

North Carolina Railway Museum

BYLAWS

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ARTICLE I

OFFICES/NAMES

Section 1 – Offices, Official Address:

The principal offices of the North Carolina Railway Museum (Corporation) will be located within the State of North Carolina, with mailing address:

North Carolina Railway Museum
Post Office Box 40
New Hill, NC 27526

Changes to this address, as necessary, shall require a two-thirds ($\frac{2}{3}$) majority vote of the entire Board of Directors.

The Corporation will have such other offices, either within or without the State of North Carolina as designated by the Board of Directors, or as the business of the Corporation requires from time to time. The Corporation has the discretion to do business as the North Carolina Railroad Museum (NCRM), the New Hope Valley Railway (NHVRy), or other trade name as approved by a majority vote of the Board of Directors.

No one other than officers, directors, appointed committee members, and other Corporation members specifically authorized to do so shall be permitted to use an alternate address for the receipt of mail where it is possible to construe the alternate address to be for official Corporation business. The Corporation's official address is only to be used for correspondence related to Corporation business.

For the purposes of these bylaws, the term "*company*" shall have the same meaning as "*corporation*" as used in this section. Either word is permitted to be used interchangeably.

Section 2 –Intellectual Property:

The names and/or initials "North Carolina Railway Museum," "East Carolina Chapter, NRHS," "New Hope Valley Railway," "North Carolina Railroad Museum," "ECC-NRHS," "ECCNRHS," "ECC," "NHV," "NHVR," "NHV-RWY," and "NHVRy" are deemed by these bylaws to be owned exclusively by the Corporation. Additions or deletions to the names and/or initials (collectively called "terms" in this section of the Bylaws) set out above require a majority vote of the Board of Directors at its discretion. Any logo, herald, or graphic drawing which incorporates these terms is deemed to be covered by this section of the Bylaws. The use of these terms is governed by the following:

- A. The terms listed above are to be used to identify real, personal, and intellectual property owned or leased by the Corporation.
- B. The terms listed above are to be used by the Corporation in advertising media.
- C. The terms listed above are to be used on Corporation letterhead or stationary. Use of such stationary is reserved for official Corporation correspondence by the duly elected officers, directors, and committee members. No other use of official Corporation stationary, unless specifically authorized by the Corporation President is permitted.
- D. The terms listed above are to be applied to items necessary to the operation of any project undertaken by the Corporation. These items include, but are not limited to, time tables, tickets, passes, train order forms, message pads, and similar items. The materials are only to be used in the normal operation of the Corporation.
- E. The terms listed above are not to be used in a manner inconsistent with the policies as stated in these Bylaws or as established by the Board of Directors, the Corporation membership, or a committee appointed to establish a policy regarding the use of the Corporation's official name.
- F. If in the event these terms and/or logos are protected by copyright or trademark, all users must acknowledge that copyright or trademark.
- G. The terms are not to be used or reproduced on any souvenirs, memorabilia, or other artifacts offered for sale, trade, gift, or other purpose, other than for the benefit of the Corporation, without the specific written permission authorized by a majority vote of the Board of Directors. Any such use without authorization will be considered as fraud.
- H. Use of the terms listed above for promotional items including, but not limited to, caps, tee-shirts, patches badges, and printed matter of any kind by vendors other than the Corporation must include the statement "used with permission of the North Carolina Railway Museum."
- I. No equipment, rolling stock, real property or personal property, unless owned or leased by the Corporation is permitted to be labeled or stenciled with the Corporation's name, initials, or logo. The Corporation must have a legally recognizable ownership interest in such property prior to or concurrent with said property being identified with any or all of the terms listed above. The use of the Corporation's name, initials, or logo on any property that is not owned or leased by the Corporation is prohibited unless authorized by a majority vote of the Board of Directors and the beneficial owner of the property.

- J. All files maintained by and original copies of all correspondence, memoranda, and other materials directed to officers, directors, and members in the normal conduct of Corporation business are deemed by virtue of the Corporation's ownership of the terms listed above to be the Corporation property held in trust for the Corporation by the officers, directors, and members. The materials are to be surrendered by the officers, directors, or members in their entirety, complete with no deletions upon the request of the Board of Directors, at the termination of office, or termination of membership in the Corporation. Copies of the Minutes of all Board of Directors Meetings shall be kept available for inspection by members in the Corporation office for a minimum of three (3) years following the date of the meeting.
- K. Electronic mail (email) messages, postings on the Corporation website, publications in the Corporation's official newsletter or publication, paper notices, or other types of message in writing involving meeting notices, voting notices, financial dealings, meeting minutes, or other binding official correspondence, or as required by these bylaws, written to or by any Director, Officer, or committee chair shall be printed, or arranged to be printed, on paper by that Director, Officer, or committee chair, and a copy of that printing delivered to the Secretary as soon as possible before the next Board of Directors Meeting following the writing. The Secretary shall maintain these materials in the official corporate files of the Corporation.

Section 3 – Notices and Announcements (“*In Writing*” Defined):

Except as shall be specifically provided by these bylaws, written notice shall be deemed to have been given if sent by letter, postcard, electronic mail (email), posting in a specific area of the Corporation website, publication in the Corporation official newsletter or publication, personal delivery of a paper notice, or other means approved by a majority vote of the entire Board of Directors. Individual members have the option to request specific delivery methods within those named above, subject to approval of a majority vote of the Board of Directors.

