

**BYLAWS
OF THE
N.C. HERB ASSOCIATION**

ARTICLE I – NAME, OFFICES, AND PURPOSES

Section 1. Name. The name of the corporation shall be N.C. Herb Association (“NCHA” or the “Corporation”). As a nonprofit corporation organized pursuant to the provisions of Section 501(c) (3) of the Internal Revenue Code of 1986 and Chapter 55A of the General Statutes of North Carolina, NCHA shall have no capital stock and no shareholders, and no part of the net earnings, income or profit of the Corporation shall inure to the benefit of or be distributable to its directors, officers or other private individuals except that the Corporation may pay reasonable compensation for services rendered and may make payments and distributions in furtherance of its educational purposes.

Section 2. Principal Office. The principal office of the corporation shall be located within North Carolina as determined from time to time by the Board of Directors. The mailing address of the corporation shall be 455 Research Drive, Mills River, North Carolina 28759.

Section 3. Other Offices. The corporation may have offices at such other places within the State of North Carolina, as the Board of Directors may from time to time determine.

Section 4. Purposes. The purposes for which the corporation is organized are as follows:

(a) To provide a viable and united voice to represent and promote the botanical and herbal industries in North Carolina and adjacent Southeastern States and to foster the needs of these industries in both the public and private sectors.

(b) To develop, through appropriate educational methods, the efficient production, packing, handling, storing, processing and marketing of herbs and botanical products.

(c) To support, through advocacy and financial support, research that will develop new knowledge to improve the efficiency of producing, packing, handling, storing, processing and marketing of herbs and botanical products.

ARTICLE II – MEMBERS

Section 1. Qualification and Number. The Members of the corporation shall consist of such organizations which qualify as Members defined in Section 2 of this Article as may from time to time apply for membership. The number of members shall be unlimited. There shall be dues for membership as set by the Board of Directors. Membership shall not be assignable or transferable.

Section 2. Eligibility of Members. The Corporation shall have three classes of members. The membership classifications shall be: (1) General; (2) Business; and (3) Honorary. These membership classifications are defined as follows:

General Member- Any person, student, business, and who pays the annual membership fee shall be a general member, with the right to vote.

Business Member- Any company, farm, grower, business employee, or staff member from a farm, business or company and who pays the annual membership fee shall be a business member, with the right to vote.

Honorary Member- Anyone who is engaged in Extension, Research, or Teaching or who has made some significant contribution to the herb or botanical industry in North Carolina. Honorary members shall pay a membership fee, based on the fees of the business member, and shall have no voting privileges, but may serve on the board. At no time may an honorary member serve in the capacity of President or Vice President.

All members must be admitted to membership by the Board of Directors and have maintained their membership in good standing by reason of payment of dues, fees, or assessments and otherwise to exercise their membership rights and privileges.

Section 3. Membership Fee. The board of directors may set membership fees for the various classifications and provide that the payment of the membership fee shall be a condition for membership and for exercise of its voting and other membership rights. The board of directors is empowered to adjust a membership fee on a case by case basis, on the demonstration of need by an applicant for membership.

Section 4. Removal. Members may be removed from membership, provided that such removal is carried out in fair and reasonable manner and in good faith, by the vote of two-thirds of the board of directors present at any meeting of the board.

Section 5. Corporate Records. A Member is entitled to inspect and copy the records of the corporation to the maximum extent required by Chapter 55A of the General Statutes of North Carolina, upon making a written request twenty business days in advance of the date of the inspection. If any records requested are in storage, the corporation shall respond to the requesting Member or Members within ten business days, giving an estimate of the time in which the records will be made available.

ARTICLE III - MEETINGS OF MEMBERS

Section 1. Annual Meeting. The annual meeting of Members shall be set by the board of directors for the purpose of electing Directors of the corporation and for the transaction of such other business as may be properly brought before the meeting.

Section 2. Special Meeting. A special meeting of the Members may be called at any time by the President or the Directors, and shall be called by the Secretary upon the written request of persons representing at least ten (10 %) percent of the votes of the Members entitled to be cast on any issue to be considered at the special meeting.

