

**ORANGE COUNTY
BOARD OF EDUCATION
AGENDA ITEM ABSTRACT**

Meeting Date: October 28, 2013

AGENDA ITEM No. 13-10-(2)-09

ACTION ITEM: (Y/N) N

SUBJECT: North Carolina School Boards Action Center Report

INFO. CONTACT: Jonathan Blumberg, Attorney **PHONE: 919-732-8126**

ATTACHMENTS:

1. NCSBA MEMORANDUM Re: North Carolina School Boards Action Center (NCSBAC) – August 7, 2013.
2. Bailey Dixon letter to Dr. Ed Dunlap, Jr. Re: Contributions by Local Boards to N.C. School Boards Action Center – August 29, 2013.
3. North Carolina School Boards Action Center – Funding Model.
4. NCSBA MEMORANDUM Re: NCSBAC Update – October 11, 2013.

PURPOSE: The purpose of this agenda item is to provide information on the newly formed North Carolina School Boards Action Center (NCSBAC).

BACKGROUND: On April 26, 2013, the North Carolina School Boards Association Board of Directors voted to authorize the creation of the North Carolina School Boards Action Center (NCSBAC), a new 501(c)(4) organization designed to strengthen local school board advocacy efforts. NCSBAC will not be empowered to do anything that is not congruent and consistent with the NCSBA legislative agenda. NCSBAC will not endorse political candidates or establish a political action committee. Rather, it will provide the type of vehicle needed to raise additional revenue to engage in social networking efforts, expand messaging, interact with the media, and advocate for the NCSBA legislative agenda.

The North Carolina School Boards Action Center will be a separate organization from NCSBA and will be governed by a Board of Directors. The composition of the initial board includes four school board members who currently serve on the NCSBA Board of Directors and five school board members who do not serve on the NCSBA Board of Directors. At the first meeting of the board of directors, the board elected officers, approved a budget, and set contribution requests for local boards of education based on school district enrollment.

Local boards of education have been invited to participate in helping to support and fund NCSBAC.

FINANCIAL IMPACT: \$3,000.00 annually, based on school district enrollment.

RECOMMENDATION: The Superintendent recommends the Board of Education receive the report on the North Carolina School Boards Action Center for information.



PUBLIC EDUCATION: NORTH CAROLINA'S BEST INVESTMENT

EDWIN DUNLAP, JR., PH.D.
Executive Director

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PRESIDENT

Evelyn Bulluck
Nash-Rocky Mount

PRESIDENT-ELECT

Shearra Miller
Cleveland

VICE PRESIDENT

Paige Sayles
Franklin

TREASURER

Roberta Scott
Warren

IMMEDIATE PAST

PRESIDENT
Chuck Francis
Haywood

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Avery

Randy Barnett
Cherokee

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Elizabeth City/Pasquotank

Amanda Bell
Rockingham

Eltha Booth
Beaufort

David Brittain
Catawba

Charles Brown
Scotland

Jackie Cole

Alamance-Burlington
Kathy Farren

Moore

Minnie Forte-Brown
Durham

Karen Hart
Mooresville

Carr Ipock
Craven

Tim Morgan

Charlotte-Mecklenburg
Gordon Powell

Person

Mary Ann Sharpe
Onslow

Mark Upchurch
Gaston

Russell Wilkins
Washington

PAST PRESIDENTS'

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Wendell Hall, 2009-10

Kenneth Lanier, 2007-08

Linda Cranford, 2004-05

Larry Lancaster, 2002-03

Leonard Peace, 2000-01

Dr. Christine Fitch, 1996-97

MEMORANDUM

To: School Board Members
From: Evelyn Bulluck, NCSBA President
Tim Morgan, NCSBAC President
Date: August 7, 2013
Re: North Carolina School Boards Action Center (NCSBAC)

Public education and local school boards operate today in a climate unlike anything we have ever witnessed. Local school board authority is coming under attack by a growing chorus of political and business leaders who believe that school boards are not doing what is needed to effectively educate our children and that school boards are one of the biggest impediments to educational progress and reform.

