

CAMPAIGN MEMORANDUM OF UNDERSTANDING
2023 Gold Standard Independent Redistricting Commission Committee

THIS AGREEMENT (this “Agreement”) is made as of this 15th the day of January 2023 (the “Effective Date”) among the undersigned organizations and individuals who agree to work together to advance proactive voting rights reforms by way of public education around redistricting and the promotion of a ballot initiative for a redistricting gold standard independent commission (referred to hereinafter as the “Campaign.”) The Campaign shall operate under the 2023 Gold Standard Independent Redistricting Commission Committee as described herein (hereinafter referred to as “The IRC Committee”, or “Committee”) for the duration of the 2022 through 2024 election cycles. Organizations and individuals that are signatories to this Agreement are hereinafter referred to individually as a “Party,” or, collectively as the “Parties.”

Prior to this Agreement, nonpartisan organizations have been meeting since December, 2021 to learn about what it would take to successfully establish an Independent Redistricting Commission (“IRC”) in North Carolina. While the organizations understand that an IRC bill in NC must pass through the NC General Assembly and a statewide ballot referendum, the organizations coalesced around a one-year work plan focused on strengthening the legislative foundation and the political will for an IRC.

The Parties agree to prioritize this Campaign, but can independently lobby or advocate for any separate fair maps state legislation, or separate IRC state legislation during the duration of this Campaign. Any Party that decides to independently lobby or advocate for a separate fair maps state legislation, or IRC state legislation during the duration of this Campaign agrees to notify The IRC Committee about the separate legislation; and The IRC Committee can decide whether to endorse that separate legislation as a group in a manner as outlined in the Decision Making and Resolution of Conflicts Paragraph of this Agreement (“Decision Process”).

Any party that lobbies or advocates will be doing that work for their own organization and will be responsible for reporting that lobbying or advocacy on their organization’s behalf as required by law. Should any Party to this Agreement seek to lobby or publicly advocate for the Campaign, that Party should notify the fiscal sponsor immediately to determine the appropriate course of action. The Parties to this Agreement shall not engage in direct lobbying or grassroots lobbying on behalf of the Campaign without pre-authorization from the fiscal sponsor.

In consideration of the mutual promises contained herein, the Parties agree as follows:

SECTION 1: SCOPE AND PURPOSE OF PROJECT

1.1 The Parties recognize and respect the roles of each other and agree to share information, discuss strategy, arrive at workable decisions and resolutions, use a shared framework for Committee values (see Appendix A), and collectively operate in the best interests of the Campaign.

1.2 The Parties agree to cooperate for the successful performance of this agreement.

1.3 The Parties agree to refrain from any and all activity that undermines the Campaign as determined by the Committee.

1.4 The Parties agree to build a coalition in support of the Campaign that is nonpartisan; inclusive; racially, ethnically and geographically diverse; adheres to equity in its decision making; and demographically representative of the citizens of the state of North Carolina.

1.5 The Parties agree to select Campaign spokespersons, and determine a centralized strategy for communications plans, talking points, and conduct all other Committee and Campaign business following the Decision Process.

SECTION 2: CONTRIBUTIONS

2.1 Each Party that signs the MOU shall commit to provide cash or in-kind resources in the minimum amount of \$2,000.

2.2 In-kind contributions can consist of a) paid staff time, b) volunteers, c) free use of personal or real property and/or services specifically designated for the Campaign, or d) obtaining signatures on the ballot initiative petition. Cash contributions should be made within one month of signing this agreement.

SECTION 3: FISCAL SPONSORSHIP, ORGANIZATIONAL AND FINANCIAL STRUCTURE.

3.1 Fiscal Sponsorship: The Parties agree that a Fiscal Sponsor shall be designated to fulfill duties as listed under this Section of this Agreement, and to fulfill additional duties that may be changed by future Agreements between the Parties and the designated Fiscal Sponsor, until that time that the Parties amend this agreement and change the organizational and financial structure of the IRC Campaign. The designated Fiscal Sponsor shall be a North Carolina nonprofit corporation, exempt from federal tax under section 501(c)(3) of the Internal Revenue Code, as amended (the "Code").

3.2 Initial Sponsorship: The initial Fiscal Sponsor shall be NC Counts Coalition.

3.3 Receipt of Funds: The Sponsor agrees to receive contributions and gifts, including but not limited to grant funding if awarded, to be used for the Campaign, and to hold all such funds in a restricted fund on its books and records exclusively for the Campaign. Sponsor will distribute those funds for the use or benefit of the Campaign and the Committee as set forth herein.

