

BYLAWS OF
HERITAGERAIL ALLIANCE
(as amended through October 7, 2017)

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ARTICLE I
Name and Purpose

The name of this corporation is "HeritageRail Alliance" ("Corporation"). The Corporation is an Illinois not-for-profit corporation resulting from a merger between the former "Association of Railway Museums, Inc." ("ARM"), an Illinois not-for-profit corporation, and the former "Tourist Railway Association, Inc." ("TRAIN"), a New York not-for-profit corporation.

The Corporation's purpose is to be a trade association as described in 805 ILCS 105/103(a)(19) promoting the common interests of entities engaged in the business of tourist, scenic, historic or excursion railroading, railway and trolley museums and entities engaged in the business of supplying goods or services to the forgoing entities.

The Corporation is not organized for profit or to engage in activities ordinarily carried on for profit, nor for the purpose of providing particular services for any member or private individual. . The activities of the Corporation shall be carried on in the manner permitted by section 501(c)(6) of the Internal Revenue Code. No part of the Corporation's net earnings is to inure to the benefit of any private shareholder (the Corporation has no shareholders) or individual.

ARTICLE II ***Members***

Section 2.1 CLASSES OF MEMBERS.

The Corporation shall have two (2) classes of voting members ("Members") as follows:

2.1.1 FULL MEMBERS. Any organization (whether for profit or not-for-profit) which is engaged in the business of operating a tourist railway or railway / trolley oriented museum, and which displays or operates rail equipment, artifacts or structures for the educational or recreational benefit of the public is eligible for full membership.

2.1.2 COMMERCIAL MEMBERS. Any entity (whether for profit or not-for-profit) which is engaged in the business of providing goods or services to organizations eligible for regular membership is eligible for commercial membership.

The Board shall establish the application process applicable to the foregoing voting membership classes. An applicant shall become a voting member of the appropriate class after the applicant has submitted the required application form and paid the applicable dues and fees, and the Secretary has notified the applicant of its acceptance.

The Board of Directors shall have the authority to create additional classes of non-voting members ("Associate Members") for the Corporation.

Section 2.2 RESIGNATION.

A Member may resign at any time by filing a written resignation with the Secretary. A Member who resigns is not entitled to the return of any previously paid dues or fees.

Section 2.3 TERMINATION OF MEMBERSHIP.

The Corporation may terminate the membership of a Member as follows:

2.3.1 Membership shall terminate automatically 30 days after the Corporation delivers to the Member a second notice of failure to pay requisite dues and fees (including any applicable late fees).

2.3.2 The Board may terminate membership of any Member if the Board determines that the Member has engaged or is engaging in conduct: (i) which violates the Bylaws, rules or policies of the Corporation; or (ii) which is contrary to the interests of the Corporation. In the event the Board seeks to terminate any Membership in accordance with this provision, the Corporation shall deliver written notice to the Member of the proposed termination which (i) advises the Member of the reasons(s) for the proposed termination; (ii) advises the Member of the date and place of the meeting at which the Board will consider the termination; and (iii) informs the Member that it may submit a written response to the Board prior to the meeting and will be allowed a reasonable opportunity to be heard at the meeting. The Board's action on whether to terminate the

membership of a Member is final and not subject to appeal. A Member whose membership is terminated under this provision may not reapply for Membership until one (1) year from the date of termination, and the Board may reject any such application in its sole discretion.

A Member whose membership is terminated is not entitled to the return of any previously paid dues or fees.

Section 2.4 DUES

The Board shall establish the dues for each class of membership.

ARTICLE III ***Meetings of Members / Informal Action***

Section 3.1 ANNUAL MEETING

An Annual Meeting of Members shall be held at a time and place to be determined by the Board.

Section 3.2 SPECIAL MEETINGS

Special meetings of the Members may be called by the President, the Board or not less than fifty percent (50%) of the Members solely for the purpose or purposes stated in the call of the meeting.

Section 3.3 NOTICE OF MEETINGS

Written notice stating the place date and time of any meeting of Members shall be delivered to each Member entitled to vote at the meeting not less than thirty (30) days nor more than sixty (60) days prior to the date of such meeting.

Section 3.4 RECORD DATE / CREDENTIALS

The Record Date for a meeting of the Members shall be the date on which the notice of the meeting is delivered to the Members. Only Members of record on the Record Date shall be entitled to vote at the meeting. The Board may establish requirements for representatives of Members to establish their authority to act at a meeting

Section 3.5 QUORUM AND MANNER OF ACTING

The presence in person of not less than ten percent (10%) of the Members shall constitute a quorum. If a quorum is present, the affirmative vote of a majority of the Members at such

meeting shall be the act of the Members, unless the vote of a greater number is required by law, the articles of incorporation or these Bylaws.

