public Services Division Steering Committee.

## **Good Faith Discussions**

The parties shall meet and engage in good faith discussions in which each party shall attempt to share all information it has concerning various issues.

Disputes concerning the affiliation agreement shall first be handled through good faith discussions. In the event that the dispute is not settled by good faith discussions, either party may request mediation/arbitration, using the services and procedures of the American Arbitration Association, or as otherwise agreed to by the parties. The arbitrator chosen in this way shall then conduct hearings and attempt to mediate the dispute, but, if convinced that parties will not reach agreement voluntarily, is authorized to make final determinations which shall be final and binding on the parties, and order such remedy as the arbitrator deems appropriate.

Each party shall be responsible for compensating its own representatives and witnesses. The costs of any transcripts or arbitrators' fees shall be borne equally by the parties.

## **Term of Agreement**

The agreement becomes effective May 3, 2008, provided that it has been approved by the SEANC Convention and by the International Executive Board of SEIU. It can be modified by mutual agreement in accordance with the governance authority of the parties hereto.

SEANC may terminate this affiliation agreement, effective two years from the effective date of this Agreement, after giving SEIU 60 days written advance notice of such intention to terminate. Following such notice, the parties shall meet and in good faith seek to resolve any differences in order to continue this affiliation. If these discussions are unsuccessful, SEANC may disaffiliate by vote at the next SEANC convention, regardless of whether that convention is held before or after two years from the date of this Agreement. In the event this one-time termination option is not initiated and approved by SEANC, this affiliation agreement shall become permanent and shall not be modified except by mutual agreement of the parties hereto.

### **Renegotiation**

In order to assess the initial accomplishments achieved under this agreement, and in order to deepen the relationships between SEANC, SEIU and other SEIU locals, SEIU and SEANC shall commence a process of renegotiation of this agreement, to commence, upon 30 days written notice, after the earlier of the following two dates: (a) the beginning of the sixth year of this agreement, or (b) such time as the State of North Carolina allows for the establishment of public employee collective bargaining, or similar arrangements through which State employers may lawfully bargain or meet and confer, through a process that is substantially equivalent to collective bargaining, with employee organizations. Any modification of terms agreed upon by SEIU and SEANC through this renegotiation process shall be deemed incorporated into this agreement.

### **Organizational Identity**

SEANC will receive a charter from SEIU in the name of "State Employees Association of North Carolina, SEIU Local 2008," and be accorded the full status of a local union under the SEIU Constitution.

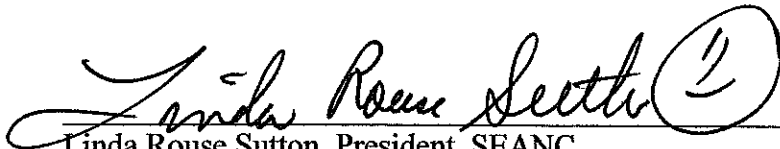
SEANC will maintain its brand identity, including its logo and colors, under the initial affiliation agreement. Thereafter branding identity with SEIU shall be determined by SEANC's Board of Governors.

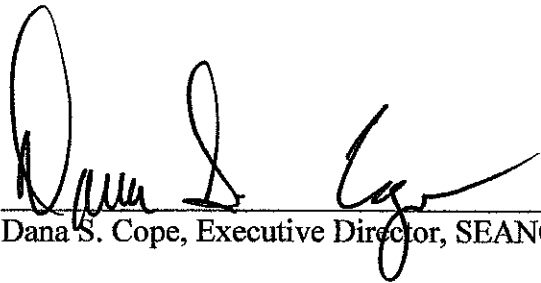
### **Interpretation of the Agreement**

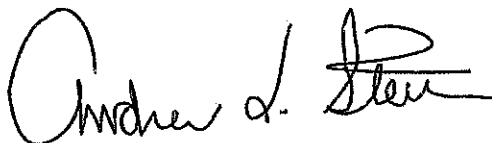
All provisions of this agreement shall be construed in a manner consistent with all applicable legal responsibilities and requirements of SEIU and SEANC, as well as consistent with the scope of authority exercised by the SEANC Convention under the SEANC Bylaws in approving this agreement.

This agreement is not intended to create or establish rights of any parties other than SEANC and SEIU, and any clause relating to enforcement or interpretation of this agreement may be brought only by the parties signatory hereto or their agents.

Agreed to and signed to this the 3<sup>rd</sup> day of May, 2008:

  
Linda Rouse Sutton, President, SEANC

  
Dana S. Cope, Executive Director, SEANC

  
Andrew L. Stern, International President, SEIU

  
Tom Wodruff, Executive Vice President, SEIU