3.4 Reporting Charitable Donations: The Sponsor agrees that it will report all contributions it receives for the Campaign on its Form 990 and substantiate charitable contributions as required by law. The Sponsor agrees to notify the Campaign of any change in its tax-exempt status.

3.5 Protection of Tax-Exempt Status: The Committee agrees not to use funds in any way that would jeopardize the tax-exempt status of the Fiscal Sponsor. The Committee agrees to immediately comply with any written request by the Fiscal Sponsor that it cease activities which, in Fiscal Sponsor's sole opinion, might jeopardize the Fiscal Sponsor's tax status, and further agrees that the Fiscal Sponsor may suspend its obligation to make funds available or terminate this Agreement in the event that the Committee fails to comply with any such request. Any changes in the purpose for which contributions are used must be approved in writing by the Fiscal Sponsor before implementation. The Fiscal Sponsor retains the right, if the Committee breaches this Agreement,

or if the Committee jeopardizes the Fiscal Sponsor's legal or tax status, to immediately return funds to the Committee or the donor, or to withhold the funds.

3.6 Use of Funds: The Fiscal Sponsor, subject to its approval, will make expenditures authorized by the Committee on behalf of the Committee for use in the Campaign that do not exceed total funds available for the Campaign. The Committee agrees to authorize the expenditure of any and all such funds solely for legitimate expenses of the Campaign.

Should the Committee decide to support a ballot effort, the Committee should notify the fiscal sponsor immediately to determine the course of action. The Parties to this Agreement shall not engage in a ballot effort or ballot referendum effort without pre-authorization from the fiscal sponsor.

3.7 Financial Accounting and Reporting: The Fiscal Sponsor will maintain books and financial records for the Campaign in accordance with generally accepted accounting principles. The Campaign's revenue and expenses shall be separately recorded in the books of the Fiscal Sponsor. The Fiscal Sponsor will provide the Campaign with reports reflecting revenue and expenses to the Campaign on a monthly basis. The Fiscal Sponsor will also provide the Campaign with an annual report, within three months following the end of the fiscal year of the Fiscal Sponsor.

3.8 Sponsor Supervision, Control and Governance: Authority to manage the programmatic activities of the Campaign is delegated to its Committees, subject at all times to the ultimate direction and control of the Fiscal Sponsor's Board of Directors. The Committee shall provide the Fiscal Sponsor with the names of the individuals authorized to conduct business and authorize expenditures on its behalf, and shall keep the Fiscal Sponsor apprised of any changes thereto.

3.9 Fundraising: The Campaign may solicit contributions that are designated for the activities of the Committee. The Fiscal Sponsor shall be responsible for the processing and acknowledgment of all monies received for the Campaign, which shall be reported as the income of the Fiscal Sponsor for both tax purposes and for purposes of the Fiscal Sponsor's financial statements. The Fiscal Sponsor's Executive Director must co-sign all original letters of inquiry.

The Committee shall not fundraise for the purpose of supporting a ballot referendum effort without the pre-authorization from the fiscal sponsor.

3.10 Grants: The Committee may also solicit grants on behalf of the Fiscal Sponsor that are designated for the activities of the Campaign. The Campaign's sources of funding for grants and the text of the Campaign's grant applications are subject to approval by the Fiscal Sponsor. The Fiscal Sponsor's Executive Director must co-sign all grant applications or proposals. All grant agreements, pledges, or other commitments with funding sources to support the Campaign shall be executed by the Fiscal Sponsor. The Fiscal Sponsor must be copied, via its Executive Director, at least three weeks in advance on all report submissions. Advance approval by the Fiscal Sponsor is required for any application for government or public agency grants. As with other fundraising, the Fiscal Sponsor shall be responsible for the processing and acknowledgment of all grant monies received for the Campaign, which shall be reported as the income of the Fiscal Sponsor for both tax purposes and for purposes of the Fiscal Sponsor's financial statements. The Committee will provide the Fiscal Sponsor with copies of all grant applications, recommendations regarding grant awards and other documentation reasonably required by the Fiscal Sponsor to enable it to fulfill its obligations as a Fiscal Sponsor. The Committee shall be responsible for timely drafting any grant reports and providing them to the Fiscal Sponsor for review and submission to grantor prior to any

due date.

3.11 Remuneration to the Fiscal Sponsor: In addition to serving as fiscal sponsor for the Committee, the Fiscal Sponsor will provide administrative support to the Campaign. The Committee agrees that, in exchange for the administrative cost of financial accounting, and other support provided by Fiscal Sponsor, the Committee will include in each funding or grant proposal, a 20% administrative cost item.

