

NCFDA BYLAWS

(As Amended April 20, 2005)

ARTICLE I

Title

1. The name of this Association shall be the North Carolina Funeral Directors Association, Incorporated (NCFDA). The permanent address of the NCFDA shall be 5860 Faringdon Place, Suite 2, Raleigh, NC 27609.

ARTICLE II

Objectives

1. Objectives: The objectives of the NCFDA are as follows: to cultivate and promote the profession of funeral service; to elevate and sustain the professional character and education of its members; to encourage mutual improvements in the profession; to work with allied agencies in the promotion of policies that will address the needs of the public and the profession; to promote goodwill and social interaction among the members; to unite with other state associations and with the National Funeral Directors Association of the United States, Inc. (NFDA); to safeguard the public trust and common interests of the profession through compliance with the principles enumerated in the NFDA Code of Professional Conduct approved and adopted by this Association; to comply with all Anti-Trust regulations; to provide services to non-members at a reasonable charge; to prefer products and services that benefit the profession; to acquire property to house the Association headquarters; and to publish and disseminate periodicals and other reports of interest to its members. In addition, the Association shall have the power, either directly or indirectly, either alone or in conjunction or in cooperation with others, to do any and all lawful acts and things and to engage in any and all lawful activities which may be conducted by a corporation not for profit organized under Chapter 55A of the North Carolina General Statutes, as existing and hereafter amended. Notwithstanding anything herein to the contrary, the Association shall exercise only such powers as are in furtherance of the exempt purpose of the Association as set forth in Section 501(c) of the Internal Revenue Code and the Regulations hereunder as the same now exist or as they may be hereafter amended from time to time. This Association shall not discriminate against any person on the basis of race, color, sex, national origin, physical disability, or sexual orientation.

2. Vision Statement: To be recognized as the premier State Funeral Association in the United States.

3. Mission Statement: NCFDA is organized to provide value to our members by promoting funeral service as a distinct profession based on specialized competencies and helping our members develop to their fullest potential, fostering recognition of our profession by promoting the value of funeral service and by securing for the citizens of the State of North Carolina the highest quality funeral service.

ARTICLE III

Membership

1. The membership of this Association shall consist of six classes, to wit: a. Firm Member; b. Affiliate Member; c. Inactive Licensee Member; d. Non-Licensee Member; e. Lifetime Member, f. Honorary.

2. The definition and description of each class of membership in the Association are as follows:

a. Firm Member. Any funeral establishment which is licensed as a funeral establishment by the State of North Carolina or other state, and which has complied with the laws regulating such business, shall be eligible for firm membership in the NCFDA.

(1) Application for Firm membership in the NCFDA shall be made upon a form provided by the NCFDA, and shall be signed by the funeral home owner, partner or manager. The application shall include the name of all employees as well as the designated licensee(s) named as delegate(s) for the applicant. The number of delegates for each Firm Member shall be as provided in the dues structure adopted by the Board of Directors (hereinafter, "Board") from time to time and is based on the number of death certificates filed annually, excluding stillborns and transfers.

(2) The application shall be submitted to the Board. To receive approval of the Board, the applicant must receive a 2/3 majority of the votes cast by the Board. If the applicant is so approved, membership shall commence immediately, with dues prorated accordingly.

(3) Firm membership entitles all employees at the single, physical location of the Firm Member to all privileges of membership, except for those reserved for delegates as defined in Article III, Section 2a(4).

(4) Delegates for each Firm Member shall be named by the funeral home owner, partner or manager and shall be licensees regularly employed at the single, physical location of the Firm Member. Changes in the designated delegates shall be made in writing and signed by the funeral home owner, partner or manager. Termination of employment with a Firm Member shall immediately terminate the right to serve as delegate through that Firm Member. Delegates shall receive, in addition to those benefits held by all firm employees, the following rights and privileges:

(a) to receive all membership mailings at the member funeral establishment address,

(b) to vote in the individual licensee's name,

(c) to hold office on the Board and on committees,

(d) to receive the NCFDA Membership & Resource Directory and to be separately listed under the Firm Member in such Directory, and

(e) to receive only one fax broadcast sent to the Firm Member.

(5) The membership is limited to a single, physical location of the Firm Member. Any funeral establishment which is a branch of or a wholly-owned subsidiary of a Firm Member, or any funeral establishment which is owned by the same person, firm or corporation which owns a Firm Member, and which otherwise meets the qualifications and requirements of this Article shall be eligible to be a Firm Member and apply in its own name for that physical location. A Firm Member shall not share the benefits of its membership with any other funeral establishment.

b. Affiliate Member. Any individual, who is not a licensee, or any firm, which is not a funeral establishment, that provides any merchandise, supplies or services relating to the business of NCFDA members and the funeral service industry as a whole shall be eligible for Affiliate membership in the NCFDA.

(1) Applications for Affiliate membership in the NCFDA should be submitted directly to the Board; and upon a favorable vote of 2/3 majority of the votes cast by the Board, the applicant shall be approved for Affiliate membership.