Section 3. Place of Meeting. All meetings of Members shall be held at the principal office of the corporation, or at such other place within the State of North Carolina, as shall be designated in the notice of the meeting or agreed upon by a majority of the Directors at the time in office or a majority of the Members entitled to vote at the meeting.

Section 4. Notice of Meetings. Written notice, including by e-mail, stating the time and place of the meeting, and in the case of a special meeting, briefly describing the purpose or purposes thereof, shall be mailed, or emailed not less than ten (10) business days (or, if notice is mailed by other than first class, registered or certified mail, no fewer than thirty (30) business days) and not more than sixty (60) business days before the date of the meeting to each member addressed to the Member's address as it appears on the records of the corporation. It shall be the primary responsibility of the Secretary, or the Executive Director, as directed, to give such notice, but it may be given by or at the direction of the President or other persons calling the meeting. Attendance by a Member at a meeting shall constitute a waiver of notice, except where a Member attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called.

Section 5. Quorum. For the purposes of having sufficient attendance for a meeting to go forward, a quorum shall consist of twenty percent (20%) of the Membership, in person or by proxy (see Article III Section 6). The Membership shall consist of the number of paid members existing at the time the Notice of Meeting is made. For the purposes of taking an action, a quorum shall consist of the votes of at least two-thirds (2/3) of the Members in attendance at the Meeting.

Section 6. Voting. Each member shall be entitled to one vote, which may be cast in person or by proxy. A proxy shall be writing signed by the member or a duly authorized attorney-in-fact and filed with the Secretary prior to the commencement of the meeting. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy. A proxy will equal one vote, regardless of the number of persons designated as proxy by a Member. If a proxy confers authority upon two or more persons and does not otherwise provide, a majority of them present at the meeting, or if only one is present then that one, may exercise all the powers conferred by the proxy. Unless a proxy otherwise provides, any proxy holder may appoint in writing a substitute to act in the proxy holder's place.

Section 7. Manner of Acting. Except as otherwise provided by law or in the bylaws, the act of the majority of the Members, present at a meeting at which a quorum is present shall be the act of the Members.

Section 8. Action Without Meeting. Any action which the Members could take at a meeting may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all the persons who would be entitled to vote upon such action at a meeting, which consent shall be filed with the Secretary of the corporation as part of the corporate records. Notice of the Action without Motion shall be mailed or emailed to all paid Members as of the date of the Notice of the Action without Motion, not less than ten (10) business days (or, if notice is mailed by other than first class, registered or certified mail, no fewer than thirty (30) business

days) and not more than sixty (60) business days before the date on which the Action without Meeting is to be voted. For an Action without Meeting to pass, at least two-thirds (2/3) of the participating Members must vote for the Action.

Section 9. Fixing Record Date. For the purpose of determining the Members entitled to notice of or to vote at any meeting of Members of in order to make a determination of members for any other purpose, the Board of Directors may fix in advance a date as the record date for the determination of Members. The record date shall be not more than seventy (70) days before the meeting or action requiring a determination of Members. A determination of Members entitled to notice of or to vote at a Members' meeting shall be effective for any adjournment of the meeting unless the board of directors fixes a new record date, which it shall do if the meeting is adjourned to a date more than one hundred twenty (120) days after the date fixed for the original meeting. If no record date is fixed, Members at the close of business on the business date preceding the day on which notice is given shall be entitled to notice of the meeting and Members on the date of the meeting who are otherwise eligible to vote shall be entitled to vote at the meeting. If no record date is fixed for an action requiring a determination of Members, Members at the close of business on the day on which the board adopts the resolution relating to such action, or the sixtieth (60th) day prior to the date of such action, whichever is later, are entitled to such rights. If no record date is fixed for action without a meeting, the record date for determining Members entitled to take action without a meeting shall be the date the first Member signs a consent to the action taken. An alphabetical list of the names and addresses of the Members entitled to notice shall be prepared and made available for inspection by any Member.