3.12 Communications and Brand Identity: All external communications of the Committee, including but not limited to website content, brochures, and communication/marketing materials must be approved by the Fiscal Sponsor or their designee. All solicitations to third parties must clearly state that it is a project of the Fiscal Sponsor. The Committee agrees to not use the letterhead and other brand identity items provided belonging to the Fiscal Sponsor without the Fiscal Sponsor's express prior approval.

3.13 Termination: Either the Parties or the Fiscal Sponsor may terminate this Agreement by giving 30 days' written notice to the other party. The foregoing notwithstanding, if the Fiscal Sponsor reasonably determines that its continued fiscal sponsorship of the Campaign may jeopardize the Fiscal Sponsor's tax-exempt status, the Fiscal Sponsor may terminate its Sponsorship immediately upon notice to the Committee.

3.14 Employment: Unless otherwise agreed, and subject to the terms and conditions of any Employment Agreement, all personnel to be compensated for working at the Campaign shall be at-will employees of the Fiscal Sponsor and subject to the same personnel policies and benefits that apply to all employees of the Fiscal Sponsor, subject to the law of the state of North Carolina.

3.15 Waiver and Acknowledgement: The Committee acknowledges that the Fiscal Sponsor will devote such time to management of the Campaign's funds and to general supervision of the Campaign as it sees fit and in its sole discretion.

3.16 Successor Sponsor: If the Campaign will continue to exist but Fiscal Sponsor terminates the fiscal sponsorship of the Committee, the Committee may identify another nonprofit corporation that is tax-exempt under IRC Section 501(c)(3), is not classified as a private foundation under Section 509(a), and that is willing and able to sponsor the Committee (the "Successor"). If a Successor is found, the balance of assets held by the Fiscal Sponsor for the Campaign, together with any other assets held or liabilities incurred by the Fiscal Sponsor in connection with the Campaign, shall be transferred to the Successor as soon as administratively practicable, subject to the approval of any third parties (including funding sources) that may be required. If the Committee has formed a new organization qualified to be a Successor as set forth in this Paragraph, such organization shall be eligible to receive all such assets and liabilities so long as such organization has received a determination letter from the Internal Revenue Service which states the new organization is exempt from federal tax under section 501(c)(3) of the Internal Revenue Code. If no Successor is found, the Fiscal Sponsor may allocate the Campaigns assets and liabilities in any manner consistent with applicable tax and charitable trust laws and other obligations

SECTION 4: DATA AND INFORMATION.

4.1 Data Privacy: The Parties agree to sign any necessary agreements required to access the voter file through a data management system.

4.2 Lists. The Parties agree that all contact names, addresses, telephone numbers and e-mail addresses and other personal information obtained directly by the Campaign as a result of Campaign activities, including but not limited to, donors, volunteers, event participants and petition signers are the property of the Fiscal Sponsor but held solely for the benefit of the Campaign. The Committee will determine how this information is shared outside of the Campaign. The Committee will make every effort to ensure that, where feasible or where required by law, upon collection of their names, contact and other personal information, persons are provided with an explicit written disclaimer that their information may be shared by the Campaign. The Campaign website will post a written privacy policy that complies with any state and federal privacy laws requiring notification of how this information is used and shared, and relevant opt-in or opt-out options.

4.3 Section 4.2 shall not be construed to require the Parties to disclose their internal membership or contact lists. The Parties may send communications to their own respective lists regarding the Campaign without sharing contact information derived as a result of these contacts.

4.4 The Parties agree to share amongst themselves polling information and any relevant data that could affect the Campaign. The Parties agree not to disclose polling information or any relevant data obtained for the benefit of the Campaign to any third parties, without prior, majority approval of the Committee.

SECTION 5: TERM OF THE AGREEMENT AND WITHDRAWAL

5.1 Initial Term: This Agreement shall become effective upon execution of the Agreement by the Parties and will remain effective until December 31, 2024, unless otherwise agreed to by the Parties in writing.

5.2 Withdrawal: Any Party shall have the right to withdraw from this Agreement without cause by providing a written notice to the Committee. Withdrawal becomes effective seven (7) days after notice is sent. Notice by email to the then current Fiscal Sponsor is sufficient.

5.3 Signers and Additional Parties: All initial undersigned, both organizations and individuals, are Parties to this collaborative agreement. Upon execution of this agreement, additional organizations and individuals may sign on to this agreement upon the approval by a vote of two-thirds of the current Parties to this Agreement.

SECTION 6: DECISION-MAKING AND RESOLUTION OF CONFLICTS.

6.1 Best Efforts: The Parties agree to act in good faith and to make every effort to resolve disputes that arise in the performance of this Agreement.

6.2 Fist of Five Approach: The Parties agree to use the First of Five Process (See Appendix B) in their decision making process, and to resolve disputes through the Fist of Five approach, including but not limited to decisions on legislative bill drafting.