(2) Affiliate members shall have all the rights and privileges conferred upon a licensee employed on a full-time basis by a Firm Member, except that such member shall not (i) be entitled to vote or (ii) be eligible to serve on the Board.

c. Inactive Member. Any person who formerly held a license issued by the North Carolina Board of Funeral Service or its predecessor agency (except whose license was revoked) or other state that has retired or who is no longer practicing funeral service is eligible for Inactive membership.

(1) Applications for Inactive membership in the NCFDA should be submitted directly to the Board; and upon a favorable vote of 2/3 majority of the votes cast by the Board, the applicant should be approved for Inactive membership.

(2) Upon the payment of dues as determined by the NCFDA, Inactive members shall have all of the rights and privileges conferred upon a licensee employed on a full-time basis by a Firm Member, except that such member shall not (i) be entitled to vote or (ii) be eligible to serve on the Board.

d. Non-Licensee Member. Any individual employed on either part-time or full-time basis by a Firm Member, but who does not hold a license issued by the North Carolina Board of Funeral Service, shall be eligible for Non-Licensee membership.

(1) Applications for Non-Licensee membership in the NCFDA should be submitted directly to the Board; and upon a favorable vote of 2/3 majority of the votes cast by the Board, the applicant should be approved for Non-Licensee membership.

(2) Non-Licensee members shall have all the rights and privileges conferred upon a licensee employed on a full-time basis by a Firm Member, except that such member shall not (i) be entitled to vote, (ii) be eligible to serve on the Board, or (iii) be entitled to receive any NCFDA fax broadcast.

e. Lifetime Member. The Board shall have the ability to bestow a Lifetime membership on a licensee or former licensee who has significantly contributed to funeral service. A Lifetime member shall be entitled to receive regular membership mailings, subscription to the magazine (The Tarheel Director), and shall be entitled to attend the Educational Conference & Exposition and to enter the Exhibit Hall without charge, but shall not be entitled to any

vote or to hold office. Candidates for Lifetime memberships shall be presented in writing on an approved application form to the Board. The Board shall announce in advance the meeting when applications will be accepted and the vote will be taken at a subsequent meeting not later than the last Board meeting prior to the Educational Conference & Exposition. The Board shall not bestow more than one Lifetime membership per year.

f. Honorary Member. The Board shall have the ability to bestow an Honorary membership on a licensee, former licensee or other person who has significantly contributed to funeral service. An Honorary member shall receive a plaque and shall be entitled to attend the Educational Conference & Exposition without charge at which the plaque will be presented. Candidates for Honorary memberships shall be presented in writing on approved application form to the Board. The Board shall announce in advance the meeting when applications will be accepted and the vote will be taken at a subsequent meeting not later than the last Board meeting prior to the Educational Conference & Exposition. The Board shall not bestow more than one Honorary membership per year.

3. a. The sale or transfer of the controlling interest of a Firm Member shall require notification to the NCFDA within 30 days in order to continue, without interruption, all rights and privileges of membership. Failure to notify NCFDA may result in termination of the membership of the firm.

b. A member shall be allowed to hold more than one classification of membership in the NCFDA, so long as all applicable dues are paid, but multiple memberships do not create multiple voting rights. Once an application for membership is approved and the application fee paid, there shall be no refunds or rebates of the membership fees.

4. Bylaws are hereby recognized and acknowledged as a contract between the members and the Board. Prospective members, by submitting an application for membership and paying the membership fee, affirm that they have read the Bylaws, and accept in writing the provisions, spirit and intent of the Bylaws prior to their acceptance as members.

5. The term "licensee" as used in the Firm Member sections of this Article in reference to an individual shall mean a natural person who is duly licensed by the North Carolina Board of Funeral Service as either a funeral service licensee, a funeral director licensee or an embalmer licensee of such Board and whose license is valid and in good standing upon application. The term "funeral establishment" as used in these Bylaws shall mean a person, firm or corporation which is duly licensed or permitted by the North Carolina Board of Funeral Service or other state to operate a funeral establishment, which does in fact operate a funeral establishment, and whose license is valid and in good standing upon application.

ARTICLE IV

Dues

1. Dues may be set at the discretion of the Board according to written findings of necessity. The Board shall, during November or December of each year, set the dues for the next year. The Board is authorized, but not required, to establish the dues for Firm members on a graduated scale based upon the number of families served by the Firm member.

2. Any member in arrears for dues shall not be in good standing and shall not be eligible to vote or hold office.

3. Dues shall be remitted on a calendar year basis in advance and are due and payable on the first day of January of each year. Dues shall become delinquent and in arrears after February 15 of each year, and upon failure to pay dues by that date the member shall automatically be suspended and in such cases receive no further mailings from the NCFDA. Such member can be reinstated immediately upon payment of the current dues prior to the end of the calendar year. After the calendar year, a new application for membership will be required. The Board is authorized, but not required, to permit members to pay their dues on a semi-annual basis, in which case dues shall become delinquent and in arrears at the end of each semi-annual basis of the calendar year as established by the Board.