Section 4 – Organizational Requirements:

The Corporation is organized exclusively for purposes within the meaning of section 501(c)(3) of the US Internal Revenue Code, including, for such purposes, the making of distributions to organizations qualifying as exempt organizations under section 501(c)(3) of the US Internal Revenue Code or the corresponding section of any future United States Internal Revenue law.

No part of the net earnings of the Corporation shall inure to the benefit or be distributable to any of its members, trustees, officers, or other private persons, except the Corporation shall be authorized to pay reasonable compensation for services rendered, and to make payments and distributions in furtherance of the exempt purposes. No substantial part of the activities of the Corporation shall be propagandizing or otherwise attempting to influence legislation, and the Corporation shall not campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these articles, the Corporation shall not engage in any other activities not permitted to be performed by a corporation exempt from federal income tax under section 501(c)(3) of the US Internal Revenue Code, or the corresponding section of any future US federal tax code, or the corresponding section of any future federal tax code or United States Internal Revenue law.

Upon the cessation and dissolution of the Corporation, after paying or adequately providing for the debts and obligations of the Corporation, the remaining assets shall be distributed for one of more exempt purposes within the meaning of section 501(c)(3) of the US Internal Revenue Code or the corresponding section of any future federal tax code or United States Internal Revenue law, or shall be distributed to the US federal government or to a state or local government for a public purpose. Any such assets not so disposed shall be disposed by a court of competent jurisdiction of the county where the principal office of the Corporation is then located, exclusively for such purposes or to such organization(s) as the court shall determine, organized and operated exclusively for such purposes.

Section 5 – Conflict of Interest Policy:

The purpose of the Corporation conflict of interest policy is to protect the interests of the Corporation when entering into a transaction or arrangement with the potential of benefiting the private interest of a Member, Director, or Officer of the Corporation, or could result in a possible excess benefit transaction. This policy is intended to supplement, but not replace, any applicable state and/or federal laws governing conflict of interest to non-profit organizations.

1. Definitions:

- A. **Interested Person** – Any Member, Director, or Officer delegated powers, either through these Bylaws or incumbent in their position, with direct or indirect financial interest, as defined below.
- B. **Financial Interest**
 - 1. A person has a financial interest if they have, directly or indirectly, through business, investment, or family:
 - a. An ownership or investment interest in any entity where the Corporation has a transaction or arrangement;
 - b. A compensation arrangement with the Corporation or any entity where the Corporation has a transaction or arrangement; or
 - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual where the Corporation is negotiating a transaction or arrangement.
 - 2. Compensation includes direct and indirect remuneration as well as substantial gifts.

3. A financial interest is not necessarily a conflict of interest. Under part 2.B. of this conflict of interest policy, a person with a financial interest may have a conflict only if the Board of Directors or committee decides a conflict of interest exists.
2. **Procedures:**
 - A. **Duty to Disclose** – In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest, and be given the opportunity to disclose all material facts to the Directors, Officers, and members of committees with powers delegated by the Board of Directors considering the proposed transaction or agreement.
 - B. **Determining if a Conflict of Interest Exists** – After disclosure of the financial interest and all material facts, and after any discussion with the interested person, the interested person shall leave the meeting of the Board of Directors or committee while the determination of conflict of interest is determined and a vote upon it taken. The remaining Directors or members of the committee shall decide if a conflict of interest exists.
 - C. **Procedures for Addressing the Conflict of Interest** –
 1. An interested person may make a presentation at the Board of Directors or committee meeting, but after the presentation, the interested person shall leave the meeting during the discussion and vote involving the possible conflict of interest with the transaction or agreement being contemplated.
 2. If Appropriate, the Chair of the Board of Directors or committee shall appoint a disinterested person or committee to investigate alternatives to the proposed transaction or agreement.
 3. After exercising due diligence, the Board of Directors or committee shall determine whether the Corporation can obtain, with reasonable efforts, a more advantageous transaction or agreement from a person or entity to avoid any conflict of interest.
 4. If a more advantageous transaction or agreement is not reasonably possible under circumstances not producing a conflict of interest, the Board of Directors or committee shall determine by majority vote of the disinterested Directors or committee members present whether the transaction or agreement is in the best interests of the Corporation for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make a decision as to whether to enter into the transaction or agreement.
 - D. **Violations of the Conflict of Interest Policy** –
 1. If the Board of Directors or committee has reasonable cause to believe a Member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for this belief, and afford the member an opportunity to explain the alleged failure to disclose.
 2. If, after hearing the Member response, and after further investigation as warranted by the circumstances, the Board of Directors or committee determines the Member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.
3. **Records of Proceedings:**

The minutes of the Board of Directors and all committees with powers delegated by the Board of Directors shall contain:

 - A. The names of the persons disclosing, or otherwise found to have, a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the decision of the Board of Directors or committee as to whether a conflict of interest in fact existed.
 - B. The names of the persons present for the discussions and votes relating to the transaction or agreement, the content of the discussion including any alternatives to the proposed transaction or agreement, and a record of any votes taken in connection with the proceedings.
4. **Compensation:**
 - A. A Director receiving compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to their own compensation.
 - B. A voting member of any committee with jurisdiction including compensation matters and receiving compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to their own compensation.
 - C. No voting member of the Board of Directors or any committee with jurisdiction including compensation matters and receiving compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.
5. **Director Statements:**

Each Director, Officer, and member of a committee with powers delegated by the Board of Directors shall sign a statement affirming they:

 - A. Have received a copy of the Corporation conflict of interest policy,
 - B. Have read and understood the Corporation conflict of interest policy,
 - C. Have agreed to comply with the Corporation conflict of interest policy, and
 - D. Understand the Corporation is an educational organization, and in order to maintain its US federal tax exemption, must engage primarily in activities accomplishing one or more of its tax-exempt purposes.