SECTION 7: CONFIDENTIALITY; MISCELLANEOUS PROVISIONS.

7.1 Confidentiality: The Parties agree and acknowledge that, as a result of negotiating, entering

into and, performing this Agreement, each Party may have access to certain additional information that is confidential and of substantial value to a Party or the Campaign. Such information and materials shall be deemed “Confidential Information” under this Agreement if marked as “Confidential”, or if identified as “Confidential” when disclosed orally. Notwithstanding the foregoing, the receiving Party may disclose Confidential Information if required by law or judicial order or process, provided that prior written notice of such required disclosure is furnished to the other Parties as soon as practicable in order to afford such Party an opportunity to seek a protective order and that if such order cannot be obtained, disclosure may be made in accordance therewith without liability or restriction. This provision shall not apply to information provided in any lobbying reports that must be filed under North Carolina law. This provision shall survive expiration and termination of this Agreement.

7.2 Waiver: No failure of any Party to exercise or enforce any of its rights under this Agreement will act as a waiver of such rights.

7.3 Severability: If any provision of this Agreement is found invalid or unenforceable, that provision will be enforced to the maximum extent permissible, and the other provisions of this Agreement will remain in force;

7.4 Entire Agreement: This Agreement and its exhibits are the complete and exclusive agreement between the Parties with respect to the subject matter hereof, superseding and replacing any and all prior agreements, communications, and understandings, both written and oral, regarding such subject matter;

7.5 Modification: This Agreement may only be modified, or any rights under it waived, by a written document that is approved by a majority vote of the Parties, and approved by the current Fiscal Sponsor;

7.6 Execution: This Agreement may be executed in any number of counterparts, all of which taken together will constitute a single instrument. Execution and delivery of this Agreement may be evidenced by facsimile transmission;

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

FISCAL SPONSOR

By: _____ Date: _____

Print Name Title

NC Counts Coalition

PARTY SIGNATURE

By: _____ Date: _____

Print Name

Title

Organization (if applicable)

Appendix A Shared Committee Values

- **Race equity lens:** We continually consider how racism and systemic barriers have impacted our communities. We incorporate fairness and equity into fair maps, we consider the way communities are kept together, and how we can unify our committee space with those who may not share our background.
- **Transparency, honesty and integrity:** We share information openly. This means we are truthful about the best practices, opportunities, and challenges we are facing as a committee, in our organizations, and in our communities.
- **Being real with people, and being about the people:** We seek to give people a real sense of the power they have in a situation and the potential of their actions to influence the power dynamic. We organize people in a way that changes conditions for our communities.
- **Centering Strategy & Impact:** We work intentionally to minimize reactivity, and center our organizations and communities we work with. We consider how our goals impact various parts of the state both locally and statewide.
- **Not loyal to the politics, but loyal to the people:** We connect the work of redistricting to the issues people are facing on the ground. Food insecurity; environmental justice; homelessness - these are some of the ways redistricting intersects issues, and why redistricting is a starting point to getting things done.
- **Being kind with a spirit of joy:** We understand that the work can be draining, we seek to build spaces that celebrate our victories and approach our partners with compassion - particularly when working across differences in identity and power.
- **Accessibility:** We center accessibility in all aspects of our work. We do not make assumptions about people's knowledge levels and continually work to make sure that our resources are easy to access. This accessibility includes language access, physical ability, and creating an open space for our partners.
- **Sustainability:** We approach our work with passion, joy, intentionality, and sustainability. We must take care of ourselves and each other in order to build and sustain motivation and energy long-term. We do this work because we are invested in changing the material conditions of our families' and communities' lives while caring for ourselves.

Appendix B

Fist to Five Process

- When a proposal has been brought before a group, it has been well discussed and refined as needed, a vote for passage is taken.
- People raise their hands with the number of fingers that indicate their degree of agreement with the proposal.
 - *A fist* means, “I vote NO.” or in consensus it means , “I object and will block consensus (usually on moral grounds).”
 - *1 finger* means, “I’ll just barely go along.” or, “I don’t like this but it’s not quite a no.” or, “I think there is lots more work to do on this proposal.” In consensus this indicates standing aside, or not being in agreement but not blocking the consensus.
 - *2 fingers* means “I don’t much like this but I’ll go along.”
 - *3 fingers* means, “I’m in the middle somewhere. Like some of it, but not all.”
 - *4 fingers* means, “This is fine.
 - *5 fingers* means, “I like this a lot, I think it’s the best possible decision.”
- People with fists and one finger are asked to speak to their objections and offer possible solutions to overcome their objections.
- Once objections and solutions are discussed, a second and final vote is taken, which is the final vote.