4. Membership plaques shall be issued to firm members in such forms as may be approved from time to time by the Board. Upon withdrawal, revocation, suspension or termination of any membership, the member shall not display the membership plaque or otherwise hold himself or herself out to the public as a member of NCFDA.

5. A special assessment may be levied upon all members upon affirmative action by a two-thirds (2/3) majority of the Board. Before the levy, the Board must first make a written determination of the existing factual and financial needs for such an assessment by the Association. The Association shall give thirty (30) days notice of such assessment and such assessment shall become delinquent and in arrears after thirty (30) days after the assessment is

due and owing in which case notice of suspension shall occur with the same effect as provided in Section 3 of this Article.

ARTICLE V

Officers

1. The officers of the NCFDA shall be President, Vice-President, Secretary-Treasurer, Immediate Past President and the Ex-Officio District Director.

2. In order to be elected and serve as an officer in the NCFDA, a person must be a Firm delegate in the NCFDA, pursuant to Article III, 2(a)(4).

3. The terms of office of the officers shall commence on June 1 and shall terminate on May 31 of the term for which elected, unless sooner, for good and valid reasons pursuant to these Bylaws.

4. The duties of the officers of the NCFDA shall be as follows:

a. President. The President shall be Chairman of the Board and an ex-officio member of all committees appointed by him or her. The President shall preside at all meetings of the Executive Committee, Board and official meetings of the NCFDA, but shall not vote except in the event of a tie. The President shall have the power, with the consent of the Board, to call special meetings of the NCFDA. In addition, the President shall perform all such duties as established customs and procedures require.

b. Vice-President. In the absence of the President, the Vice-President shall assume the duties of the President. In the event of a vacancy occurring in the office of President, the Vice-President shall assume the duties of the President until the installation at the next Educational Conference & Exposition and should this vacancy occur within 90 days following the commencement of the President's term of office, the Vice-President shall be the President for that Association year. Should this vacancy occur later, the Vice-President shall remain the Vice-President for the remainder of that Association year, while assuming the duties of the President.

c. Secretary-Treasurer. The Secretary-Treasurer shall have oversight responsibility for minutes of all meetings of the NCFDA and the Board; oversight responsibility of all papers, letters and transactions of the NCFDA; custody of the corporate seal and determination that all are maintained in a proper manner in the office of the NCFDA. The Secretary-Treasurer shall direct that all funds of the NCFDA are deposited in a financial institution and shall delegate the responsibility for expenditure of funds in accordance with the policies and budgets as adopted by the Board. The Secretary-Treasurer shall report to the Board the financial standing of the NCFDA at each Educational Conference & Exposition and shall direct that the NCFDA shall be audited annually by a certified public accountant approved by the Board. The Executive Director shall assume such duties in connection with the work of the Secretary-Treasurer as shall be specified by the Board, and the Executive Director and office staff shall be bonded. The retiring Secretary-Treasurer will, within thirty days after the Educational Conference & Exposition, deliver to the newly elected Secretary-Treasurer any and all property in his/her possession that relate to the financial affairs of the NCFDA.

5. All officers, except the Secretary-Treasurer, shall, on expiration of their term of office, surrender all NCFDA property in their possession belonging to their respective officers to the new President.

6. The President, Vice-President, Secretary-Treasurer, an ex-officio District Director and the Immediate Past President shall act as an Executive Committee of the NCFDA, with the responsibility of providing immediate decisions when it is not convenient or practical for the Board to do so. At the first Board meeting following the Educational Conference & Exposition, the District Directors on the Board shall elect from their ranks a District Director to serve on the Executive Committee as an ex-officio member of such Committee. The President shall serve as official spokesperson of the NCFDA and may delegate responsibility to a member of the Board, Executive Director or individual delegate of the NCFDA.

7. The Board shall appoint a representative of NCFDA to serve as its representative on NFDA's Policy Board for a term consistent with the terms for service established by NFDA. To be eligible to serve as such an appointee, the individual shall have prior service on the Board of NCFDA, and preferably be a Past President of NCFDA. NCFDA's Policy Board Representative shall serve as an ex-officio member of the Board. All actual expenses incurred by the NFDA Policy Board representative that are not reimbursed by NFDA may be supplemented by NCFDA on a case-by-case basis as permitted by NCFDA's budget.

ARTICLE VI
Board of Directors

1. The business of the NCFDA shall be administered by a Board. This Board shall be composed as follows: President, Vice-President, Secretary-Treasurer, the immediate Past President, and district directors to be elected as hereinafter provided. The term of office for the delegates who serve as President, Vice-President and Secretary-Treasurer shall be commensurate with the terms for those offices. District Directors shall serve for a term of two years.

2. A regular meeting of the Board shall be held during each Educational Conference & Exposition of the NCFDA. Meetings of the Board shall be held as often as deemed necessary during the year at locations determined by the President.

3. Meetings of the Board may be called by the President on five days notice to each director, and shall be called by the President in like manner on like notice on the written request of not less than eight members of the Board. Meetings shall be held at such time and place as may be specified in the notice. Notwithstanding the above notice requirements, the President may, for the purposes listed in section 8 of this Article, call an immediate meeting of the Board if at least a simple majority of the Board are physically present at the same location at the same time and consent to the meeting by their attendance at the called meeting.