At a specially-called meeting on April 26, 2013, the NCSBA Board of Directors voted unanimously to authorize the creation of the North Carolina School Boards Action Center (NCSBAC), anew 501(c)(4) organization designed to strengthen local school board advocacy efforts.

We hope that each local board of education in North Carolina will participate in helping to support and fund NCSBAC.

With the dramatic transformation in how public education and those who are elected to govern local school systems are perceived, the broad philosophical assumptions around which we have fashioned our actions and advocacy efforts over the 75 year history of NCSBA can no longer be relied upon. What we face today is a battle for survival, both of public education as we know it and of the model of locally elected board governance of public school system operations. Our ability to endure in the face of these extraordinary challenges requires that we recognize and accept the changed environment in which we operate and embrace new ideas and concepts in thinking about how we advocate. Last Friday you were sent a two-page quick summary of what happened to PreK-12 in the 2013 session of the General Assembly. A complete report will be provided later this week.

As we look ahead, we need the public at large on our side in this battle for the future of public education. Many citizens and taxpayers are unaware of what is really at stake for public education and we need to be able to effectively communicate these issues, inspiring and rallying the public behind us in an effort to reaffirm the importance of strong local school boards and a thriving public education system. We have a strong governmental relations team at NCSBA but as a 501(c)(3) organization, we are limited in the amount of funds we can invest in advocacy and grassroots engagement. Accordingly, we have reexamined our current structure and considered all available options to generate the kind of resources necessary to expand our advocacy efforts in response to the current climate.

In this spirit, the Board of Directors voted to establish a 501(c)(4) organization to enhance our advocacy efforts. A 501(c)(4) organization is not subject to the same restrictions on advocacy and grassroots activity as a 501(c)(3) organization and will allow us to generate additional resources for expanded advocacy efforts. The National School Boards Association created such an organization last year for the same reasons.

The North Carolina School Boards Action Center (NCSBAC) will be a separate organization from NCSBA. NCSBAC will be governed by a Board of Directors. The composition of the initial board will be as follows: four school board members who currently serve on the NCSBA Board of Directors (Tim Morgan, Charlotte/Mecklenburg; Charles Brown, Scotland; Jackie Cole, Alamance/Burlington; and Mary Ann Sharpe, Onslow) and five school board members who do not serve on the NCSBA Board of Directors (Dottie Darsie, Caldwell; Richard Hooker, Cleveland; Moses Matthews, Martin; Marilyn Parker, Winston-Salem/Forsyth; and Bob Rhinehart, Buncombe). The first meeting of the NCSBAC board of directors occurred on July 19, 2013. The board elected officers, approved a budget, and set contribution requests for local boards of education based on school district enrollment. An invoice is included with this memo for your district's annual contribution to NCSBAC.

NCSBAC will not be empowered to do anything that is not congruent and consistent with the NCSBA legislative agenda. NCSBAC will *not* endorse political candidates or establish a political action committee. Rather, it will provide the type of vehicle we need to raise additional revenue to engage in social networking efforts, expand our messaging, interact with the media, and advocate for the NCSBA legislative agenda.

We are confident that this new initiative will allow us to deploy the kind of resources we need to protect, promote, and defend school board governance and the NCSBA legislative agenda.

We look forward to discussing this during the fall district meetings. As always, if you have questions or concerns, please let us know.

August 29, 2013

VIA ELECTRONIC MAIL [edunlap@ncsba.org]

Dr. Ed Dunlap, Jr.
North Carolina School Boards Action Center
P.O. Box 97877
Raleigh N.C. 27624-7877

Re: Contributions by Local Boards to N.C. School Boards Action Center

Dear Dr. Dunlap:

You asked me to respond to the question of whether a local board of education would be in compliance with applicable North Carolina and federal law if it were to make a contribution to the North Carolina School Boards Action Center ("Center"). This memo provides the requested response.

In brief, under the Center's stated plan, a local board of education would be in compliance with applicable law if it were to make a contribution. This is because the Center has chosen to limit its activities to a function the North Carolina School Boards Association already performs. That function is advocating for the policy positions of the North Carolina School Boards Association. The advocacy function does not include activities, such as supporting particular candidates, that are permissible for 501(c)(4) organizations but which the Center's Board has determined are not appropriate for the organization.