Section 3.6 VOTING

Each Member shall be entitled to one (1) vote on each matter submitted to a vote of the Members. Proxy voting, cumulative voting and voting agreements are prohibited.

Section 3.7 INFORMAL ACTION BY MEMBERS

- 3.7.1 Ballot** – Except for election of Directors as provided in Section 4.5, voting by ballot without a meeting is not permitted.
- 3.7.2 Unanimous Consent** - Any action which may be taken at an annual or special meeting of the Members may be taken without a meeting if all of the Members entitled to vote consent in writing to the action.

ARTICLE IV *Board of Directors*

Section 4.1 GENERAL POWERS

The affairs of the Corporation shall be managed by or under the direction of a Board of Directors.

Section 4.2 NUMBER AND QUALIFICATIONS

Following the term of the Transition Board (Section 4.17), the Board will consist of fifteen (15) Directors. In order to serve as a Director, an individual must be a Member or be an employee or volunteer member of a Member.

Section 4.3 TERM

Except as provided in Section 4.17, Directors shall serve a term of three (3) years, the terms being staggered so that five (5) Directors are elected each year. A Director who has served three (3) three-year consecutive terms is not eligible for election to a fourth consecutive term.

Section 4.4 NOMINATIONS

Candidates for Director positions may be nominated either by the Nominating Committee or by petition, as follows:

- 4.4.1 Nominating Committee** – The Nominating Committee (see Section 6.1.3) shall select such persons as nominees who it determines to be willing, able and best

qualified to be candidates for the Director positions to be filled in that calendar year. The committee, if it chooses to do so, may select more nominees than the number of positions to be filled. The committee will deliver its recommendations to the Secretary no later than seventy-five (75) days prior to the next Annual Meeting of Members, together with a brief resume of each nominee and each nominee's written consent to the nomination.

- 4.4.2 *Petition*** – Any eligible person may be nominated as a candidate for Director by a petition signed by representatives of at least ten (10) Members. The petition must contain the name of the nominee, a brief resume of the nominee and the nominee's written consent to the nomination. Any such petition must be delivered to the Secretary no later than sixty (60) days prior to the next Annual Meeting of Members.

Any nominee may withdraw his/her name by request to the Secretary..

Section 4.5 ELECTIONS

Directors shall be elected by ballot as provided below:

- 4.5.1** The Secretary shall deliver ballots to the Members no less than 45 days prior to the date of the next Annual Meeting of Members. The ballot must contain the names of all persons who have been nominated in accordance with Section 4.4 of these Bylaws and their resumes;
- 4.5.2** Voting must remain open for no less than twenty (20) days after the ballots are delivered, and shall close no less than (10) days prior to the Annual Meeting of Members. Ballots received after the closing date shall not be counted;
- 4.5.3** In order for a person to be elected under this procedure: (i) the number of Members casting votes in the election must be at least the number of Members that would constitute a quorum had the vote been taken at a meeting, and (ii) the person must receive the votes of a majority of the Members casting ballots;
- 4.5.4** The election of a person as a Director under this procedure shall be effective at the next meeting of the Board if notice of the election results has been delivered to all of the Members at least five (5) days prior to the date of the meeting. The Nominating Committee or its designee shall use its best efforts to tabulate the vote and deliver the results no less than five (5) days prior to the date of the Annual Meeting of Members.

In the event the election of Directors cannot be conducted by ballot, the election shall take place at the Annual Meeting of the Members. In this event, the notice of the meeting shall contain the names of all persons who have been nominated in accordance with Section 4.4 of these Bylaws and their resumes.

Section 4.6 REGULAR MEETINGS

A regular annual meeting of the Board shall be held without notice other than these Bylaws in conjunction with the Annual Meeting of Members. The Board may, by resolution, provide the time and place for holding additional regular meetings of the Board without notice other than such resolution.

Section 4.7 SPECIAL MEETINGS

Special meetings of the Board may be called by the President, the Executive Committee or any five (5) Board members. The person or persons authorized to call special meetings may fix the time and place for any special meeting of the Board called by them. If the person or persons calling the meeting fail to fix the time and place for the meeting, the Secretary shall do so.

Section 4.8 NOTICE

Notice of any special meeting of the Board shall be delivered to each Director no later than two (2) days in advance of the meeting. Neither the business to be transacted nor the purpose of any regular or special meeting need be specified in the notice unless otherwise required by law or these Bylaws.