4. In addition to a regular meeting, provided a quorum pursuant to Article X is met, the following shall operate as the official action of the voting group, upon a majority vote, to the questions posed: (i) a telephone conference of the Board or Executive Committee, and (ii) the question posed may be sent by written notice and failure to respond within 15 days of mailing or faxing the referendum shall constitute a waiver of the right to vote, and the will of those voting shall prevail. Any such action decided by the means of referendums addressed in this section shall be reported at the next regular Board meeting and minutes of such decision must be duly ratified and affirmed at such meeting or such prior decision shall have no effect.

5. The duties of the Board shall be as follows:

a. Transact the general business of the NCFDA in the interim between Educational Conference & Expositions.

b. Establish major administrative policies governing the affairs of the NCFDA and determine methods to measure the effectiveness and growth of the NCFDA within the policies established.

c. Provide for the proper care of materials, equipment and funds of the NCFDA for the payment of legitimate expenses and for the annual auditing of all books of account by a certified public accountant.

d. Call a special meeting of the membership in the event of simultaneous vacancies occurring in the offices of the President and the Vice-President, for the purpose of filling as many of such vacancies for the unexpired terms as the membership sees fit. Notice of such special meeting shall be given within 15 days following the occurrence of the vacancies.

e. Insure that District Directors hold meetings within their district at least quarterly.

f. Fill a vacancy created by the death or resignation of a District Director from the membership of the district, which the director represented. Fill a vacancy created by the removal of a District Director from the membership of the district which the director represented, in the absence of the timely action of the membership of the district to do so, as further provided by these Bylaws. In filling the vacancy, the Board shall take into consideration the recommendation of the district membership, provided such recommendations are received within thirty days of the death, resignation or other removal.

g. Approve the employment, delegate responsibilities and determine the compensation of the Executive Staff.

h. Determine and stipulate the remuneration for officers and directors, committees and other groups or individuals performing NCFDA business.

i. Perform such other duties as the NCFDA or the President may designate.

j. Designate and approve the alignment of districts of the state on the dual basis of geography and population.

k. Remember that the delegation of certain duties of any officer or Board member to the Executive Staff shall in no way relieve said officer or Board member of the responsibilities for his performance or obligation for it.

l. The Board is hereby empowered to employ, engage, or discharge any person, persons or entities for the purpose of carrying out the activities and transacting the business of the Association.

m. The elected Director from each District is authorized to call a meeting of the members in such District at any time, upon reasonable notice, and must call a meeting upon the demand of not less than three members in good standing. Notice of such meetings and a written copy of the agenda must be provided in advance to the Executive Director.

6. The administration and management of the NCFDA shall be in a salaried staff head, employed or appointed by, and directly responsible to the Board. The Executive Director shall be the chief executive and operating officer of the NCFDA with responsibility for the management and direction of all operations, programs, activities and affairs of the NCFDA; employing staff members and terminating employment and determining the compensation of members of the staff and supporting personnel functioning within the place work of policy aims and programs as determined by the Board. The Board shall establish a policy of annual evaluation of staff performance. Such evaluations shall be in writing and submitted to the employees and shall become a permanent part of the employee record and may be used in determining staff performance.

7. **Absence:** Any member of the Board absent from a meeting shall send a communication to the President or Secretary-Treasurer stating the reason for his or her absence. If a member of the Board is absent from two consecutive meetings for reasons that the Board has declared to be insufficient, the Board may remove the Director as further provided by Article XVIII of these Bylaws. The President of the NCFDA shall have the responsibility and option of enforcing this provision.

8. The Board may hold an executive session and exclude non-members of the Board upon a motion in open meeting of a member of the Board, which is passed by a two-thirds vote of the Board. The motion of the member must generally cite one of the permitted purposes listed below. The minutes of the Board meeting shall reflect the member making the motion, the permitted purposes cited by the member, the members supporting and opposing the motion, the questions posed to the Board during the executive session and the determinations of the Board. Nothing contained herein shall be construed to allow any activities in contradiction to the anti-trust policy of NCFDA or to any violation of Federal or State Anti-Trust laws. Any matters involving the admission of an applicant, the discipline or expulsion of a member is specifically outside the scope of this section. The permitted purposes are as follows:

a. To consult with an attorney employed or retained by NCFDA, to the extent that confidentiality is required in order to preserve the attorney-client privilege between the attorney and NCFDA.

b. To consider the qualifications, competence, performance, character, fitness, or conditions of initial employment of an employee of NCFDA; or to hear or investigate a complaint, charge or grievance by or against an employee of NCFDA. Final action making an offer of employment or decree of discharge shall be taken in open meeting.

9. The Board shall take any and all actions it deems necessary and prudent to further the objectives of the NCFDA consistent with these Bylaws. The Board shall also take any and all actions it deems to be necessary, prudent, and in the best interests of the NCFDA when unforeseen events occur that are not addressed by these Bylaws.