6. Periodic Reviews:

To ensure the Corporation operates in a manner consistent with the purposes of an educational organization, and does not engage in activities possibly jeopardizing its tax-exempt status, periodic reviews shall be conducted by the Board of Directors. At a minimum, these reviews will include the following subjects:

- A. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's-length bargaining.
- B. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Corporation written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in inurement, impermissible private benefit, or an excess benefit transaction.

7. Use of Outside Experts:

When conducting the periodic reviews as provided in part 6 of this conflict of interest policy, the Corporation may, but is not required to, use outside experts. If outside experts are used, their use shall not relieve the Board of Directors of its responsibility for ensuring periodic reviews are conducted.

ARTICLE II

MEMBERSHIP IN THE CORPORATION

Section 1 – NRHS Membership:

Persons becoming full Members of the Corporation may, at their option, simultaneously become members of the National Railway Historical Society, Inc. (NRHS) through the East Carolina Chapter, NRHS Division by the payment of such additional dues as necessary to cover the dues to be assessed by the NRHS, and shall be subject to the qualifications for membership set forth in the constitution and bylaws of the NRHS.

Section 2 – Membership in the Corporation:

- A. Persons wishing to become a Member of the Corporation must complete a Corporation application.
- B. Distribution of applications shall be controlled by a Membership Committee, and returned to said committee for review.
- C. After Review by the Membership Committee, the application shall be submitted with the Committee's report to the Board of Directors at the next regularly scheduled Board meeting.
- D. All new members of the Corporation must have the majority approval of the Board of Directors and the Membership; to be approved to full membership. The membership ballot shall be taken at the next Regular Membership meeting with full membership rights beginning at the conclusion of the meeting where full membership was voted.
- E. If for any reason an application is rejected, the applicant must be notified in writing, stating the reason why the application was rejected and money refunded.
- F. Applicant members approved by the Board pending full membership vote shall be considered provisional members with all privileges except holding keys, voting, being covered by insurance, working on the site without other Corporation member, or representing the Corporation.

Section 3 – Application Rejections:

- A. Expulsion for any reason from any National Railway Historical Society Chapter.
- B. Severe criminal history.
- C. Refusal to provide information on the Corporation application.
- D. Refusal to submit dues with application

Section 4 – Membership Committee:

The Membership Committee shall consist of one (1) full member of the Corporation appointed by majority vote of the Board of Directors as Chair and two (2) other members of the Corporation the Membership Chair shall select.

Section 5 – Membership Categories:

Members in the Corporation will be divided into five (5) classes, defined as follows:

- A. Members – Members are individuals eighteen (18) years old or older, having paid full dues. These individuals are considered full members, and are entitled to vote on proceedings designated for membership vote in these bylaws.
- B. Family Members – Spouse or family member of a Member domiciled in the same household with such Member. Family Members are eligible for full participation in Corporation meetings, trips, and activities, but will not have the right to vote on Corporation proceedings or hold office in the Corporation.
- C. Chapter Only Members – Members of the East Carolina Chapter but holding membership in the national organization through some other NRHS Chapter. These members have full voting rights in the East Carolina Chapter.
- D. Student Members – Student Members are individuals fourteen (14) years old or older, and under eighteen (18) years old, having paid student member level dues. These individuals will not have the right to vote on Corporation proceedings or hold office in the Corporation.
- E. Associate Members – Members of North Carolina Railroad Museum only. These individuals will not have the right to vote on Corporation proceedings or hold office in the Corporation.
- F. NRHS Members – Members of the Corporation having paid the additional dues necessary for membership in the NRHS. Members in this category are permitted to participate in the votes, governance, and management of the East Carolina Chapter, NRHS Division.

Section 6 – Dues:

The amount of dues for the various classes of Memberships will be set by a majority vote of the Board of Directors.

Section 7 – Member in Good Standing:

A member in Good Standing is defined as a Member having paid current dues. Good standing status is lost by any Member failing to pay current dues within two (2) months after the due date of such dues. Good Standing status is reinstated upon payment of such dues.

Section 8 – Voting Membership of the Corporation:

The voting Membership of the Corporation shall consist only of Members in Good Standing and does not include Family Members, Student Members, or Associate Members.

Section 9 – Expulsion, Suspension, and Denial of Renewal:

A. A Member of any class shall be subject to expulsion or suspension for any of the following reasons, or for good and proper reasons as determined by a two-thirds ($\frac{2}{3}$) majority vote of the entire Board of Directors at a regular or special meeting of the Board:

1. Violating, after reasonable warning, Corporation, New Hope Valley Railway, or North Carolina Railroad Museum rules, the violation of which is likely to cause death, personal injury, or property damage;
2. Willfully and repeatedly violating, after reasonable warning, Corporation, New Hope Valley Railway, or North Carolina Railroad Museum rules, policies, or bylaws, the violation of which is likely to impede the orderly administration of the Corporation, New Hope Valley Railway, or North Carolina Railroad Museum affairs;
3. Conviction for a criminal offense;
4. Self-dealing in the assets of the Corporation, New Hope Valley Railway, or North Carolina Railroad Museum.
5. Intentionally making false statements regarding the Corporation or its dealings and/or activities by any means, including verbally, after reasonable warnings to cease from a Director, Officer, or committee chair.