Section 4.9 QUORUM

A majority of the Directors shall constitute a quorum for the transaction of business at any business before the Board, except that, if less than a quorum is present at a meeting, the majority of Directors present may adjourn the meeting to another time.

Section 4.10 MANNER OF ACTING

The act of a majority of Directors present at a meeting at which a quorum is present shall be the act of the Board, unless the act of a greater number is required by law, the articles of incorporation or these Bylaws. No Director may act by proxy on any matter.

Section 4.11 PARTICIPATION IN MEETINGS BY CONFERENCE CALL

Directors may participate in and act at any meeting of the Board through the use of a conference telephone or other communications equipment by means of which all Directors participating in the meeting can communicate with each other. Participation in such meeting shall constitute attendance and presence in person at the meeting.

Section 4.12 INFORMAL ACTION BY DIRECTORS

Any action which may be taken at a meeting of the Board may be taken without a meeting if all of the Directors consent in writing to the action.

Section 4.13 RESIGNATION

A Director may resign at any time by written notice given to the President or the Secretary. A resignation is effective when the notice is delivered unless the notice specifies a future date.

Section 4.14 REMOVAL

The Members may remove any Director with or without cause. Notice of a meeting at which removal of a Director is to be considered must state that a purpose of the meeting is to remove one or more named Directors, and only the named Director(s) may be removed at the meeting. Removal requires two-thirds of the votes of those present and voted.

Section 4.15 VACANCIES

Any vacancy occurring on the Board between elections shall be filled by the Board unless otherwise provided by law. A Director appointed by the Board to fill a vacancy shall serve for the unexpired term of his/her predecessor. The Director shall assume office at the next meeting of the Board.

Section 4.16 COMPENSATION

Directors shall not receive compensation for their services as Directors. However, the Board may reimburse Directors for their reasonable travel and other qualified expenses.

Section 4.17 MERGER TRANSITION PROVISIONS

[Automatically deleted at end of transition period per section 4.17 of March 9, 2012 bylaws]

ARTICLE V Officers

Section 5.1 GENERAL

The officers of the Corporation shall include a President, one or more Vice Presidents, a Secretary, a Treasurer and such other officers as may be elected or appointed by the Board. Any two or more offices may be held by the same person. All officers serve under the direction of the Board and shall perform duties as may be specified by the Board. The Board may delegate any of the duties of an officer to any other officer or Director.

Section 5.2 ELECTION, TERM AND REMOVAL

Officers shall be elected annually by the Board at its annual meeting (Section 4.6) or as soon thereafter as may be convenient. New offices may be created and filled and offices previously created by the Board eliminated at any meeting of the Board. The Board may remove any officer from office at any time.

Section 5.3 DUTIES OF OFFICERS

- 5.3.1 *PRESIDENT*** – The President is the chief executive officer of the Corporation. He/she shall preside over all meetings of the Board and the Members and shall be, ex officio, a member of all committees. Only Directors may serve as President.
- 5.3.2 *VICE PRESIDENT(S)*** – In the absence of the President, or in the event of his/her refusal or inability to act, a Vice President (in the order designated by the Board) shall perform the duties of the President and, when so acting, shall have all the powers of, and be subject to all of the restrictions on, the President. Only Directors may serve as Vice President(s).
- 5.3.3 *SECRETARY*** – The Secretary is responsible for the Corporation's corporate records, minutes of meetings, and correspondence, and shall have authority to certify documents of the Corporation as true and correct. The Secretary shall see that an accurate list of the Corporation's members is maintained and that all notices are given as required by these Bylaws or by law.
- 5.3.4 *TREASURER*** – The Treasurer is the chief financial and accounting officer of the Corporation and shall have custody of the Corporation's corporate funds and financial records. The Treasurer shall see that funds are disbursed as may be authorized by the Board that adequate books of account are maintained, and that tax and other reporting forms are properly filed as required by law.
- 5.3.5 *OTHER OFFICERS*** – Officer positions created by the Board shall have the authority and duties specified by the Board.

ARTICLE VI *Committees*

Section 6.1 STANDING COMMITTEES

The Corporation shall have the following standing committees:

- 6.1.1 *Executive Committee*** – The Executive Committee consists of the Corporation's President (Chair), a Vice President selected by the Board, Treasurer, Secretary

and one other Director or Officer selected by the Board. At least three (3) of the Committee members shall be Directors. Subject to direction and control of the Board and to the limitations of Section 6.3, the Committee shall have all of the powers and authority of the Board in the intervals between meetings of the Board, except as provided by law or these Bylaws.