ARTICLE VII

Standing Committees

1. The following Standing Committees shall be appointed by the President of the NCFDA immediately following each Educational Conference & Exposition to serve until the next Educational Conference & Exposition or until their respective successors are appointed.

- a. Legislative Committee
- b. Educational Conference & Exposition Committee
- c. Education Committee
- d. Membership Services Committee

e. Bylaws Committee

2. The composition and duties of the Standing Committees shall be as follows:

a. Legislative. The Legislative Committee shall consist of as many members as appointed by the President. Its duties shall be to recommend legislation and the necessary rules and regulations for the protection and interest of the public and the welfare, advancement and protection of the membership and funeral service in general.

b. Educational Conference & Exposition. The Educational Conference & Exposition Committee shall consist of as many members as appointed by the President. Its duties shall be to arrange the social program for the convention and, with coordination of the Executive Staff, arrange the education and business program and distribute

publicity on it. Further, this committee shall be charged with the duty of providing assistance to the Sergeant-at-Arms during the convention in order to assure that only duly registered persons are permitted to attend business sessions or visit the exhibit hall during the convention. Non-members may register at a uniformly applied rate, which may be reasonably higher than the member rate to reflect members' dues support of the Educational Conference & Exposition.

c. Education. The Education Committee shall consist of not less than nine members, one of whom will be a representative from the School of Funeral Service at Fayetteville Technical Community College. Members will serve a term of three consecutive years with three members rotating off the committee each year. The duties of the Education Committee shall be as follows:

(1) To seek and recommend speakers and programs when requested for district and state meetings on topics for enlightenment of members in various fields of association endeavors.

(2) To make recommendations for student loans for those applicants seeking to attend institutions of mortuary science. Recommendations shall be forwarded to the Board for final vote.

d. Membership Services. The Membership Services Committee shall consist of at least one Past President and as many other members as determined by the President. Its duties shall be as follows:

(1) To review programs and products offered through the NCFDA. The committee shall be responsible for, but not limited to: monitoring insurance programs, preneed programs, retirement plans, collections, etc.

(2) To consider long ranges planning and public relations matters of the NCFDA.

(3) To periodically review such services and programs offered through the NCFDA and offer recommendations to the Board regarding changes or additional services.

e. Bylaws Committee: The Bylaws Committee shall consist of as many members as appointed by the President. Its duties shall be to review and recommend changes to the Bylaws.

f. The president may appoint other committees with the consent of the Executive Committee that he/she deems advisable to carry out the activities and promote the purposes of the Association.

3. An officer of the NCFDA or a member of the Board shall serve on each committee, except where such service would not be applicable or would entail an inconvenience or hardship upon it.

4. A member of the Executive Staff may be asked to attend any or all committee meetings in an advisory capacity, but will have no vote in the decisions of the committee.

ARTICLE VIII Nominations and Elections

1. Not less than one hundred and twenty days prior to the Educational Conference & Exposition, the President shall appoint a Nominating Committee to be composed as follows: two Past Presidents, one member of the Board and two active members of the NCFDA at large. The membership of the NCFDA shall be notified of the composition of the Nominating Committee, and the address at which nominations shall be received by the Nominating Committee. This notice may be given in a newsletter, or other format, and must state the date that nominations are due to be received by the committee in order to be considered by the committee. Upon receipt of nominations, the Nominating Committee shall determine if such nominee is eligible and qualified for the office of Secretary-Treasurer in accordance with the standards prescribed by these Bylaws; if eligible and qualified, the Nominating Committee shall notify the nominee in writing of the nomination and shall notify the nominee that the nominee will be presented to the membership for election to the position unless the nominee sends written notice to the Nominating Committee within ten days that affirmatively declines the nomination. Once a nomination is made, a nomination cannot be withdrawn. Only a nominee can decline the nomination.

2. The Nominating Committee shall receive nominations for the office of Secretary-Treasurer only. In order to be nominated, elected and eligible to serve as a member of the Board, a person must be a Firm delegate in the NCFDA, pursuant to Article III, 2(a)(4).

3. The Nominating Committee shall present to the membership for their consideration and vote ALL nominations of qualified and eligible persons who do not timely decline the nomination for the position of Secretary-Treasurer.

4. All ballots must be cast by duly authorized delegates as provided by Article III; a ballot or vote for the position of Secretary-Treasurer may be cast by a designated proxy, so long as such designation is in a writing, signed by the member and is filed with the Secretary-Treasurer before such vote is cast.