Should the Board of Directors determine an addition to this list, as provided in the procedure at the beginning of this paragraph, that reason shall be codified into these bylaws as an amendment, subject to the procedures for amending these bylaws as provided in Article VIII, Paragraph A only.

B. A Member can be suspended or expelled under the provisions of Section 9(A) of this Article only by a majority vote of the entire Board of Directors following a hearing at a regular or special meeting of the Board of Directors. The hearing and following vote will be held in accordance with the quorum and voting rules set forth in the Bylaws applicable to meetings of the Board of Directors. The following procedures shall be observed:

1. A notice shall be sent by registered mail to the last known address of the Member, as shown in the Corporation records, setting forth the proposed action and the reasons therefore, and the time, date, and place of the hearing. Such notice shall be sent at least ten (10) days before the scheduled hearing.
2. The member being acted upon shall be given an opportunity to be heard, either orally or in writing, at a hearing.
3. Should circumstances prevent the first scheduled hearing to be conducted for any good and proper reason, no more than two (2) subsequent rescheduling dates shall be permitted. The hearing shall be conducted no later than the third (3rd) date scheduled.
4. Following the hearing, the Board of Directors shall go into executive session to consider the testimony presented at the hearing, and determine by two-thirds ($\frac{2}{3}$) majority vote of the Directors present if the original decision should be overturned, amended, or upheld.
5. No later than thirty (30) days following the completion of such a hearing, the membership of the Corporation shall be notified in writing of the results. No Director shall be named in the notice in such a manner as any individual votes can be determined.

C. A Member of any class suspended or expelled shall have the right to request the action of the Board of Directors be reviewed by the Voting Membership of the Corporation at its next meeting, whether regular or special. Such request shall be made in writing to be received by the Secretary not less than three (3) weeks prior to the meeting. Notice of such review shall be included in the notice of the meeting. The Member requesting the review shall be given the opportunity to fully defend himself. The Voting Membership of the Corporation shall then decide to either reaffirm the action of the Board of Directors or to overturn the action, in which case the Member shall be deemed reinstated.

D. **Denial of Renewal:** The Board of Directors has the option to decline to renew the membership of any Member for conduct prejudicial to the best interest of the Corporation or for other sufficient cause leading to the suspension or expulsion of that member. Such a denial of renewal shall apply only to membership in the Corporation. Members denied renewal shall have the right to appeal that decision as outlined in Article II, Section 9(B) above.

- E. **Removal of Members:** Any member shall only be removed from membership by a vote of two-thirds ($\frac{2}{3}$) of the full Membership, registered either in person or by ballot at any Regular or Special Membership Meeting called for the purpose for conduct detrimental to the interests of the Corporation as shown in Article II, Section 9(A) of these bylaws.

Section 10 – Meetings of the Members:

- A. Regular meetings of Members of the Corporation shall be held quarterly, on the third Saturday of January, April, July, and October. The October meeting shall be the Annual Meeting of the Corporation, at which elections will be held. Should one of those dates fall on a holiday or holiday weekend, the Board of Directors may, at its discretion, change the date of the meeting, provided due prior notice is made in writing to the membership at their last known address; or by prior publication in the Corporation newsletter or publication.
- B. Special meetings of the Members of the Corporation are permitted to be called at any time by the President of the Corporation by means of written notice in advance to the membership. Notice of special meetings shall state the nature of business to be considered. Only the business stated in the notice shall be transacted at such meeting. All such notices shall be in writing; and shall be given at least ten (10) days in advance of such meeting.

If the membership desires the convening of a special meeting, this shall be done at the earliest convenient date following receipt by the Board of Directors of a petition, signed by at least a quorum of Members, as defined in Article II, Section 12, requesting such action.

Section 11 – Place of Meetings:

All meetings of the Members of the Corporation shall be held at the North Carolina Railroad Museum and New Hope Valley Railway site. The Board of Directors has the discretionary power to designate an alternate place within the State of North Carolina for any particular meeting, provided written notice is given to the Membership at least ten (10) days prior to the meeting, in accordance with Section 10 of this Article.

Section 12 – Quorum:

A quorum shall consist of a minimum of fifteen percent (15%) of the Voting Membership of the Corporation or five (5) members, whichever number is greater. A quorum must be present at any meeting at which Corporation business is transacted. Should a ballot have been sent to the membership covering an issue to be discussed at the meeting, and the number of ballots returned constitute a quorum of the membership as defined above, the ballot shall be counted, and the matter in question decided. No binding discussion of the matter, however, shall be considered.

Section 13 – Conduct of Meetings:

Robert's Rules of Order shall be the parliamentary procedure for the conduct of meetings. In the case of conflict between these Bylaws and Robert's Rules of Order, these Bylaws shall govern.

Section 14 – Voting Rules:

- A. All voting at meetings of Members of the Corporation shall be conducted in accordance with parliamentary procedure.
- B. The assignment of voting rights, or the transfer of voting rights, is not allowed. Vote by proxy is not allowed.
- C. The Secretary shall provide each voting member with a written ballot in conjunction with all matters requiring the approval of the membership. This ballot shall give the Member the option to accept, reject, or abstain with regard to issues, questions, or candidates for which it is issued. The Board of Directors shall interpret an *abstention* as a non-vote or non-participation and counts neither "for" nor "against."
- D. Ballots shall be accepted for certification if returned by mail to the Secretary by the date specified thereon, or submitted either in person or by bearer on the date of the meeting for which issued. A committee of not less than two (2) inspectors, appointed by the Board of Directors, or by the presiding officer at the meeting, shall review and certify all properly executed ballots prior to the taking of a vote.
- E. Except where, in these bylaws, a vote is specifically stated to be required "*of the entire Membership*," the vote shall be "*of the individuals present at the meeting*" when the vote is taken.

