



Proposal

May 3, 2019

Melissa Dulski
Vice President – Assistant General Counsel
AvalonBay Communities, Inc.
Ballston Tower, 671 N. Glebe Road, Suite 800
Arlington, VA 22203

RE: Campaign Consulting - May 3, 2019, Petition 1-RC-240403

Situation Assessment

You have requested a proposal to provide materials and consulting services to help you win your upcoming NLRB election. You have a few short weeks to educate your employees on the disadvantages of unions and convince them to put their trust in a direct relationship with you rather than the union. You want to make sure that your consulting is persuasive, does not interfere with employees' protected rights and provides the best opportunity to build trust with your employees.

Proposed Intervention(s)

Campaign Consulting: For this option we will provide expert campaign consulting with an on-site facilitator to communicate your message directly to employees in employee meetings and one-on-one. Our consultant will work with managers and supervisors at your location to increase your own internal capacity for handling employee relations issues after the campaign is over. Based on our joint assessment of the need, we will assign appropriate consulting resources to your campaign for a pre-approved schedule of meetings (not to exceed one consultant per day without your written consent).

Objectives

- Win the NLRB election by as wide a margin as possible or achieve a withdrawal of the petition, without meritorious election objections or unfair labor practice charges.
- Increase trust and credibility of the current leadership team by improving communication and developing their ability to create a positive employee relations environment.
- Retain your direct relationship with employees and preserve the operational flexibility needed to remain productive and profitable. The dead weight cost of unionization is estimated at 25% for most organizations.

Value to Organization

- You avoid a steep and slippery learning curve and are free to do the most important trust-building work.
- You can talk to employees without engaging in mudslinging. You are free to spend your time on a positive message about the company.
- Your communication strategy is legally proven and sound. Our communication tools have never been found to be objectionable by the NLRB in thousands of elections.
- You receive a proven program, with over 10,000 successful client engagements.

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Labor Relations Institute, Inc.

7850 S. Elm Place - Suite E
Broken Arrow, OK 74011

**Terms and Conditions**

The fee for consulting is \$3,000 per consultant per day (plus travel expenses). For purposes of this proposal a consulting day means each calendar day worked by each consultant. If with your consent more than one consultant is working on your case the parties understand and agree that multiple consulting days may be worked on each calendar day. A day spent exclusively in travel shall not be billed. For days where consulting or communications or other work contemplated hereunder takes less than 6 hours a partial day shall be billed.

Payment Terms

All fees are due upon the delivery of the consulting services and delivery of an invoice therefore describing the work in reasonable detail and are nonrefundable. Consulting fees and expenses incurred by consultant will be billed to you and you agree to pay those invoices upon receipt and to settle those statements within 14 days unless there is a reasonable dispute about the calculation of the fees. You agree and acknowledge that failure to pay fees or expenses associated with this project under these terms will result in reassignment of consultant(s), a penalty of the maximum allowable interest rate per month plus any costs we incur to collect an outstanding balance, until all outstanding invoices are paid in full.

It is further understood that all materials included in or with the above referenced items or programs are fully covered and protected by federal copyright laws. Federal law provides civil and criminal penalties for the unauthorized reproduction, distribution or exhibition of protected products. You may use such materials in connection with the upcoming election or in educating your employees with respect to your prior Westchester election which involved the same union. Any of AvalonBay Communities, Inc. confidential information that may be disclosed during the engagement shall not be disclosed by LRI or any of our consultants or employees unless required by law.

You further acknowledge that no representation by LRI or its representatives were relied on by you or any member of your company in entering this agreement, and that this document represents the full understanding of the parties. You also acknowledge and agree that we have informed you of the obligation to report any direct persuader activity performed on your behalf to the United States Department of Labor by both our firm and your firm and that failure to timely file these reports can subject your company to criminal penalties. Further, you agree to make LRI aware of and share copies of any unfair labor practice charges and or objections and challenges to the conduct of an election alleging anything regarding speech or behavior, in any form, on the part of any LRI consultant.

Your payment, in the absence of your signature below, indicates your acceptance of this project and the terms and conditions as stated herein. The terms and conditions on this proposal are good for 90 days from the date on this proposal unless specified otherwise. The parties agree that Oklahoma law governs any dispute between them and to resolve any disputes by arbitration in Tulsa, Oklahoma under the American Arbitration Association rules. We will indemnify you for ~~your~~ negligence or willful misconduct, including our engaging in any illegal conduct on your behalf. We maintain liability insurance of at least \$1,000,000 and will provide evidence of such upon request.

our MD



LRI Consulting Services, Inc.

phone 800-888-9115
fax 918-455-9998

www.LRIonline.com

Acceptance

We accept the Proposal above and the intervention selected:

_____ Campaign Consulting

For LRI Consulting Services, Inc.

Phillip B. Wilson, President/General Counsel

Date: May 3, 2019

For AvalonBay Communities, Inc.

Melissa Dulski, Vice President – Assistant General Counsel

Date: 5/3/19

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