5. The position of Secretary-Treasurer shall be elected as follows:

a. The Nominating Committee shall arrive at a slate of candidates as provided in Section 1 of this Article.

b. The election shall be held by a mail ballot vote and there shall be no floor nominations for the position of Secretary-Treasurer.

c. Notice of the slate of candidates shall be sent to those entitled to vote pursuant to Article III not less than ten (10) days and no more than forty-five (45) days from the date that ballots must be received in order to be counted. This notice shall state in conspicuous type that the position of Secretary-Treasurer is elected by a mail ballot. The notice shall also contain (i) the address of NCFDA for the purpose of receiving the mail ballot, (ii) the date after which mail ballots will no longer be accepted, which shall be not less than ten (10) days and no more than forty-five (45) days from the date of the notice (iii) the names and firm member of all candidates for the position, and (iv) the procedures for selecting the candidate and submitting the mail ballot, which shall include, at a minimum, the requirements of the voters printed name and signature on the ballot.

d. No later than fourteen (14) days after the date for receiving mail ballots has passed, the NCFDA staff, in the presence of at least one member of the Nominating Committee, shall open, record and tally the votes.

e. If there are two candidates, the candidate with the greatest number of qualified votes shall be elected. If there are more than two candidates, the candidate with the majority of votes shall be elected. If a majority vote is not obtained, there shall be a run-off election between the two candidates with the greatest number of votes to be held by secret ballot on the floor of the convention, or if, time permits, and in the discretion of the Board, by a second mail ballot following the procedures described above. For the election of this position, a majority is defined as one-half of the total qualified votes cast for all the candidates. Any tie shall be decided by a vote of the Board.

6. The person elected to the office of Secretary-Treasurer shall, after the natural expiration of that term of service, automatically ascend to the office of Vice-President. Upon the ascension of the person who served as Secretary-Treasurer to the Office of Vice-President, the person who served as Vice-President shall automatically ascend to the office of President. In the case of death or effective resignation or natural expiration of term of office of the President, Vice-President or Secretary-Treasurer, the remaining officers shall ascend and assume the position of the office immediately above their own for the remainder of the term

7. **Election of District Directors to the Board.** In order to be elected and serve as District Director in the NCFDA, a person must be or become a Firm delegate in the NCFDA, pursuant to Article III, 2a. One District Director shall be elected for each district in the state as follows. In odd years, one district director from each of the even numbered districts shall be elected for a term of two years. In even years, one district director from each of the odd numbered districts shall be elected for a term of two years.

a. Directors shall take office on June 1 of each year of their respective election, or at the first regular meeting of the Board that follows the Educational Conference & Exposition, whichever is first.

b. District Directors shall be elected by NCFDA members who reside in or whose residence of employment is located within the District, at a District Meeting duly called and noticed for this purpose. Each District may establish its own nomination procedure not inconsistent with these Bylaws. Elections shall be by a majority vote of members present. Nominations shall be accepted from the floor of such District Meeting. The District Director then in office, executive board or staff shall preside over the election. The meeting to elect District Directors shall be held prior to, and within 90 days of, the Educational Conference & Exposition. Following the election, the District Director, executive board or staff who presided over the meeting shall report in writing to NCFDA the person elected as District Director for that District. The election of a District Director shall be binding upon NCFDA except in the case of any voting irregularities. In the event of alleged voting irregularities, the Board of NCFDA may conduct a second election for the District. The Board of NCFDA shall be final arbiter of all issues relating to the propriety of the District elections.

8. **Election of Members for Appointment to the North Carolina Board of Funeral Service (NCBFS).** During years in which the NCFDA is required by NCGS § 90-210.18A, or any successor thereto, to nominate a member or members of the NCFDA for appointment to the NCBFS, the Appointees shall be nominated as follows:

a. The membership of the NCFDA shall be notified when a nomination or nominations for appointment to the NCBFS must be received by the Nominating Committee, and the address at which nominations shall be received by the Nominating Committee. This notice may be given in a newsletter, or other format, and must state the date that nominations are due to be received by the committee in order to be considered by the committee. Upon

receipt of nominations, the Nominating Committee shall determine if such nominee is eligible and qualified for appointment to the NCBFS in accordance with the standards prescribed by these Bylaws. If eligible and qualified, the Nominating Committee shall notify the nominee in writing of the nomination and shall notify the nominee that the nominee will be presented to the membership for election to the position unless the nominee sends written notice to the Nominating Committee within ten days that the nominee affirmatively declines the nomination. Once a nomination is made, a nomination cannot be withdrawn. Only a nominee can decline the nomination.

b. In order to be nominated, the nominee must be licensed under Article 13A of Chapter 90 of the General Statutes of North Carolina and either be a Delegate of a Firm Member or an employee of a Firm Member.

c. Nominations for appointment to the NCBFS shall include (and not more than) the following:

(1) Type of license (Funeral Director or Funeral Service) and license number.

(2) Number of years licensed.

(3) Work history since being licensed.

(4) A SHORT narrative stating why the nominee wants to serve on the NCBFS and what he or she views as the duties and obligations of a member of the NCBFS.

(5) A separate form must also be submitted, which provides the name, address, telephone number, license number and signature of ten (10) NCFDA member licensees who endorse the appointment.