Background

The Center is organized as a nonprofit 501(c)(4) organization. The Center was formed by the North Carolina School Boards Association, which is a 501(c)(3) organization. Like all 501(c)(3) organizations, the North Carolina School Boards Association is limited by federal law in the amount of funds that it can spend on advocating for its public policy positions. Federal law permits 501(c)(4) organizations to engage in unlimited advocacy for policy positions. The North Carolina School Boards Association had reached its spending limits concerning advocacy and desired to increase the advocacy of its policy positions concerning the public schools. It formed the Center in order to increase the advocacy of these positions. As a 501(c)(4) organization, the Center may engage in unlimited advocacy for public policy positions.

N.C. School Boards Action Center

August 29, 2013

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Local boards of education are governmental agencies created by G.S. 115C-35 and are designated as corporate bodies by G.S. 115C-40. As public entities, local boards may spend public funds only for a public purpose. G.S. 115C-46.1 further prohibits a local board from using "public funds to endorse or oppose a referendum, election or a particular candidate for elective office." Advocating for a policy position is a public purpose. State agencies, for example, routinely hire legislative liaisons to explain the programs and positions of the agencies.

As a 501(c)(4) organization, the Center is allowed by federal law to make independent expenditures that support or oppose candidates as long as this activity is not its primary purpose. The Center's Board, however, has determined that the Center's purpose is to increase advocacy of policy positions supported by the North Carolina School Boards Association and not to engage in independent expenditures concerning candidates. An August 7, 2013 memo from Evelyn Bulluck, President of the North Carolina School Boards Association, and Tim Morgan, President of the Center, states that the Center "will *not* endorse political candidates or establish a political action committee."

I hope this is responsive to your question. Don't hesitate to call if I can be of further assistance.

With best wishes,

BAILEY & DIXON, LLP



Sabra J. Faires

SJF

356576



North Carolina School Boards Action Center

Funding Model

Districts Divided into Bands

District Enrollment	No. of Districts affected	Cost	Total
>50,000	5	\$10,000	\$50,000
30,000-49,999	5	\$8,000	\$40,000
17,000-29,999	12	\$6,000	\$72,000
10,000-16,999	13	\$5,000	\$65,000
8,000-9,999	14	\$4,000	\$56,000
5,000-7,999	16	\$3,000	\$48,000
<5,000	50	\$2,000	\$100,000
			\$431,000



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IMMEDIATE PAST

PRESIDENT

Chuck Francis
Haywood

DIRECTORS

Kathey Aldridge

Avery

Randy Barnett

Cherokee

Harvey Beasley

Elizabeth City/Pasquotank

Amanda Bell

Rockingham

Eltha Booth

Beaufort

David Brittain

Catawba

Charles Brown

Scotland

Jackie Cole

Alamance-Burlington

Kathy Farren

Moore

Minnie Forte-Brown

Durham

Karen Hart

Mooresville

Carr Ipock

Craven

Tim Morgan

Charlotte-Mecklenburg

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Onslow

Mark Upchurch

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MEMORANDUM

To: Board Chairs and Superintendents

From: Tim Morgan, President, NC School Boards Action Center

Date: October 11, 2013

Re: NCSBAC Update

This memorandum is to provide a status update on the North Carolina School Boards Action Center (NCSBAC).

As of today, we have contributions from 41 school districts in hand. We are aware of other contributions that have been approved but not yet been received by us. The level of support we have at this time is encouraging, particularly considering that the NCSBAC establishment and request for contributions memorandum was sent a little over two months ago. We are extremely optimistic about NCSBAC's prospects moving forward.

