NABSE/NABSE FOUNDATION (NABSEF)

MEMORANDUM OF AGREEMENT

This Agreement is made, subscribed to, and executed this 16th day of April 2008, in the state of Michigan between the National Alliance of Black School Educators, Inc. (NABSE) and the National Alliance of Black School Educators Foundation, Inc. (NABSEF).

1. The parties hereto acknowledge that in 1986, a component of the NABSE was established and referred to as the NABSE Foundation.

2. From its inception, the Foundation of the NABSE operated pursuant to the Constitution and By-laws of the NABSE, raising funds in the name of NABSE and allocating those funds for the purpose of implementing the NABSE programs determined by the NABSE.

3. By authorization of the Delegate Assembly of the NABSE in 2005, the Trustees of the Foundation were conditionally authorized to pursue a separate 501(c)(3).

4. Articles of Incorporation for NABSEF were filed with the Michigan Department of Consumer and Industry Services, Corporation Division of the State of Michigan as a non-profit corporation and approved on January 5, 2006.

5. An application for 501(c)(3) was filed by the NABSEF on February 23, 2006, and approved on March 22, 2006.

6. The parties hereto agree that the NABSE Executive Committee will recommend to the NABSE Board of Directors and the NABSE Board of Directors must approve the immediate transfer of $250,000 of the NABSE Foundation investment funds (at SunTrust Bank) to the NABSE Foundation. The NABSE Board of Directors will recommend that the Delegate Assembly approve the transfer of the remaining Foundation investments to the NABSE Foundation after its meeting in November. All other funds due to NABSE Foundation will be transferred immediately to the Foundation. The NABSE Board of Directors stipulates that the expenditure of all funds above be consistent with the NABSE Foundation By-laws.

7. In consideration of the transfer of any funds from NABSE to the NABSEF, the NABSEF, its directors and officers, hereby promise and agree to use such funds only for the purposes set forth in Article Third of the NABSEF Articles of Incorporation and further agree that the use of such funds for any other purpose may be a breach and in violation of this Agreement and may be sufficient cause for a court of competent jurisdiction to award to the NABSE and its membership damages to be paid by the NABSEF, its directors and officers (as they may exist at the time of any alleged breach). Notice of such an alleged violation shall be provided by the NABSE in
writing to the NABSEF prior to the commencement of any legal proceedings. All efforts will be made by all parties to cure any alleged violation prior to the commencement of any legal proceedings.

8. Further, the NABSEF agrees that any money which it is required to hold as an endowment pursuant to its Articles of Incorporation, and or its By-laws, shall remain a requirement of the NABSEF throughout its existence, in perpetuity, unless or until a recommended change in such requirement is presented to and approved by the Board of Directors of the NABSE and the NABSE membership through its Delegate Assembly.

9. The parties, each also acknowledge the fairness and reasonableness of the above conditions as a prerequisite for the approval of the transfer of any funds from the NABSE to the NABSEF.

10. It is further acknowledged, as an inducement to secure a favorable vote from the Board of Directors and the Delegate Assembly regarding the transfer of funds to the NABSEF, directors and officers of the NABSEF commit to use its and their best efforts to increase fund-raising for the benefit of the NABSE and to only support and fund the programs of the NABSE with said funds.

11. It is agreed that the NABSE is entitled to rely upon the commitments expressed through this Agreement, and that the NABSEF, its directors and officers will keep those commitments.

12. Additionally, the parties agree that the NABSEF will be using current NABSE funds, donated for the purpose of funding the NABSE programs and in the future will continue to depend upon contributions from the NABSE membership and other donors supportive of NABSE to fulfill its promises and commitments to the NABSE and those facts further justify the limitations and requirements herein set forth.

13. The NABSEF will not attempt to compete with or duplicate the mission, programs or activities of the NABSE, but will function only as a fund-raiser for such mission, programs and activities.

14. All directors, officers and executive employees of the NABSEF shall be members of the NABSE and shall be bound by the Constitution, By-laws, policies and procedures of the NABSE and participate in the development and implementation of the NABSE programs, as members of the NABSE.

15. The NABSEF new Board Members will provide a written acknowledgement of receipt of this Agreement.

16. The NABSEF has pledged compliance with the requirements in its application to the Internal Revenue Service.
17. The method of enforcement of this Agreement shall be determined by a joint committee consisting of three (3) Board members from NABSE, appointed by the President and three (3) NABSEF Board members selected by the NABSEF Chair. In instances of a tie vote, the NABSE President will cast the prevailing vote (The NABSE President will break the tie).

For the National Alliance of Black School Educators, Inc.

[Signature]
Deborah Hunter-Harvill, Ed.D., President

[Date: 4/13/08]
Date Signed

For the National Alliance of Black School Educators Foundation, Inc.

[Signature]
William J. Ellerbee, Jr., Ed.D., Chairperson

[Date: 4/13/08]
Date Signed