Section 15 – Conduct of Members:

This has been established pursuant to Article II, Section 9(A)(2) of these Bylaws.

- A. At any business meeting of the Corporation or any committee or Board thereof, no Member shall engage in vituperative or profane language or any personal attack on the character or reputation of any other member, whether or not present.
- B. No Member shall engage in conduct a reasonable person would believe to be detrimental to the Corporation.
- C. No member shall mail or cause to be delivered generally to the members of the Corporation or to any group constituting at least one-tenth of the membership any material that is:

1. False; or
 2. Prejudicial to the orderly administration of the Corporation, or
 3. Which contains vituperative administrative language or personal attacks on the character or reputation of any other member.
- D. While Members retain the rights to use all of the rules and procedures set out in the Corporation Bylaws or Robert's Rules of Order, no Member shall use any procedural rule for the purpose of hindering the Corporation in the orderly administration of its business or impairing its ability to fulfill contractual obligations.
- E. During a meeting of the Membership or Board of Directors or of any committees, no Member shall refuse to abide by the rulings of the presiding officer. The rule does not prohibit any Member from appealing any ruling of the Chair according to the rules of parliamentary procedure.
- F. Any Member who has knowledge of the whereabouts of any assets or records of the Corporation shall disclose the same to the Board of Directors in a truthful and forthright manner, if requested to do so.

ARTICLE III

THE BOARD OF DIRECTORS

Section 1 – Number, Tenure, and Election

There will be a maximum of twelve (12) and a minimum of nine (9) Directors. Modifications to the specific number of seats on the Board of Directors at a given time shall be determined by a majority vote of the entire Board of Directors, and must be ratified by a simple majority vote of the entire membership by ballot at the next regular Membership Meeting following the Board of Directors vote. One third of the number of Directors will be elected annually, to serve a term of three (3) years. If the number of directors is not evenly divisible by three (3), the remaining number of directors will be elected for terms of one (1) year.

Section 2 – Nomination

At least sixty (60) days prior to the Annual Meeting of the Corporation, a majority vote of the Board of Directors shall appoint a nominating committee consisting of at least one (1) member of the Board of Directors as Chair and two (2) full members of the Corporation chosen by the Chair of the Nominating Committee and ratified by a majority vote of the Board of Directors. The committee shall determine those Members interested in serving on the Board of Directors and meeting Article III, Section 7 qualifications. This committee shall present a slate of candidates to the Membership at least ten (10) days prior to the Annual Meeting of the Corporation. This slate of candidates shall include at least one (1) or more candidates for each position to be filled. The Secretary shall arrange for a ballot, as outlined in Article II, Section 13 to be sent to all members of the Corporation at least ten (10) days before the Annual Meeting of the Corporation. No nominations shall be allowed from the floor at the Annual Meeting of the Corporation.

Section 3 – Powers and Duties

The direction and management of the affairs and finances of the Corporation will be vested in the Board of Directors. The Board of Directors will elect all officers and agents of the Corporation as authorized by the Bylaws, and will have the power to appoint such officers and agents as the Board of Directors will deem necessary for the transaction of the business of the Corporation. The Board of Directors is the final authority in interpretation of these Bylaws.

Section 4 – Meetings of the Board of Directors

A. Regular meetings of the Board of Directors shall be scheduled on a regular basis to be determined by a majority vote of all members of the Board of Directors, and meetings shall be held at the New Hope Valley Railway and North Carolina Railroad Museum site, except the time and place of the next meeting shall, at the discretion of the Board of Directors, be changed at the current meeting. A quorum of Directors, as specified in Article III Section 4(D), shall be required to be present to conduct any business, make decisions, or hold votes at any Regular Meeting of the Board of Directors, although non-binding discussions may take place when a quorum is not present. Regular meetings shall be open, with any Member of the Corporation free to attend; however, this shall not preclude the opportunity for the Board of Directors to conduct business in executive session, at its discretion, at a regular meeting.

B. Special meetings of the Board of Directors shall be called at the discretion of the President of the Corporation at any time by means of written notice to each Director, at least ten (10) days prior to the date of such meeting. Such notice shall state date, time, and place of such meeting, and the nature of the business to be transacted at such meeting. A quorum of Directors, as specified in Article III 4(D), shall be required to be present to conduct any business, make decisions, or hold votes at any Special Meeting of the Board of Directors, although non-binding discussions may take place when a quorum is not present.

Special meetings of the Board of Directors will be called by the President of the Corporation upon receipt of a written request signed by two (2) Directors. If at any time, the President of the Corporation is absent or unable to act, such special meetings shall be called by the Vice-President or Secretary of the Corporation.

Special meetings shall be open, unless announced in advance that such meetings are to be closed; however, this shall not preclude the opportunity for the Board of Directors to conduct business as deemed appropriate in executive session.

C. An emergency meeting of the Board of Directors is permitted to be called at the discretion of the President to address a specific issue. All requirements for the time limits of notification for such meeting are waived. The President shall make best efforts to notify all members of the Board of Directors of such meeting prior to the meeting. A quorum of Directors, as specified in Article III 4(D), shall be required to be present to conduct any business, make decisions, or hold votes at any Emergency Meeting of the Board of Directors, although non-binding discussions may take place when a quorum is not present. Emergency meetings are permitted to be held by a telephone poll of the Directors certified by the Secretary. The results of such a poll shall be entered into the minutes of the next regular Board of Directors meeting.