Today, the NCSBAC Board of Directors met and adopted the following additional clause to the NCSBAC Articles of Incorporation and bylaws:

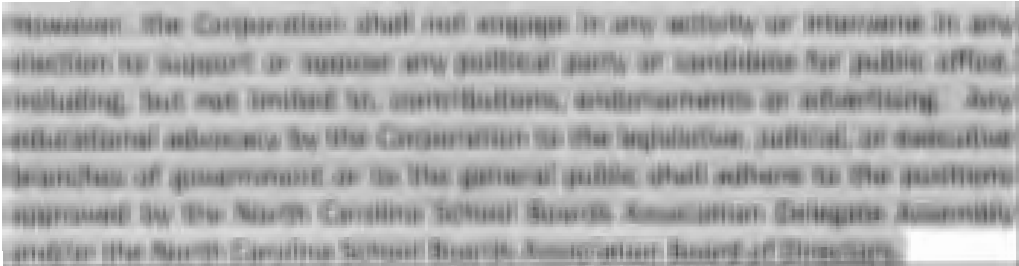
The Corporation shall not engage in any activity or intervene in any election to support or oppose any political party or candidate for public office, including, but not limited to, contributions, endorsements or advertising. Any educational advocacy by the Corporation to the legislative, judicial, or executive branches of government or to the general public shall adhere to the positions approved by the North Carolina School Boards Association Delegate Assembly and/or the North Carolina School Boards Association Board of Directors.

Copies of the restated Articles of Incorporation and amended bylaws for NCSBAC as adopted by the NCSBAC Board of Directors are attached to this memorandum for your consideration.

We look forward to support from additional school districts.

**RESTATED ARTICLES OF INCORPORATION
OF
NORTH CAROLINA SCHOOL BOARDS ACTION CENTER
A NONPROFIT CORPORATION**

Pursuant to Section 55A-2-02 of the North Carolina Nonprofit Corporation Act (the "Act"), the undersigned submits these Restated Articles of Incorporation for the purposes of forming a nonprofit corporation.

1. Name. The name of the corporation is North Carolina School Boards Action Center (the "Corporation"), a nonprofit corporation.
2. Duration. The period of duration of the Corporation is perpetual.
3. Organizational Purpose. The Corporation is organized as a public benefit corporation to educate, promote, and develop the common good and social welfare of North Carolina residents and for all other purposes permitted by law.
4. Purposes. The Corporation is formed for the purpose of carrying out the social welfare objectives of the North Carolina School Boards Association ("NCSBA") within the meaning of section 501(c)(4) of the Internal Revenue Code of 1986, as amended. In fulfilling this purpose, the Corporation may:
 - a. Educate the public, conduct research, and promote the general public's understanding of issues concerning public education.
 - b. Develop and advocate for policies that improve public education.
 - c. Engage in any and all lawful activities that are appropriate to carry out and fulfill any or all of the foregoing purposes.
 - d.  However, the Corporation shall not engage in any activity or intervene in any election to support or oppose any political party or candidate for public office, including, but not limited to, contributions, endorsements or advertising. Any educational advocacy by the Corporation to the legislative, judicial, or executive branches of government or to the general public shall adhere to the positions approved by the North Carolina School Boards Association Delegate Assembly and the North Carolina School Boards Association Board of Directors.

The foregoing clauses shall be construed as both objects and powers, and such enumeration of specific purposes, objects, and powers shall not be deemed to limit or restrict in any manner the general powers of the Corporation. The Corporation shall have and may exercise all powers conferred on a nonprofit corporation by the laws of the State of North Carolina, now or hereafter in effect. In furtherance of its purposes,

the Corporation shall have the power to receive and spend contributions or other funds within the discretion of its Board of Directors in any manner consistent with its section 501(c)(4) purpose.