(6) Indication of Category in which nominee wishes to be considered: Category A: Funeral Service Licensee or Category B: Funeral Service Licensee, Funeral Director or Embalmer.

d. After arriving at a slate of nominees as provided above, notice of the slate of nominees shall be sent to those entitled to vote pursuant to Article III not less than ten (10) days and no more than forty-five (45) days from the date that ballots must be received in order to be counted. This notice shall state in conspicuous type that each appointee to the NCFDA is elected by an official ballot. The notice shall also contain (i) the address of NCFDA for the purpose of receiving the ballot, (ii) the date after which ballots will no longer be accepted, which shall be not less than ten (10) days and no more than forty-five (45) days from the date of the notice (iii) the names of all candidates for the position, and (iv) the procedures for selecting the candidate and submitting the ballot, which shall include, at a minimum, the requirement for voters to print their name and place their signature on the ballot.

e. No later than fourteen (14) days after the date for receiving ballots has passed, the NCFDA staff, in the presence of at least one member of the Nominating Committee, shall open, record and tally the votes.

f. If there is only one position available, the candidate with the greatest number of qualified votes shall be elected. If there are two positions available, the two candidates with the highest number of qualified votes shall be elected. If there are three positions available, the three candidates with the highest number of qualified votes shall be elected. If there are four positions available, the four candidates with the highest number of qualified votes shall be elected.

g. In the event of a tie, the winner shall be determined by the board.

h. Should a vacancy occur, the board shall recommend a replacement to the Governor for the unexpired term.

ARTICLE IX

Conventions or Special Meetings

1. The NCFDA shall meet in Educational Conference & Exposition at least once each year at such time and place as determined by a majority vote of the members present at the convention selecting said time and place. The Business Meeting of NCFDA may be closed to all non-voting members for reasons not in violation of the Association's Antitrust Policy as stated in Article XV.

2. The time and place of each Educational Conference & Exposition shall be determined by the membership at least thirty-six months in advance of such convention.

3. Special Meetings of the membership may be called by the President, Board, or by a petition of members having not less than twenty five percent (25%) of the votes entitled to be cast at such a meeting, said petition to be in writing and signed by aforementioned members, with a clear statement of the purpose and intent of the meeting.

4. Notice of the Educational Conference & Exposition and any Special Meeting of the NCFDA shall be transmitted to each member entitled to vote at such meeting not less than fifteen days before the day of the meeting. Such notice shall state the place, date and hour of the meeting; and, in case of a Special Meeting, the purpose for which the meeting is called.

ARTICLE X
Quorum

1. Ten percent (10%) of the members shall constitute a quorum at any Educational Conference & Exposition or Special Meeting of the NCFDA.
2. A simple majority of the Board shall constitute a quorum at any meeting of the Board.
3. A simple majority of the members of any committee shall constitute a quorum.

ARTICLE XI
Fiscal Year

1. The fiscal year of the NCFDA shall be from January 1 to December 31.

ARTICLE XII
Parliamentary Authority

1. The rules contained in Robert Rules of Order Revised shall govern meetings of the NCFDA in all cases to which they are applicable and in which they are not inconsistent with these Bylaws.

ARTICLE XIII
Code of Ethics

1. NFDA Code of Professional Conduct, the provisions of the North Carolina General Statutes, Chapter 90, Article 13, and any amendments thereto, and the Rules of the North Carolina Board of Funeral Service and any amendments thereto are hereby made a part of these Bylaws and incorporated herein by reference for the limited purpose of determining the ethical standards of this Association.
2. If any member of the NCFDA shall violate the Code of Ethics of the NFDA, Inc., or the provisions of North Carolina General Statutes, Chapter 90, Article 13, and any amendments thereto, or the Rules of the North Carolina Board of Funeral Service and any amendments thereto, or if any member shall be convicted of a felony or any crime involving fraud or other moral turpitude, such member shall be subject to reprimand or expulsion from the NCFDA.

ARTICLE XIV
Hearings

1. A violation as described in Article XIII shall be reported in writing to a special Ethics Committee, consisting of five members appointed by the Executive Committee, to serve at the pleasure of the Executive Committee. After investigation, the Ethics Committee shall report to the Board with a recommendation that the charge is dismissed as unfounded, frivolous or trivial, or that the charge is presented to the Board for hearing and determination on the merits of the charge. The Board may accept or reject such recommendation in whole or in part.
2. A hearing, if called by the Board, shall be by the full Board except for any member thereof who, as a member of the Ethics Committee, made an investigation or recommendation as described in Paragraph 1. The accused shall be accorded due process of law, including written notice of the charge, at least 15 days written notice of the date, time and place of the hearing, the right to legal counsel, the right to examine evidence and cross examine witnesses, the opportunity to refute the charge, the right to present evidence and the right to make legal and factual arguments. After the hearing, the Board shall make written findings of fact, conclusions of law and render a final decision, all of which shall be given to the accused.

3. By a two-thirds majority vote the Board may reprimand or expel the accused from membership for such period of time as the Board may determine. Reinstatement shall require a new application for membership. At expulsion, all rights and privileges of membership and all dues and moneys paid in advance shall be forfeited. If the expelled is a Firm member, all of said Firm's Associate members shall forfeit all rights and privileges of membership.

ARTICLE XV Antitrust Policy

1. It is the policy of NCFDA not to violate any of the antitrust laws of the United States, the State of North Carolina or any other State.