D. The quorum necessary for the conduct of business by the Board of Directors shall consist of one half (½) of the members of the Board of directors.

Section 5 – Resignation

Any Director is permitted to resign at any time by giving written notice to the Secretary of the Corporation. Such resignation shall be effective at the time specified therein; acceptance of such resignation shall not be necessary to render it effective.

Section 6 – Removal

- A. A Member of the Board of Directors shall be subject to removal for any of the following reasons:
1. Violating, after reasonable warning, Corporation, New Hope Valley Railway, or North Carolina Railroad Museum rules, the violation of which is likely to cause death, personal injury, or property damage;
 2. Willfully and repeatedly violating, after reasonable warning, Corporation, New Hope Valley Railway, or North Carolina Railroad Museum rules, policies, or bylaws, the violation of which is likely to impede the orderly administration of the Corporation, New Hope Valley Railway, or North Carolina Railroad Museum affairs;
 3. Conviction for a criminal offense;
 4. Self-dealing in the assets of the Corporation, New Hope Valley Railway, or North Carolina Railroad Museum.
- B. A Director can be removed under the provisions of Section 6(A) of this article only by a majority vote of the Membership of the Corporation at a regular or special meeting of the Corporation; provided a notice is given in writing to the Membership of the intent to take such action. The following procedure shall be observed:
1. A petition requesting that such action be taken shall be submitted to the Secretary at least ten (10) days before the Board of Directors Meeting where it is to be presented. Said petition shall state in detail the reasons why such action is requested, with specific charges. The petition shall be signed by no less than fifteen per cent (15%) of the voting Membership of the Corporation. The Secretary shall submit the petition to the Board of Directors for review; and, if merited, the Board shall place the matter on the agenda of the next meeting of the Membership, whether regular or special.
 2. The Director being acted upon shall be given an opportunity to be heard, either orally or in writing, at the hearing.
- C. A Member of the Board of Directors removed shall have the right to request such action of the Membership be reviewed by the Voting Membership of the Corporation at its next meeting, whether regular or special. Such request shall be made in writing to be received by the Secretary not less than four (4) weeks prior to the meeting. Notice of such review shall be included in the notice of the meeting. The Member of the Board of Directors requesting the review shall be given the opportunity to fully defend himself. The Voting Membership of the Corporation shall then decide either to reaffirm the action of the Board of Directors or to overturn the action, in which case the Board of Director's Member shall be deemed reinstated.

Section 7 – Qualifications of Directors

Any Member of the Corporation, at least twenty-one (21) years of age and having been a Member of the Corporation for not less than two (2) years, is eligible to serve on the Board of Directors.

Section 8 – Replacing Directors

In case of a vacancy on the Board of Directors, the remaining Directors shall hold an election at the next regular Membership Meeting if such a meeting is at least two (2) months in the future. A slate of at least two (2) candidates per opening shall be presented to the membership. The Ballot shall conform to Article II, Section 14, "Voting Rules." The qualification of the nominees shall satisfy Article III, Section 7. The member elected shall fulfill the term of the departing Director.

Section 9 – Voting

Votes of the Board of Directors, except where in these bylaws a vote is specifically stated to be required "*of the entire Board of Directors,*" shall be "*of the Directors present at the meeting*" as stated in Article III Section 4(A), when the vote is taken.

ARTICLE IV

OFFICERS

Section 1 – Officers

The Officers of the Corporation will be the President, a Vice-President, a Secretary, a Treasurer, and such other officers as shall be appointed pursuant to these Bylaws.

Section 2 – Election and Term of Officers

The President, Vice-President, Secretary, and Treasurer shall be determined by the Board of Directors, each for a term of one (1) year. None of the said officers, except the President and Vice-President, need be a member of the elected Board of Directors. Any Member of the Corporation, at least twenty-one (21) years of age and having been a Member for not less than two (2) years, is eligible to hold office until his successor has been duly elected, or until his death, resignation, or disability. The same person is permitted to occupy, at the same time, any two officers, except that no one person shall simultaneously be both President and Secretary.

Section 3 – President

The President shall be an elected member of the Board of Directors, and shall preside at all meetings of the Board of Directors, shall be the principal executive of the Corporation, and shall supervise the affairs and activities of the Corporation. The President is empowered to sign contracts and all instruments the Board of Directors is authorized to execute, except in cases where the signing and execution thereof will be expressly delegated by the Board of Directors or these Bylaws to some other officer or agent of the Corporation, or will be required by law to be otherwise signed or executed; and in general, perform all duties incident to the office of President, and such other duties as shall be prescribed by the Board of Directors from time to time.

Section 4 – Vice-President

The Vice-President shall be an elected member of the Board of Directors. In the absence of the President, or in the event of a disability or refusal to act, the Vice-President shall perform the duties of the President. When so acting, the Vice-President shall have all the powers and responsibilities of and be subject to all the restrictions upon the President. The Vice-President shall perform such other duties as shall be assigned from time to time, by the President or the Board of Directors.

Section 5 – Secretary

The Secretary shall keep the Minutes of the Board of Directors, shall be the custodian of the Corporate records and the seal of the Corporation; shall give, or cause to be given, all notices in accordance with the provisions of these Bylaws, or as required by law; and in general perform all duties incident to the office of Secretary, and such other duties as shall be assigned from time to time by the President or the Board of Directors.