5. Exempt Status. The Corporation is organized exclusively as a nonprofit corporation, and no part of the net earnings of the Corporation shall ever inure to the benefit of or be distributed or distributable to any of its directors, officers, or any private individuals or persons, except that the Corporation may pay reasonable compensation for services rendered and may make payments and distributions in furtherance of the purposes set forth in Article 4 hereof.
6. Nonmembership Corporation. The Corporation will not have members.
7. Initial Registered Office and Agent. The mailing address of the initial registered office of the Corporation is Post Office Box 97068, Raleigh, Wake County, North Carolina 27624 and the street address of the initial registered office is 7208 Falls of Neuse Road, Raleigh, Wake County, North Carolina 27615. The name of the initial registered agent of the Corporation at the foregoing address is Dr. Edwin Dunlap.
8. Principal Office. The mailing address of the principal office of the Corporation is Post Office Box 97068, Raleigh, Wake County, North Carolina 27624 and the street address of the principal office of the Corporation is 7208 Falls of Neuse Road, Raleigh, Wake County, North Carolina 27615.
9. Incorporator. The name and address of the incorporator are as follows: Michael L. Weisel, Bailey & Dixon, LLP, 434 Fayetteville Street, Suite 2500, Raleigh, Wake County, North Carolina 27601.
10. Dissolution. Upon dissolution of the Corporation, the assets thereof shall, after all liabilities and obligations of the Corporation have been paid, or adequate provision made therefor, be distributed pursuant to a plan of dissolution approved by the Corporation's board of directors pursuant to Section 55A-14-02 of the Act. Such plan of dissolution shall provide that all liabilities and obligations of the Corporation be paid and discharged, or adequate provisions be made therefor, and that the remainder of the Corporation's assets be distributed as follows:
 - a. Assets held by the Corporation upon condition requiring return, transfer, or conveyance, which condition occurs by reason of the dissolution, shall be returned, transferred, or conveyed in accordance with such requirements.
 - b. Other assets, if any, shall be distributed as provided in the plan of dissolution.

11. Director and Officer Liability. No person who is serving or who has served as director or officer of the Corporation shall have personal liability for monetary damages arising out of an action whether by or in the right of the Corporation or otherwise for breach of any duty as a director or officer unless the damages arise from acts or omissions that the Director or Officer at the time of the breach knew or believed were clearly in conflict with the best interests of the Corporation, any liability arising under Sections 55A-8-32 or 55A-8-33 of North Carolina General Statutes, or any transaction from which the Director or Officer derived an improper personal financial benefit (subject to Article 5 above). Such immunity shall include, but not be limited to, that specified by N.C.G.S. Sections 1-539.10, 55A-2-02(b)(4), and 55A-8-60, or any successor provisions of the law. No amendment or repeal of this Article, nor the adoption of any other amendment to these Articles of Incorporation inconsistent with this Article, shall eliminate or reduce the protection granted herein with respect to any matter that occurred prior to such amendment, repeal, or adoption.

12. Bylaws. The Board of Directors of the Corporation shall have the power to adopt, make, amend, alter, change, or repeal the Bylaws of the Corporation by affirmative vote of a majority of the Directors then in office at the meeting called to vote thereon, provided that under no circumstances shall the Bylaws be changed so that the Corporation may operate for other than a nonprofit purpose or so that any trustee, director, officer, or any private individual or person may participate in the net income of the Corporation or in its residual assets upon dissolution.

13. Effective Date. These Restated Articles will be effective upon filing.

This the 14th day of October, 2013.

Michael L. Weisel, Incorporator

BYLAWS OF
THE NORTH CAROLINA SCHOOL BOARDS ACTION CENTER
A NORTH CAROLINA TAX-EXEMPT NONSTOCK CORPORATION

Article 1: Purpose.

1.1 Purpose. The purpose of North Carolina School Boards Action Center ("NCSBAC" or "Corporation") is to carry out the social welfare objectives of the North Carolina School Boards Association ("NCSBA") within the meaning of section 501(c)(4) of the Internal Revenue Code of 1986, as amended.

1.2 Limitation. The Corporation shall not engage in any activity or transaction in any election to support or oppose any political party or candidate for public office, including, but not limited to, contributions, endorsements or advertising. Any educational advocacy by the Corporation to the legislative, judicial, or executive branches of government or to the general public shall adhere to the positions approved by the North Carolina School Boards Association Delegate Assembly and/or the North Carolina School Boards Association Board of Directors.

Article 2: Offices

2.1. Principal Office. The Corporation may have a principal office, either within or outside the State of North Carolina, as the Board of Directors may determine or as the affairs of the Corporation may require.

2.2. Other Offices. The Corporation must maintain in the State of North Carolina a registered office, and a registered agent whose office is identical with the registered office. The registered office may be, but need not be identical with the principal office in the State of North Carolina, and the address of the registered office may be changed from time to time by the Board of Directors.