2. The only authorized meetings of NCFDA are meetings of duly appointed and authorized Committees, the various Districts as they may be constituted from time to time, the Board, and the House of Delegates. All meetings shall be regularly scheduled. Members shall not combine into informal groups or hold any kind of "rump" meetings.

3. NCFDA shall not engage in any form of price-fixing or restricting advertising of prices. The following topics of discussion shall be avoided at all meetings:

- a. Past, current or future prices.
- b. What constitutes a "fair" profit level.
- c. Possible increases or decreases in prices.
- d. Standardization or stabilization of prices.
- e. Pricing procedures.
- f. Cash discounts.
- g. Credit terms.
- h. Control of sales.
- i. Allocation of markets.
- j. Refusal to deal with a person or company because of pricing or distribution practices.
- k. Whether or not the pricing practices of any member are unethical or constitute an unfair trade practice.

4. Members shall not make any agreement, formal or informal, to divide business or territories.

5. Membership criteria shall be fairly established in these Bylaws, with the intent not to deny membership except on the narrow grounds set forth herein.

6. The Code of Ethics shall be enforced fairly and never arbitrarily, and no unreasonably severe penalty shall be imposed for violation thereof. No member shall be required to refrain from dealing with a member who has violated the Code of Ethics or who has been charged with an ethical violation.

7. No member shall be disciplined or expelled without due process of law and without justifiable grounds, as set out herein.

8. NCFDA shall not adopt any policy, which restricts the ability of any member to compete.

9. NCFDA shall not restrict members from dealing with nonmembers.

10. Member participation in a statistical reporting program shall be voluntary. Such programs shall be conducted in a manner, which will not violate any antitrust laws.

11. Any service of NCFDA, which is of a competitive benefit, shall be available to nonmembers upon request at a reasonably higher price than that charged members, if the member's dues support the services provided.

ARTICLE XVI Dissolution

1. Upon the dissolution of the NCFDA, its assets shall be distributed for one or more tax exempt purposes within the meaning of the Internal Revenue Code or shall be distributed to a governmental unit for a public purpose, as directed by the Board, and no part of the assets shall inure to the direct or indirect benefit of any officer, director or member.

ARTICLE XVII

Amendments

1. These Bylaws may be amended, altered or repealed at any Educational Conference & Exposition or Special Meeting if the proposed amendments shall receive at least 2/3 of the votes entitled to be cast by members present or represented by proxy at such meeting.

2. Any proposed amendment to the Bylaws by a member shall be submitted in writing to the Secretary-Treasurer at least ninety days before any Educational Conference & Exposition or Special Meeting. The Secretary-Treasurer shall transmit all proposed amendments to the Board, and the said Board shall make a recommendation as to all proposed amendments to the members of the NCFDA at least thirty days prior to the Educational Conference & Exposition or Special Meeting; such recommendation may contain a summary of the proposed amendment and an accompanying statement that a draft of the text of the amendment may be obtained from the offices of NCFDA, or may contain the text of the amendment.

ARTICLE XVIII

Removal of Officers/Board Members

1. A District Director may be removed with or without cause by the members entitled to elect such Director. A District Director may be removed by such members only at a meeting duly called for the purpose of removing the Director and written notice of the meeting and its specific purpose shall be sent to each member entitled to vote on the question of removal. Removal shall be by a majority of those members entitled to vote that are present in person at the meeting; no proxies shall be permitted. Within 45 days of the removal of any District Director, the District shall conduct elections pursuant to the same procedures for the initial election of its District Director; the Board shall appoint a new District Director should the District fail to elect a new District Director in a timely manner. Any Director appointed by the Board pursuant to this subsection may be removed for cause by a majority of the Board present in person at a duly called and noticed meeting of the Board for this purpose.

2. Notwithstanding subsection 1 of this Article, a Director may be removed by the Board for the unexcused absence of 2 consecutive meetings of the Board, or for the unexcused absence of a majority of meetings of the Board in any calendar year or for failure to perform duties. The Board may remove a Director pursuant to this subsection only if a majority of Directors then in office vote for the removal. Upon a removal of a District Director, the District shall conduct elections for a new District Director in the manner provided by these Bylaws.

3. An Officer of the NCFDA may be removed from office with or without cause by the majority vote of all NCFDA members entitled to vote pursuant to Article III of these Bylaws at a duly called and noticed meeting of all NCFDA members. Such notice shall specify that the purpose, or one of the purposes, of the meeting is to consider the removal of an Officer.

4. This Article is in addition to, and does not replace or limit, the provisions of Article XIV of these Bylaws. In the event of a conflict between this Article and the Articles of Incorporation of NCFDA shall be resolved in favor of the Articles of Incorporation. Any action authorized by this Article, which is in direct conflict with the provisions of the North Carolina Nonprofit Corporation Act, shall be null and void. This Article is not intended to and does not limit the provisions of the North Carolina Nonprofit Corporation Act.

5. A District Director who moves his place of employment beyond the boundaries of the district from which he/she was elected as Director shall be deemed to have automatically resigned as Director and the membership of the District shall elect a successor within thirty (30) days pursuant to the procedures set forth in Article VIII of these Bylaws.