Section 6 – Treasurer

The Treasurer shall have charge and custody of and be responsible for all funds and securities the Corporation holds. The Treasurer will deposit all such funds in the name of the Corporation with such banks, trust, companies, or other investments selected in accordance with the provisions of these Bylaws, and in general, perform all duties incident to the office of Treasurer and such other duties which shall be assigned from time to time by the President, or by the Board of Directors. The Treasurer, at the request of a majority vote of the Board of Directors, shall be required to give bond for the faithful performance of the duties of the office of Treasurer in such sums or with such surety or sureties as the Board of Directors shall determine. The accounts of the Treasurer, at the request of a majority vote of the Board of Directors, shall be audited by an independent accountant appointed by a majority vote of the Board of Directors.

ARTICLE V

CONTRACT, CHECKS, DEPOSITS

Section 1 – Contracts

The Board of Directors is empowered to authorize any officer or officers, agents or agents, to enter into any contract or execute and deliver any instrument in the name of the Corporation, and such authority is permitted to be general, or confirmed to specific instances.

Section 2 – Checks

All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation will be signed by such officer or officers, agent or agents, of the Corporation in such manner and as will, from time to time, be determined by a majority vote of the Board of Directors.

Section 3 – Deposits

All funds of the Corporation not otherwise employed shall be deposited with such Federally insured banks, trust companies, or other investments as shall be recommended by the Treasurer and approved by a majority vote of the Board of Directors.

Section 4 – Loans

Loans are permitted to be contracted on behalf of the Corporation, and evidences of obligation will be issued in its name, when expressly authorized by a majority vote of the Board of Directors.

Section 5 – Deposit of Funds Received, Withdrawal of Funds, Expenditures

All monies received are to be deposited into a bank account. The Board of Directors is permitted to authorize expenditures as necessary to the operation of the Corporation and its projects.

Section 6 – Legal Actions

The Corporation shall not enter into legal action as plaintiff except as provided below:

- a. Legal actions involving the direct and willful destruction, damage, or defacing of Corporation property shall be undertaken by two-thirds ($\frac{2}{3}$) majority vote of the entire Board of Directors.
- b. Legal actions involving any other matters shall be undertaken by two-thirds ($\frac{2}{3}$) majority vote of the entire Board of Directors and a majority vote of the entire membership. Since such votes are likely to be required to be handled quickly, they may be taken by a telephone poll of the Membership by the Secretary. The results of such a poll shall be entered into the minutes of the next regular Board of Directors and Membership meetings.

Such actions as shall be entered upon are subject to periodic review and continued approval thereof by the Board of Directors. Nothing in this section shall preclude the Board of Directors from seeking a restraining order or injunctive relief to protect the assets of the Corporation.

Section 7 – Financial Solicitation

Solicitation for financial support for the Corporation and its related activities is expressly reserved to the duly elected officers and directors of the Corporation. No individual, group of individuals, either Corporation members or persons not officially associated with the Corporation shall solicit financial contributions for or on behalf of the Corporation without the express consent of the Board of Directors. The right to solicit financial support is permitted to be delegated by the Board of Directors to a committee composed of one or more Corporation members and/or persons not Corporation members. This delegation shall be specific in nature and duration. The Corporation member(s) associated with the solicitation shall be held personally liable to account for all donations received on behalf of the Corporation. A receipt shall be provided upon request of the President, Treasurer, or Board of Directors for each donation received, and a copy of that receipt forwarded to the Treasurer. Any and all printed matter and advertising media shall note the solicitation is sanctioned by the Corporation. Members are encouraged to seek avenues of financial support for the Corporation and its projects and make the Corporation's officers and directors aware of these potential sources of financial support. All solicitation shall, however, be governed by this section of the Bylaws.

ARTICLE VI

COMMITTEES

Section 1 – Facility Planning

A standing committee shall be established and maintained to draft and update at least annually a capital improvement plan for the museum project. The document shall be known as the Facility Plan. The objective of this plan is to insure capital resources are employed in the most effective manner possible, and changes or alterations to the real property, track, and structures are compatible. The plan is expected to address such matters as engineering standards, rolling stock needs, structural improvements, and track and roadway improvements. The plan shall establish a budget and set priorities with regard to completion of proposed improvements to the museum. The plan should also incorporate a program of preventative maintenance for the Corporation's assets. The committee shall be composed of a Chair appointed by a majority vote of the Board of Directors and not less than two (2) other full Corporation members. Adoption of the Facility Plan shall be accomplished in the following manner:

- A. Upon completion of the plan or any revision thereon, the Committee Chair shall present a copy of the plan to the Board of Directors for review.
- B. The Board of Directors, shall, after a review of the plan, adopt the plan, or return the plan to the committee for modification.
- C. The plan, as adopted by the Board of Directors, shall then be presented for comment to the Voting Membership of the Corporation at a regularly scheduled meeting.

The Facility Plan is intended only to define specific goals desirable to attain, and to identify a means to achieve those goals. The Facility Plan should be considered to be a common consensus of the Corporation as a whole, defining goals desirable to attain and to provide a framework to achieve those goals. Once adopted, the Corporation and its Board of Directors are not bound to execute the plan in detail.

Section 2 – Acquisitions Committee

Members are encouraged to actively seek and assist the Corporation in the location of railroad-related artifacts that are of significant historical, intrinsic, or practical value to the museum project. To insure the acquisition of such property is conducted in an orderly fashion, a committee shall be appointed to handle the actual acquisition of property, either real or personal, on behalf of the Corporation. This section of the Bylaws is applicable to the acquisition of all property, personal, real, or intellectual, by whatever means title is acquired. This means of title acquisition shall include, but not be limited to, donation, lease, purchase, or some combination thereof.