Article 3: Members

3.1. Members. The Corporation shall have no members.

Article 4: Board of Directors

4.1. General Powers. The control and management of the affairs of the Corporation and the distribution of its funds shall be vested in its Board of Directors. Directors need not be residents of the State of North Carolina.

4.2. Number and Qualifications. The Board of Directors of the Corporation shall be composed of no fewer than three (3) and no more than nine (9) Directors. All Directors must be members of school boards that are members of the NCSBA and that participate in

4.3. Ex Officio Directors. The Executive Director of the NCSBA shall serve as an ex officio nonvoting member of the Board of Directors. The ex officio director shall be entitled to attend and receive notice of all regular and special meetings of the Board of Directors.

4.4. Initial Directors. The initial number of voting directors shall be nine (9). The initial directors shall be designated by the incorporator of the Corporation. Five of the initial directors shall serve a two-year term and four shall serve a one-year term, as designated by the incorporator.

4.5. Subsequent Directors. Each year, the Board of Directors shall appoint three of its members to serve on a nominating committee. Only one of the members of the nominating committee may be a member of the NCSBA Board of Directors, and that member shall serve as the chair of the committee. The nominating committee must recommend to the Board of Directors candidates to serve as directors to replace the directors whose terms expire that year. The Board of Directors may accept or reject a recommended candidate. If the Board of Directors rejects a candidate recommended by the nominating committee, the committee must recommend another candidate, who may be accepted or rejected by the Board of Directors.

4.6. Tenure. After the initial directors serve their initial terms as provided in Section 4.4, each director shall hold office for a term of two years. An individual may serve two terms of two years, whether consecutive or separated, but is not eligible to serve additional terms other than an initial one-year term. A director whose term has expired continues to serve until his or her successor is elected and appointed. If not sooner removed in accordance with these bylaws, all directors shall serve until the next annual meeting following the end of their term, or until their successors are elected and assume their duties.

4.7. Vacancies. Any vacancy on the Board of Directors shall be filled by the remaining members of the Board of Directors. Any director elected to fill such a vacancy shall serve until the next annual meeting or until his or her successor is elected and assumes his or her duties.

4.8. Duties of the Board of Directors. The Board of Directors is specifically charged with the following duties:

4.8.1. To authorize and review an annual audit of the Corporation by a third party auditor.

4.8.2. To approve the annual budget of the Corporation.

4.8.3. To review, not less than annually, all service agreements and contracts between the Corporation, third parties, and/or the NCSBA and make recommendations as to any necessary changes. Such review may be in the form of an annual report submitted to the Board of Directors regarding the status on fulfillment of contract requirements and recommendations.

4.9. Annual Meetings. All meetings of the directors shall be held at such time and location as to coincide in the most cost and time effective manner with NCSBA events or by remote communication. If feasible, the regular annual meeting shall be held at the NCSBA annual conference, or if that date and time is unfeasible, not later than 30 days thereafter.

4.10. Special Meetings. Special meetings of the Board of Directors shall be held at the Corporation's principal office, by remote communication, or at such other place within or outside of the State of North Carolina whenever called by the president or a majority of the board. Notice of all meetings of the Board of Directors shall be as provided in Article 9 of these bylaws.

4.11. Quorum. A quorum for the transaction of business at any meeting of the directors shall consist of a majority of the Board of Directors then in office.

4.12. Remote Communication. Any director may participate in a regular or special meeting of the Board of Directors by remote communication, which may be by conference telephone or other communications equipment if all persons participating in the meeting can hear each other at the same time. Participation by remote communication constitutes presence in person at the meeting.

4.13. Informal Action by Directors. Any action required by law to be taken at a meeting of directors, or any action that may be taken at a meeting of directors, may be taken without a meeting if a consent in writing, setting out the action so taken, is signed by all of the directors.

4.14. Compensation. Directors as such shall not receive any stated salaries for their services, but, by resolution of the Board of Directors, expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the board.

4.15. Proxies. Directors may not vote by proxy.

4.16. Resignation. Any director may resign at any time by giving written notice to the Board of Directors of the Corporation. Unless otherwise specified in such written notice, a resignation shall take effect upon delivery thereof to the Board of Directors. It shall not be necessary for a resignation to be accepted before it becomes effective.