ARTICLE IV - BOARD OF DIRECTORS

Section 1. General Powers. The affairs of the corporation shall be managed by the Board of Directors in accordance with the provisions of applicable law, the Articles of Incorporation and these bylaws.

Section 2. Number, Term and Qualification. The number of directors of the corporation shall be at least three (3) but no more than fifteen (15). Each Director shall hold office until the next annual meeting of the Members and until a successor is elected and qualifies.

Section 3. Advisory Board. The voting members of the board may elect up to seven (7) non-voting advisory members. Such members shall be allowed to attend all board meeting but will be non-voting members.

Section 4. Election of Directors. The Board members shall nominate someone that either lives or works in North Carolina to serve as a director. Those directors as well as those remaining directors shall be elected at any annual meeting or a special meeting called for the purpose of electing directors. Directors shall be elected by a majority vote of the Members present at any annual meeting of the Members or at a special meeting of the Members of which notice of the purpose to elect one or more Directors has been duly given. The election of Directors shall be a part of the order of business of each annual meeting of the Members.

Section 5. Resignation. A Director may resign at any time by giving notice of the Director's resignation in writing addressed to the President or the Secretary, or by presenting a written resignation in person at an annual or special meeting of Directors.

Section 6. Removal. Directors may be removed from office at any time with or without cause by the Members by the vote that would be required to elect the Director to the Board of Directors. If a Director is removed, a new Director may be elected to fill the vacancy at the same meeting.

Section 7. Vacancies. A vacancy occurring in the Board of Directors may be filled by a majority of the remaining Directors (but not less than two) at any regular meeting or special meeting of the Board or may be filled by the Members.

Section 8. Compensation. Directors shall not receive any stated salaries for their services, but by resolution of the board, expenses of attendance, if any, may be allowed for attendance at the meetings; but nothing herein shall be construed to preclude a director from serving the corporation in any other capacity and receiving compensation for services in such other capacity.

ARTICLE V - MEETINGS OF DIRECTORS

Section 1. Annual Meeting. The annual meeting of the Board of Directors shall be held at the annual meeting of the Members, each year by the determination of the Board of Directors, for electing officers of the corporation and the transaction of such other business as may be properly brought before the meeting.

Section 2. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two Directors.

Section 3. Place of Meetings. Meetings of the Board of Directors may be held at the principal office of the corporation or at such other place within the State of North Carolina, as shall either (i) be designated in the notice of the meeting or (ii) be agreed upon at or before the meeting by a majority of the Directors then in office.

Section 4. Notice of Meetings. The Secretary or other person or persons calling a meeting for which notice is required shall give notice by mail at least five (5) business days before the meeting. Unless otherwise indicated in the notice, any and all business may be transacted at a meeting of the Board of Directors. Attendance by a Director at a meeting shall constitute a waiver of notice, except where a Director attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called.

Section 5. Quorum. One-third (1/3) of the Directors in office immediately before a meeting begins shall constitute a quorum for the transaction of business at a meeting of the Board of Directors.

Section 6. Manner of Acting. Except as otherwise provided by law or in the bylaws, the act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 7. Action Without Meeting. Action taken by a majority of the Directors or members of a committee without a meeting is nevertheless Board or committee action if written consent to the action in question is signed by all of the Directors or of the members of the committee, as the case may be, and filed with the minutes of the proceedings of the Board or committee, whether done before or after the action is taken.

Section 8. Meeting by Conference Telephone or Computer. Any one or more Directors or members of a committee may participate in a meeting of the Board or committee by means of a conference telephone, computer or similar communications device which allows all Directors participating in the meeting to simultaneously hear each other during the meeting, and such participation in a meeting shall be deemed present in person at such meeting.

ARTICLE VI - COMMITTEES

Section 1. Executive Committee. The Board of Directors, by resolution adopted by a majority of the number of Directors in office, may designate two or more Directors or Officers to constitute an Executive Committee, which shall have and may exercise the authority of the Board in the management of the business and affairs of corporation during intervals between meetings. Vacancies in the membership of the Executive Committee shall be filled by a majority vote of the whole Board of Directors at a regular meeting or at a special meeting called for that purpose. The Executive Committee shall keep minutes of its proceedings and shall report to the Board of Directors on action taken. Minutes of meetings of the Executive Committee shall be prepared and kept with the records of the corporation.