- A. The Committee Chair shall be a full member of the Corporation appointed by a majority vote of the Board of Directors. The Committee shall be composed of the Chair and no less than two (2) full Corporation members.
- B. All potential additions to the museum's collections shall first be reviewed by the Acquisitions Committee. Members locating property they deem worthy of addition to the museum's collection are permitted to investigate the ownership thereof, the willingness of the owner to make said property available to the Corporation, and the terms under which the acquisition shall be accomplished. No Corporation member shall individually conduct, either conditionally or unconditionally, any property acquisition on behalf of the Corporation. Following the initial investigation, all correspondence and information regarding the possible property acquisition shall be turned over to the Chair of the Acquisitions Committee.
- D. The Committee shall determine the compatibility of the proposed acquisition with the museum's collection, the relative historical or intrinsic value of the property, the terms and obligations to be assumed with the acquisition of the property, the exact nature of the ownership, the means a title transfer will be affected, and the means the property will be transported or moved to the museum site. The Committee shall incorporate its findings into a report, and make a recommendation to the Board of Directors. The Board of Directors, in turn, by majority vote shall make the decision to acquire the property. The membership shall be advised of all decisions, affirmative or negative.
- E. If, in the event the Board of Directors declines to acquire a specific item, the Voting Membership of the Corporation is permitted to petition to acquire the item and direct the Board of Directors to proceed with the acquisition. Notice of the intent to present such a petition at a membership meeting shall be signed by five (5) members of the Corporation, and given to the Secretary at least three (3) weeks before the membership meeting. The Secretary shall arrange for a vote, in accordance with Article III, Section 14, on the matter to be taken at the membership meeting.
- F. The Acquisitions Committee shall maintain a current and accurate inventory of all Corporation property.
- G. This section is not intended to apply to the acquisition of normal maintenance, repair, and operating supplies purchased by the Corporation for the operation of the museum.

- H. The use, operation, and display of equipment within the Corporation's collection shall be in accordance with the policies and guidelines established by the Board of Directors. No operation of the Corporation equipment away from the museum site is permitted unless specifically authorized by a majority vote of the Board of Directors.

Section 3 – Other Committees

The Board of Directors shall establish such other committees as from time to time be deemed necessary. Such committees shall consist of a Chair and at least two (2) other Chapter members.

Section 4 – Voting

Except where, in these bylaws, a vote is specifically stated to be required “*of the entire Committee*,” the vote shall be “*of the individuals present at the meeting*” when the vote is taken. A quorum of one half ($\frac{1}{2}$) of the members of the committee shall be necessary for the conduct of business by the committee.

ARTICLE VII DIVISIONS

Section 1 – Definition

A Division shall be defined as an organization wholly contained within the Corporation. Divisions shall be created to fulfill the need for business units requiring affiliation with outside groups and/or organizations with requirements and/or rules different from, or not provided for, within the basic structure of the Corporation.

Section 2 – Creation

Creation of a Division shall be proposed in writing to the Secretary of the corporation at least twenty (20) days prior to a Board of Directors meeting. The Secretary will then provide notice to the Board of Directors of the need to consider the establishment of a Division at least ten (10) days prior to the Board of Directors meeting. Approval of the creation of a Division shall require a two-thirds ($\frac{2}{3}$) majority vote of the entire Board of Directors, and ratification of the action by the Voting Membership of the corporation at the next quarterly meeting of the membership.

Section 3 – Constitution

A Division shall be subject to all the bylaws and rules of the corporation, but shall also have a Constitution, outlining its reason and purpose along with any additional bylaws and rules specific to its own operation, governance, and management. All Division Constitutions must be submitted to the Secretary of the corporation within ninety (90) days after the creation of the Division, and shall be approved by a majority vote of the corporation Board of Directors present at the meeting where the vote on the Constitution is taken. Any bylaws and/or rules contained in the Constitution of any Division shall apply only to that Division and not to any other Divisions or the corporation as a whole. If the bylaws and/or rules of any Division conflict with the bylaws and/or rules of the corporation, the bylaws and/or rules of the corporation shall prevail in all cases.

Section 4 – Dissolution

A Division may be dissolved by a two-thirds ($\frac{2}{3}$) majority vote of the entire Board of Directors, and ratification of the action by the Voting Membership of the corporation at the next quarterly meeting of the membership.

ARTICLE VIII CORPORATE SEAL

The seal of the Corporation will be two (2) concentric circles. The inner circle will contain the words “NORTH CAROLINA RAILWAY MUSEUM” and “SEAL.” The outer circle will contain the words “BONSAL, NORTH CAROLINA”

ARTICLE IX

AMENDMENTS TO THE BYLAWS

- A. These Bylaws are permitted to be amended, altered or repealed and new Bylaws adopted by a majority vote of the entire Board of Directors at any regular or special meeting of the Board of Directors, provided at least ten (10) days notice is given of the intention to amend, alter, or repeal, or to adopt new Bylaws at such meeting. Such action of the Board of Directors shall take effect upon ratification of the action by the Voting Membership of the Corporation at the next quarterly meeting of the membership.
- B. Proposals for amending or repealing these Bylaws shall be submitted to the Secretary, in the form of a petition signed by no less than five (5) Members. The Secretary shall present the petition to the Board of Directors at its next meeting.