4.17. Removal. Except as otherwise provided by law or the Articles of Incorporation, at a meeting of directors called expressly for that purpose, any director may be removed, with or without cause, by a vote of two-thirds of the disinterested directors in attendance.

A director who was selected because the individual was a member of a school board that is a member of the NCSBA is not eligible to continue to serve as a director of the Corporation if the individual ceases to be on that school board. A director who was selected because the individual was a member of the Board of Directors of the NCSBA is not eligible to continue to serve as a director of the Corporation if the individual ceases to be on the Board of

Directors of the NCSBA. A director is not eligible to continue to serve as a director of the Corporation if the school board to which the member belongs does not participate in the financial support of the Corporation. A director that is not eligible to continue to serve shall resign or be subject to removal. If a director is ineligible to continue to serve, the remaining directors may remove the ineligible director by a vote of the majority at a meeting at which the issue is addressed.

A director who misses two successive meetings of the Board of Directors may be removed as a director by a vote of the majority of the remaining members of the Board of Directors.

Article 5: Officers

5.1. Election, Appointment. The Board of Directors shall elect or appoint the officers of the Corporation, other than ex officio officers, from among the members of the Board of Directors. Such election or appointment shall regularly take place at the annual meeting of the directors, provided, however, that elections of officers may be held at any other meeting of the Board of Directors upon proper notice. The officers of the Corporation shall consist of a president, a secretary, and a treasurer. Unless otherwise specified by resolution of the Board of Directors, the individual who serves as Treasurer shall also serve as Secretary. The Board of Directors may appoint other officers as necessary to perform any duties prescribed by the Board of Directors. Every officer, other than an ex officio officer, shall serve at the pleasure of the Board of Directors. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Directors.

5.2. Removal. All officers who do not serve ex officio and all agents shall be subject to removal at any time by vote of a majority of all the directors present at any regular or special meeting of the Board of Directors.

5.3. Duties

5.3.1. President. The president shall, when present, preside at all meetings of the directors, shall have general charge of the activities of the Corporation, and shall see that all resolutions of the board are carried into effect. The president may be elected for up to two consecutive one-year terms. The president shall also be a member of the Board of Directors of the NCSBA.

5.3.2. Secretary. The secretary shall attend all sessions of the board and all meetings of the members, and shall record the minutes of all proceedings. He or she shall give or cause to be given notice of all meetings of the Board of Directors, and shall take care of all correspondence under the supervision of the president, and shall perform other duties as may be prescribed by the Board of Directors or the president. An assistant secretary, if appointed, shall, in the event of the secretary's absence or inability to act, perform the duties and functions of the secretary.

5.3.3. Treasurer. The Executive Director of the NCSBA shall serve ex officio as the treasurer of the Corporation. The treasurer shall have custody of the Corporation's funds, shall keep full and accurate accounts of receipts and disbursements, and shall deposit all moneys in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. The treasurer shall disburse the funds of the Corporation, demand proper vouchers for such disbursements, and render to the president and directors, whenever they may require, an accounting of all transactions. The treasurer shall, in the absence or disability of the president perform the duties and exercise the powers of the president, and shall perform such other duties as the Board of Directors shall prescribe.

5.3.4. Other Services. The Board of Directors may engage the services of such other agents or independent contractors as may be deemed necessary or advisable for the objects and purposes of the Corporation.

Article 6: Committees

6.1. Creation and Appointment. The president shall, with the approval of the Board of Directors, appoint such standing or special committees of such size as the president or Board of Directors may deem necessary to properly carry on the activities and effect the objects and purposes of the Corporation. Such committees shall perform such duties as the president or the Board of Directors may direct.

Article 7: Contracts, Checks, Deposits, and Funds

7.1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents of the Corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

7.2. Checks. All checks for the payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers or agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such resolution by the Board of Directors, such instruments shall be signed by the Treasurer and countersigned by the President of the Corporation.

7.3. Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the appropriate officer or agent of the Corporation may select.

7.4. Gifts. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest, or devise for any general or special purpose of the Corporation.