Section 2. Standing or Other Committees. Standing or other committees having two or more members may be designated by a resolution adopted by a majority of the number of Directors then in office. Vacancies in the membership of such committees shall be filled by appointment made in the same manner as provided in the case of the original appointment.

Section 3. Committee Authority. No committees of the Board (including the Executive Committee) shall be authorized to take the following actions:

- (A) Authorize distributions to or for the benefit of the Members, Directors or officers;
- (B) Recommend to Members or approve dissolution, merger or the sale, pledge, or transfer of all or substantially all of the corporation's assets;
- (C) Elect, appoint or remove directors, or fill vacancies on the Board of Directors or on any of its committees, or
- (D) Adopt, amend, or repeal the Articles of Incorporation or bylaws.

ARTICLE VII - OFFICERS

Section 1. Titles. The officers of the corporation shall be a President, a Vice-President, a Secretary and a Treasurer. Any two or more offices may be held by the same individual, but no other officer may act in more than one capacity where action of two or more officers is required.

Section 2. Relationships. No two members of the Executive Committee related by blood or marriage/domestic partnership within the second degree of consanguinity or affinity may serve on the Executive Committee at the same time. A spouse, or a partner, may serve separately on the Board as an at-large member.

Section 3. Election and Term. The officers of the corporation shall be elected by the Board of Directors at the annual meeting. Each officer shall hold office for three years and until a successor is elected and qualifies. No officer is to exceed more than a two-year three-year term, for a total of seven (7) years total served time before rolling off of the Board.

Section 4. Removal. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board whenever in its judgment the best interests of the corporation will be served, but removal shall be without prejudice to any contract rights of the individual removed.

Section 5. Resignation. An officer or agent may resign at any time by communicating such resignation to the corporation. A resignation is effective when it is communicated unless it specifies in writing a later effective date.

Section 6. Vacancies. Vacancies among the officers may be filled and new offices may be created and filled by the Board of Directors.

Section 7. President. The President shall be the chief executive officer of the corporation and, subject to the control of the Board of Directors, shall supervise and control the management of the corporation in accordance with these bylaws. The President shall preside at meetings of the Board of Directors. The President shall sign, with any other proper officer, instruments which may be lawfully executed on behalf of the corporation, except where required or permitted by law to be otherwise signed and executed, and except where the signing and execution shall be delegated by the Board of Directors to some other officer or agent. In general, the President shall perform all duties incident to the office of President and such other duties as may be assigned by the Board of Directors from time to time.

Section 8. Vice President. The Vice President shall exercise the powers of the President during that officer's absence or inability to act. Any action taken by a Vice President in the performance of the duties of the President shall be presumptive evidence of the absence or inability to act of the President at the time the action was taken. The Vice Presidents shall have such other powers and perform such other duties as may be assigned by the Board of Directors. The Vice President shall automatically be the president elect that will be recommended by the Board of Directors to become the new President upon the expiration of the term, health reason or removal from office of the President.

Section 9. Treasurer. The Treasurer shall have custody of all funds and securities belonging to the corporation and shall receive, deposit or disburse the same under the direction of the Board of Directors; provided, that the Board may appoint a custodian or depository for any such funds or securities, and the Board may designate those persons upon whose signature or authority such funds may be disbursed or transferred. The Treasurer shall in general perform the duties incident

to the office and such other duties as may be assigned from time to time by the President or the Board of Directors. The powers and duties of the Treasurer may be executed by the Executive Director (as defined under Article IX), if so authorized by the Executive Board.