6.1.2 Finance Committee - The Finance Committee consists of the Treasurer, who shall serve as the Committee chair, and four (4) representatives of the Members appointed by the Board. At least three (3) of the Committee members shall be Directors. The Finance Committee shall oversee financial procedures, the annual budget, financial reporting and investment and disbursement of Corporation funds, and shall make recommendations on these matters to the Treasurer and to the Board.

6.1.3 Nominating Committee - The Nominating Committee is selected by the Board and consists of five (5) representatives from Members, one of whom shall be a past President of the Corporation if one is willing to serve. The Nominating Committee shall be responsible for recommending candidates for election to the Board of Directors, as provided in Section 4.4 of these Bylaws.

Section 6.2 OTHER COMMITTEES

The Board may create other committees from time to time, such committees having the duties, quorum requirements and procedures as may be specified by the Board. The President shall be an ex officio member of all such committees. If a committee is authorized to exercise the authority of the Board in any manner, at least two (2) Directors shall be committee members, and a majority of the committee membership shall be Directors.

Section 6.3 LIMITATIONS

No committee shall (i) adopt a plan for distribution of the assets of the Corporation or its dissolution; (ii) approve or recommend to the Members any act required by law to be approved by Members (does not apply to nominating committee recommendations relating to election of Directors); (iii) fill vacancies on the Board; (iv) elect, appoint or remove any officer; (v) adopt a plan of merger or consolidation with another corporation, or authorize the sale, lease, exchange or mortgage of all or substantially all of the property or assets of the Corporation; or (vi) Amend, alter, repeal or take action inconsistent with any Board action which provides, by its terms, that it shall not be amended, altered or repealed by action of a committee.

ARTICLE VII

Miscellaneous Provisions

Section 7.1 NOTICES

Any notice required by law, the Corporation's Articles of Incorporation or these Bylaws shall be deemed delivered when (i) transferred or presented to someone in person; (ii) deposited in the U.S. mail with first class postage prepaid, or sent by courier service, addressed to the person at

his/her/its mailing address as it appears in the Corporation's records; or (iii) transmitted by electronic means (including without limitation, E-Mail or facsimile transmission) to the address that appears in the Corporation's records.

7.1.1 Electronic Notices – A notice or action required by these Bylaws to be in writing may be made in electronic form and transmitted or delivered by electronic means including, without limitation, E-Mail transmission. A notice or action transmitted by the Corporation shall be deemed delivered to a person as of the date and time the Corporation transmits it to the electronic contact information for that person as it appears in the Corporation's records. A notice or action transmitted to the Corporation shall be deemed delivered as of the date and time it is actually received by the Corporation.

7.1.2 Waiver of Notice – Whenever any notice is required to be given by law, the Corporation's articles of incorporation or Bylaws, a waiver by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent to the giving of such notice. Attendance of a person at any meeting shall constitute that person's waiver of notice for the meeting unless the person objects to the holding of the meeting because proper notice was not given and presents his/her objection at the beginning of the meeting or promptly upon his/her arrival.

Section 7.2 PARLIAMENTARY PROCEDURE

The conduct of meetings will be governed by the most recent revision of Robert's Rules of Order. In case of a conflict between Roberts Rules of Order and these Bylaws, these Bylaws will govern.

Section 7.3 AMENDMENTS

These Bylaws may be amended or repealed by a vote of two-thirds of the Members entitled to vote who are present at a meeting of the Members. Person(s) proposing amendments or repeal must deliver the proposal to the Secretary no less than sixty (60) days prior to the meeting at which the matter is to be acted upon. Written notice of the proposed amendment or repeal shall be delivered to the Members no less than thirty (30) days prior to the date of the meeting at which the matter is to be acted upon.

Section 7.4 DISSOLUTION – DISTRIBUTION OF ASSETS

The assets of the Corporation in the process of dissolution shall be applied and distributed as follows:

7.4.1 All liabilities and obligations of the Corporation shall be paid, satisfied or discharged, or adequate provision shall be made therefore, in accordance with Illinois law;

- 7.4.2 Assets held by the Corporation upon condition requiring return, transfer or conveyance by reason of the dissolution shall be returned, transferred or returned in accordance with such requirements;
- 7.4.3 Any remaining assets shall be conveyed to one or more corporations, societies or organizations which are exempt from taxation under Section 501(c) of the Internal Revenue Code or any successor statute and which are engaged in activities substantially similar to those of the Corporation, pursuant to a plan of distribution adopted in accordance with Illinois law.