Article 8: Amendments

8.1. Amendments. The Board of Directors shall have the power to make, amend, and repeal the bylaws of the Corporation by vote of two-thirds (2/3rds) of all the directors present at any regular or special meeting of the board, provided that written notice of intention to make, amend, or repeal the bylaws in whole or in part shall have been given at the last preceding meeting or in the notice of the meeting, or without any such notice by unanimous consent of all the directors.

Article 9: Notices of Meetings

9.1. Delivery of Notice. Notice of special meetings of the Board of Directors shall be given to each director, orally or in writing at least 24 hours before the time fixed for the meeting, and the notice shall advise the director as to the time, place, and general purpose of the meeting, and shall be delivered personally or by telephone, electronic transmission, or mailed, postage prepaid, to each director at his or her last post-office address as it appears on the books of the Corporation. No notice need be given of regular meetings of the Board of Directors unless specifically required in these Bylaws.

9.2. Waiver of Notice. Whenever all directors meet, the meetings shall be valid for all purposes without call or notice, or waiver of call and notice. No call or notice of any meeting of directors shall be necessary if waiver of call and notice is signed by all of the directors, whichever the case may be.

Article 10: Indemnification and Insurance

10.1. Indemnification. No person who is serving or who has served as a director or officer of the Corporation shall have personal liability for any monetary damages arising out of any action, whether by or in the right of the Corporation or otherwise, for breach of any duty as director or officer unless the damages arise from acts or omissions that the director or officer at the time of the breach knew or believed were clearly in conflict with the best interests of the Corporation, any liability arising under N.C. Gen Stat. § 55A-8-32 or § 55A-8-33, or any transaction from which the director or officer derived an improper personal financial benefit (noting that payment for services is not an improper benefit). Such immunity shall include, but not be limited to, that specified by N.C. Gen Stat. §§ 1-539.10, 55A-2-02(b)(4), and 55A-8-60, or any successor provisions of law. No amendment or repeal of this Article, nor the adoption of any other amendment to these Articles of Incorporation inconsistent with this Article, shall eliminate or reduce the protection granted herein with respect to any matter that occurred prior to the amendment, repeal, or adoption.

10.2. Provision of Insurance. By action of the Board of Directors, notwithstanding any interest of the directors in the action, the Corporation may purchase and maintain insurance, in such scope and amounts as the Board of Directors deems appropriate, on behalf of any person who is or was a director, officer, employee, fiduciary, or agent of the Corporation, or who, while a director, officer, employee, fiduciary, or agent of the Corporation, is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee fiduciary, or agent of any other foreign or domestic Corporation or of any partnership, joint venture, trust, profit or nonprofit unincorporated association, limited liability company, employee benefit plan, or other enterprise against any liability asserted against, or incurred by, him or her in that capacity or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provisions of this Article or applicable law. Any such insurance may be procured from any insurance company designated by the Board of Directors of the Corporation, whether such insurance company is formed under the laws of the State of North Carolina or any other jurisdiction of the United States or elsewhere, including any insurance company in which the Corporation has an equity interest or any other interest, through stock ownership or otherwise.

Article 11: General Provisions

11.1. Fiscal Year. The fiscal year of the Corporation shall end on June 30 of each calendar year.

11.2. Seal. The official seal, if any, of the Corporation shall have inscribed thereon the name of the Corporation and shall be in such form and contain such other words and/or figures as the Board of Directors shall determine. The official seal may be used by printing, engraving, lithographing, stamping, or otherwise making, placing, or affixing or causing to be printed, engraved, lithographed, stamped, or otherwise made, placed, or affixed upon any paper or document, by any process whatsoever, an impression, facsimile, or other reproduction of said official seal.

11.3. Books and Records. The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board of Directors and committees having any of the authority of the Board of Directors, and shall keep at its registered or principal office a record giving the names and addresses of the members of its Board of Directors.

11.4. Conflicts. In the event of any irreconcilable conflict between these Bylaws and either the Corporation's Articles of Incorporation or applicable law, the latter shall control.

11.5. Definitions. Except as otherwise specifically provided in these Bylaws, all terms used in these bylaws shall have the same definition as in Chapter 55A, the North Carolina Nonprofit Corporation Act.