The Treasurer, or the Executive Director (as defined under Article IX), as directed, shall deposit all funds into and make all disbursements from a bank account held in the name of the Association. All deposits must be made within five (5) banking days of receipt. Any extraordinary expenses, as defined under the Rules and Regulations, must have Executive Board approval before any obligation to pay is incurred. Any refunds over the amount of two hundred dollars (\$200) will require notification to the Executive Board, or as outlined under the Rules and Regulations. The Treasurer, or the Executive Director, as directed, shall submit all bank statements showing reconciliation of accounts for the previous month to the Executive Board via electronic means for review, and provide a treasurer report at all meetings of the Board. The Treasurer, or the Executive Director, as directed, shall maintain a ledger recording all disbursements and receipts of the Association and shall prepare reports of the disbursements and receipts of the Association for approval first by the Executive Board. Once the report is approved by the Executive Board, it shall be attached to the official membership meeting minutes as part of the permanent record of the Association and made available to the general membership. The Treasurer, or the Executive Director, as directed, shall be responsible for preparing a proposed budget for the ensuing fiscal year for adoption by the membership at our annual meeting or no later than October of each year. The proposed budget shall be submitted to and approved by the Executive Board prior to the submission to the membership at the annual meeting. The Treasurer, or the Executive Director, as directed, in association with the Vice President, shall make a recommendation to the Executive Board with respect to the setting of dues for the ensuing fiscal year of the Association. The Treasurer, or the Executive Director, as directed, shall be responsible for all filings required by the Internal Revenue Service at the appropriate time for such filing each year.

Section 10. Secretary. The Secretary shall keep accurate records of the acts and proceedings of all meetings of the Board of Directors and shall give all notices required by law and these bylaws. The Secretary shall have general charge of the corporate books and records and of the corporate seal and shall affix the corporate seal to any lawfully executed instrument requiring it. The Secretary shall sign such instruments as may require the signature of the Secretary and in general shall perform all the duties incident to the office of Secretary and such other duties as may be assigned from time to time by the President or by the Board of Directors.

ARTICLE VIII - INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 1. General Policy. It shall be the policy of the corporation to indemnify to the maximum extent permitted by Chapter 55A of the General Statutes of North Carolina any one of more of the Directors, officers, employees, or agents and former Directors, officers, employees or agents of the corporation, and persons who serve or have served at the request of the corporation as directors, officers, partners, trustees, employees or agents of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, against judgments, penalties, settlements and other liabilities incurred by them in connection with any pending,

threatened or completed action, suit or proceeding, whether civil, criminal, investigative or administrative (a “proceeding”) and against reasonable costs and expenses (including attorney’s fees) in connection with any proceeding, where such liabilities and litigation expenses were incurred incident to the good faith performance of their duties.

Section 2. Use of Corporate Funds. The corporation may advance expenses in connection with any proceeding to any such person in accordance with applicable law. The use of funds of the corporation for indemnification or for the purchase and maintenance of insurance for the benefit of the persons designated in Section 1 of this Article shall be deemed a proper expense of the corporation.

Section 3. Conflicts of Interest. Whenever a director or officer has a financial or personal interest in any matter coming before the board of directors, the board shall ensure that:

1. The interest of such officer or director is fully disclosed to the board of directors.
2. No interested officer or director may vote or lobby on the matter or be counted in determining the existence of a quorum at the meeting of the board of directors at which such matter is voted upon.
3. Any transaction in which a director or officer has a financial or personal interest shall be duly approved by members of the board of directors not so interested or connected as being in the best interests of the organization.
4. Payments to the interested officer or director shall be reasonable and shall not exceed fair market value.
5. The minutes of meetings at which such votes are taken shall record such disclosure, abstention, and rationale for approval.

ARTICLE IX – STAFF

Section 1. Executive Director. The Board of Directors shall hire an Executive Director (“Executive Director”) who shall serve at the will of the Board. The Executive Director shall have immediate and overall supervision of the operations of the Corporation, and shall direct the day-to-day business of the Corporation, maintain the properties of the Corporation, if applicable, hire, discharge, and determine the salaries and other compensation of all staff members under the Executive Director’s supervision, and perform such additional duties as may be directed by the Executive Committee or the Board of Directors. No officer, Executive Committee member or member of the Board of Directors may individually instruct the Executive Director or any other employee. The Executive Director shall make such reports at the Board and Executive Committee meetings as shall be required by the President or the Board. The Executive Director shall be an ad-hoc member of all committees.

The Executive Director may not be related by blood or marriage/domestic partnership within the second degree of consanguinity or affinity to any member of the Board of Directors or Advisory Council. The Executive Director may be hired at any meeting of the Board of

Directors by a majority vote and shall serve until removed by the Board of Directors upon an affirmative vote of three-quarters (3/4) of the members present at any meeting of the Board Directors. Such removal may be with or without cause. Nothing herein shall confer any compensation or other rights on any Executive Director, who shall remain an employee terminable at will, as provided in this Section.

ARTICLE X - GENERAL PROVISIONS

Section 1. Seal. The seal of the corporation shall bear the name of the corporation and the letters "N.C."

Section 2. Waiver of Notice. A Director or other person entitled to receive a notice required to be given under the provisions of these bylaws, the Articles of Incorporation or by applicable law, may waive such notice by signing a written waiver, whether before or after the date and time stated in the notice. The waiver shall be filed with the minutes or corporate records. A Director's attendance at or participation in a meeting waives any required notice to that Director of the meeting unless the Director at the beginning of the meeting (or promptly upon arrival) objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

Section 3. Checks. All checks, drafts or orders for the payment of money shall be signed by the officer or officers or other individuals that the Board of Directors may from time to time designate.

Section 4. Bond. The Board of Directors may by resolution require any or all officers, agents or employees of the corporation to give bond to the corporation, with sufficient sureties, conditioned upon faithful performance of the duties of their offices or positions, and to comply with such other conditions as may from time to time be required by the Board.

Section 5. Loans. No loans shall be contracted on behalf of the corporation and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 6. Fiscal Year. The fiscal year of the corporation shall be the period ending on December 31 of each year.

Section 7. Dissolution. Upon termination or dissolution of N.C. Herb Association, any asset lawfully available for distribution shall be distributed to one (1) or more qualifying organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986 (or described in any corresponding provision of any successor statute) which organization or organizations have a charitable purpose which, at least generally, includes a purpose similar to the terminating or dissolving corporation.

The organization to receive the assets of the N.C. Herb Association hereunder shall be selected by the discretion of a majority of the managing body of the N.C. Herb Association by one (1) or more of its managing body which verified petition shall contain such statements as

reasonably indicated the applicability of this section. The court upon finding that this section is applicable shall select the qualifying organization or organizations to receive the assets to be distributed, giving preference if practicable to organizations located within the State of North Carolina.

Section 8. Prohibited Distributions. No part of the net earnings, or properties of this corporation, on dissolution or otherwise, shall inure to the benefit of, or be distributable to, its members, directors, officers or other private person or individual, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article VIII Section 2.

Section 9. Restricted Activities. No substantial part of the corporation's activities shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene (including the publishing or distribution of statements) in any political campaign on behalf of or in opposition to any candidate for public office.

Section 10. Prohibited Activities. Notwithstanding any other provision of the Articles, the corporation shall not carry on any activities not permitted to be carried on (I) by a corporation exempt from federal income tax as an organization described by Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or (II) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

Section 11. Amendments. These bylaws may be amended or repealed and new bylaws may be adopted by the affirmative vote of a majority of the entire Board of Directors at any annual, regular or special meeting of the Board; or by a majority of the Members present at any meeting at which a quorum is present provided, that notice of the meeting shall have been given which states that the purpose or one of the purposes of the meeting is to consider a proposed amendment to the bylaws and includes a copy or summary of the proposed amendment or states the general nature of the amendment. Such notice may be waived as provided in these bylaws.

* * * * *

THIS IS TO CERTIFY that the above bylaws of the N.C. Herb Association were duly adopted by the Board of Directors at a meeting held on July 24, 2020.

This, the fourteenth day of March, 2020.

Renee Garner, President

Mena Killough, Vice President

Amber Humphrey, Secretary