

**A RESOLUTION AMENDING THE BYLAWS OF THE ECONOMIC DEVELOPMENT
PARTNERSHIP OF NORTH CAROLINA, INC. TO ADOPT A POLITICAL ACTIVITY AND
LOBBYING POLICY AND TO HARMONIZE TERMS OF BOARD MEMBERS AND
CONDITIONS FOR REMOVAL WITH NORTH CAROLINA GENERAL STATUTE
SECTION 143B-13**

WHEREAS, the Economic Development Partnership of North Carolina is subject to a biennial audit by the Department of Commerce.

WHEREAS, the biennial audit of the Department of Commerce completed in the fall of 2016 recommends the adoption of a policy on lobbying.

WHEREAS, the Economic Development Partnership of North Carolina will benefit from a formal policy governing lobbying and political activity that complies with the limitations on lobbying set forth in section 501(c)(3) of the Internal Revenue Code and set forth in North Carolina General Statute section 143B-431.01(g)(3).

NOW, THEREFORE, it is **RESOLVED** by the Board of Directors of the Economic Development Partnership of North Carolina Inc. at the duly noticed meeting on December 16, 2016 that the following policy be adopted and implemented by the Chief Executive Officer, and amended from time to time to conform to governing law or in the business judgment of the Chief Executive Officer and Chairman of the Board:

Political Activity

The Economic Development Partnership of North Carolina is a non-profit corporation which is tax-exempt pursuant to Section 501c(3) of the Internal Revenue Code. As such, the Economic Development Partnership of North Carolina is prohibited from engaging in political campaign activity. This means that the Economic Development Partnership of North Carolina cannot support or oppose a candidate for public office; nor can it engage in any partisan activity of any kind. Accordingly, no employee, officer or member of the Board of Directors can engage in partisan activity or support or oppose a candidate for public office while in his or her employment or other capacity representing the Economic Development Partnership of North Carolina. If an employee, officer or director chooses to engage in these activities in his or her personal capacity, he/she must take every effort to make it clear that these activities are being done in that individual capacity and not as a representative of the Economic Development Partnership of North Carolina. Furthermore, use of the Economic Development Partnership of North Carolina resources (including but not limited to letterhead, e-mail accounts, postage, supplies, logos, or logo-bearing materials) for or in connection with those efforts is prohibited.

Each employee, officer or director must disclose to the Chief Executive Officer or to the Chairman of the Board of Directors, in writing:

- whether he or she holds any elected office at either a local, county, state, or federal level,
- whether he or she is currently running for any elected office at either the local, county, state, or federal level, and
- whether he or she is planning to run for any elected office at either the local, county, state, or federal level in the next eighteen (18) months.

Such written disclosure must be kept by the Economic Development Partnership of North Carolina as part of its corporate records.

The Board of Directors may not waive the foregoing restrictions under any circumstances.

Lobbying

The Economic Development Partnership of North Carolina, as a 501(c)(3) organization, is allowed to engage in a limited amount of lobbying (attempting to influence legislation) so long as it is not a "substantial" part of its activities. *Legislation* includes action by Congress, any state legislature, any local council, or similar governing body, with respect to acts, bills, resolutions, or similar items (such as legislative confirmation of appointive office), or by the public in referendum, ballot initiative, constitutional amendment, or similar procedure. An organization will be regarded as attempting to influence legislation if it contacts, or urges the public to contact, members or employees of a legislative body for the purpose of proposing, supporting, or opposing legislation, or if the organization advocates the adoption or rejection of legislation. If there are any questions as to what constitutes "lobbying", guidance should be sought from the Chief Executive Officer.

If the Economic Development Partnership of North Carolina exceeds the amount of lobbying allowed, it may lose its tax exempt status. Therefore, in order to ensure that the Economic Development Partnership of North Carolina controls its lobbying activities:

1. All employees should obtain advance approval from the Chief Executive Officer before engaging in any lobbying activities, and in any case, should refrain from lobbying activities related to state budget funding for the organization's general operations;
2. All officers and directors (only when acting in their capacity as an officer or director) should notify the Chairman of the Board or the Chief

Executive Officer of their intent to engage in any lobbying activities on behalf of the organization.

No State Funds shall be used to hire a lobbyist, as required by North Carolina General Statute 143B-431.01(g)(3).

WHEREAS, Article II, Sections 3 of the Amended Bylaws of the Economic Development Partnership of North Carolina provides that any director may be removed with or without cause by (a) the officer of the State of North Carolina who appointed such director, or (b) the vote of a majority of the directors present at a meeting at which a quorum is present.

WHEREAS, Article II, Sections 4 of the Amended Bylaws of the Economic Development Partnership of North Carolina provides that any vacancy occurring among the directors may be filled by (a) the officer of the State of North Carolina who appointed such director, or (b) the affirmative vote of a majority of the remaining directors even though less than a quorum or by the sole remaining director. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

WHEREAS, Article II, Sections 3 and 4 conflict with North Carolina General Statute Section 143B-13, entitled Appointment, qualifications, terms and removal of members of commissions.

WHEREAS, the Economic Development Partnership of North Carolina will achieve stability and operational efficiencies by modifying its Bylaws to harmonize the terms of Board Members and conditions of Board Member removal with the North Carolina law governing other similar state boards and commissions.

NOW, THEREFORE, it is **RESOLVED** by the Board of Directors of the Economic Development Partnership of North Carolina Inc. at the duly noticed meeting on December 16, 2016 that:

Article II, Section 3 of the Amended Bylaws of the Economic Development Partnership of North Carolina is hereby amended as of December 16, 2016 to read as follows:

Section 3 *Removal.* Any director may be removed from office by the Governor for misfeasance, malfeasance, and nonfeasance.

Section 4 *Vacancies.* A board director membership becomes vacant on the happening of any of the following events before the expiration of the term: (i) the death of the incumbent, (ii) his incompetence as determined by final judgment or final order of a court of competent jurisdiction, (iii) his resignation, (iv) his removal from office, (v) his ceasing to be a

resident of the State of North Carolina, (vi) his ceasing to discharge the duties of his office over a period of three consecutive months except when prevented by sickness, (vii) his conviction of a felony or of any offense involving a violation of his official duties, (viii) his refusal or neglect to take an oath within the time prescribed, (ix) the decision of a court of competent jurisdiction declaring void his appointment, and (x) his commitment as a substance abuser under Part 8 of Article 5 of Chapter 122C of the General Statutes; but in that event, the office shall not be considered vacant until the order of commitment has become final. A vacancy occurring during a term of office is filled in the same manner as the original appointment is made and for the balance of the unexpired term.

Adopted this 16th day of December, 2016.

John Lassiter, Chairman

ATTEST:
