

BYLAWS
OF
THE NRHS FUND, INC.

**ADOPTED ON APRIL 14, 2014 AND AMENDED ON NOVEMBER 15,
2014**

ARTICLE I - OFFICES

Section 1. Registered Office. The registered office of the corporation (referred to herein as the “corporation” or the “Fund”) shall be at One Charles Center 100 N. Charles Street, Baltimore, MD 21201, and the registered agent at such address shall be James W. Constable, Esquire.

Section 2. Other Offices. The corporation may have such other offices either within or without the state as the Board of Trustees may designate or as the business of the corporation may require from time to time.

ARTICLE II - PURPOSE

Section 1. Description. The corporation is organized exclusively for charitable, educational, religious or scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”) or the corresponding provisions of any subsequent law, including the following purposes:

- (a) To solicit and receive gifts of money, securities, and other property to support the National Railway Historical Society; and
- (b) To provide funds to support the National Railway Historical Society’s train, railway, and station preservation projects; and
- (c) To provide funds to support the educational programs, photographic archives, events, publications, standards definitions and shared resources of the National Railway Historical Society, a public charity.

ARTICLE III - SEAL

Section 1. Corporate Seal. The corporation seal shall have inscribed thereon the name of the corporation, the year of its creation and the words “Corporate Seal, Maryland”.

ARTICLE IV- MEMBERS

Section 1. No Members. There shall be no members, as such, of the corporation.

ARTICLE V - BOARD OF TRUSTEES

Section 1. General Powers and Commitments. The business and affairs of the corporation shall be managed and directed by, and the control and disposal of the corporation's properties and funds shall be vested in, its Board of Trustees, except as otherwise provided in the laws of the State of Maryland, the corporation's Certificate of Incorporation, or these Bylaws. All references in these Bylaws to the "Board of Trustees" or the "Board" shall be deemed to refer to the corporation Board of Trustees, and not any other body, unless clearly stated otherwise.

Board Members shall be at least eighteen (18) years of age and need not be United States citizens or residents of Maryland.

Board Members will be bound by the following commitments to the corporation:

- a) Make a meaningful financial contribution to the Fund annually;
- b) Solicit contributions for the Corporation;
- c) Attend at least two (2) regular Board Meetings each year;
- d) Avoid missing two (2) consecutive meetings;
- e) Support the endeavors of the Fund;

Section 2. Number of Trustees. The number of Trustees of this corporation shall be seven (7) or as otherwise determined by the Board from time to time.

Section 3. Election, Term Limits; Resignation. The Trustees of the corporation shall be appointed by the National Railway Historical Society. At the time of the adoption of these bylaws, the seats of Board of Trustees shall be classified as of the effective date of these bylaws. There shall be two classes. Those persons selected to serve in Class One shall be selected to serve a four-year term. Those persons selected serve in Class Two shall be selected to serve a two-year term. Once these classified terms have concluded, all subsequent terms shall be for four years.

A Trustee may resign by written notice to the corporation. The resignation shall be effective upon receipt thereof by the corporation or at a subsequent time as shall be specified in the notice of resignation.

Section 4. Suspension or Removal of Trustee.

- a) The Board of Trustees, by affirmative vote of a majority of all of the Trustees, may suspend or expel a member of the Board for cause.
- b) The Board of Trustees may declare vacant the office of a Trustee if he/she fails to attend two (2) consecutive meetings of the Board in the absence of an excused absence, is declared of unsound mind by an order of court or is convicted of felony, or if within sixty (60) days after notice of his/her appointment, he/she does not accept such office either in writing or by attending a meeting of the Board of Trustees, and fulfill such other requirements of qualification as the By-Laws may specify.
- c) No act of the Board done during the period when a Trustee has been suspended or removed for cause shall be impugned or invalidated if the suspension or removal is thereafter rescinded or invalidated.

Section 5. Quorums.

- a) A majority of the entire Board, or of any committee thereof, shall constitute a quorum for the transaction of business, unless the certificate of incorporation shall provide that a greater or lesser number constitute a quorum, which in no case shall be less than the greater of two (2) persons or one-third (1/3) of the entire Board or committee, except that when a committee of the Board consists of one (1) Trustee, then one (1) Trustee shall constitute a quorum.
- b) The act of the majority present at a meeting at which a quorum is present shall be the act of the Board or the committee, unless the act of a greater number is required by this act or the certificate of incorporation. Any action required to be authorized by a vote of the Trustees greater than a majority shall be rescinded or modified only by a like vote.
- c) Unless otherwise provided by the certificate of incorporation any action required or permitted to be taken pursuant to authorization voted at a meeting of the Board or any committee thereof may be taken without a meeting if, prior or subsequent to the action, all members of the Board or of the committee, as the case may be, consent thereto in writing and written consents are filed with the minutes of the proceedings of the Board or committee. The consents shall have the same effect as a unanimous vote of the Board or committee for all purposes and may be stated as such in any certificate or other document filed with the Secretary of State.

Section 6. Designation of Committees.

- a) The Board of Trustees may, by resolution adopted by a majority of the entire Board, designate one or more standing or special committees and such committee as may be necessary to direct the business of the corporation between meetings of the Trustees. Each committee shall consist of a designated number of Trustees. The Board may appoint such other persons to a standing or special committee who need not be members of the Board of Trustees. Members of a committee shall serve at the pleasure of the Board of Trustees.
- b) The corporation shall maintain a Development Committee. Unless otherwise dissolved and disbanded by the Board of Trustees, the corporation shall have a Development Committee. The Board of Trustees shall be advised by the Development Committee on matters pertaining to the identification and solicitation of potential corporate sponsors and the creation of sponsorship levels, programs, and benefits.

Section 7. Meetings.

- a) **Regular Meetings.** Regular meetings of the Board of Trustees shall be held at least four (4) times per year. One of the regular meetings shall be the Annual Meeting and shall be the first meeting of each calendar year for the purpose of electing officers and for the transaction of such other business as may come before such meeting, and at such other times as the Board of Trustees shall determine. Notice of each regular meeting stating the place, day, and hour of the meeting shall be given to each Trustee at his or her last known business or home address at least five (5) days prior thereto by the mailing of written notice or by personal delivery or electronic (email), telecopy or similar facsimile transmission of written notice (and the method of notice need not be the same to each Trustee). If mailed, such notice shall be deemed to be given when deposited in the United States mail, with postage thereon prepaid. If given by personal delivery, such notice shall be deemed to be given upon transmission.
- b) **Special Meetings.** The president of the corporation may call a special meeting of the Board of Trustees whenever he or she deems it necessary, and shall call a special meeting whenever requested to do so in writing by twenty-five percent (25%) or more of the then current Board of Trustees. The President shall fix any place as the place for holding any special meeting of the Board of Trustees. Notice of each special meeting stating the purpose, place, day, and hour of the meeting shall be given to each Trustee at his or her last known business or home address at least five (5) days prior thereto by the mailing of written notice, or by personal delivery or electronic (email), telecopy or similar facsimile transmission of written notice (and the method of notice need not be the same to each Trustee). If mailed, such notice shall be deemed to be given when deposited in the United States mail, with postage thereon prepaid. If given by personal delivery, such notice shall be deemed to be given when delivered. If sent by telecopy or other similar facsimile transmission, such notice shall be deemed to be given upon transmission.

- c) **Waiver of Notice.** Any Trustee may waive notice of any meeting before, at, or after such meeting. The attendance of a Trustee at a meeting shall constitute a waiver of notice of such meeting, except where a Trustee attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted nor the purpose of any meeting of the Board of Trustees need be specified in the notice or waiver of notice of such meeting.
- d) **Conference Calls.** Any or all Trustees may participate in a meeting of the Board or a committee of the Board by means of conference telephone or any means of communication by which all persons participating in the meeting are able to hear each other.
- e) **Consent Actions.** Any action required or permitted to be taken at a meeting of the Trustees or any committee thereof may be taken without a meeting if a consent in writing, setting forth the action so taken or to be taken, is signed or submitted via e-mail by all of the Trustees then entitled to vote, or by their duly authorized attorneys-in-fact. Such consent (which may be signed in counterparts) shall have the same force and effect as a vote of the Trustees or committee members.

Section 8. Liability of Trustees. A Trustee who is present at a meeting of the Board, or any committee thereof of which the Trustee is a member, at which action on any corporate matter referred to under Maryland law is taken shall be presumed to have concurred in the action taken unless the dissent of the Trustee shall be entered in the minutes of the meeting or unless the Trustee shall file a written dissent to the action with the person acting as the secretary of the meeting before or promptly after the adjournment of the meeting. The right to dissent shall not apply to a Trustee who voted in favor of the action. A Trustee who is absent from a meeting of the Board, or any committee thereof of which the Trustee is a member, at which any action is taken shall be presumed to have concurred in the action unless the Trustee shall file a dissent with the secretary of the corporation within a reasonable time after learning of the action.

Section 9. Standard of Care. Trustees and members of any committee designated by the Board shall discharge their duties in good faith and with that degree of diligence, care and skill which an ordinarily prudent person would exercise under similar circumstances in like position. In discharging their duties, Trustees and members of any committee designated by the Board shall not be liable if, acting in good faith, they rely on the opinion of counsel for the corporation or upon written reports setting forth financial data concerning the corporation and prepared by an independent public accountant or certified public accountant or firm of accountants or upon financial statements, books of accounts or reports of the corporation represented to them to be correct by the president, the officer of the corporation having charge of its books of account, or the person presiding at a meeting of the Board.

ARTICLE VI - OFFICERS

Section 1. Description of Officers.

- a) **Officers.** The officers of the corporation shall consist of a president, a secretary and a treasurer and any other officers, including a vice-president, as may be prescribed by the Board. The officers shall be elected or appointed by the Board, except as otherwise provided herein. The corporation may provide alternative titles for those officers provided that the certificate of incorporation or the By-Laws specify which other officer titles correspond to the president, secretary and treasurer and that the alternative titles not be used in completing any filings required by the state of Maryland.
- b) **Term of Office.** Any officer elected or appointed as herein provided shall hold office for the term of two (2) year and until a successor is elected or appointed and has qualified, subject to earlier termination by removal or resignation.
- c) **President.** The president shall preside at all meetings of the corporation and rule on all questions of order, subject to appeal of the Trustees. He or she shall submit such recommendations as he or she may consider proper concerning the business, duties and affairs of the corporation, and have such other powers and perform such other duties as the corporation may prescribe from time to time by resolution
- d) **Secretary.** The secretary shall attend all sessions of the Board and act as clerk thereof and record all the votes of the corporation and the minutes of all its transactions in a book to be kept for that purpose; and shall perform like duties for all committees of the Board of Trustees when required. He/she shall give, or cause to be given, notice of all meetings of the members and of the Board of Trustees, and shall perform such other duties as may be prescribed by the Board of Trustees or president, under whose supervision he/she shall be. He/she shall keep in safe custody the corporate seal of the corporation, and when authorized by the Board, affix the same to any instrument requiring it.
- e) **Treasurer.** The treasurer shall have custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation, and shall keep the monies of the corporation in a separate account to the credit of the corporation. He/she shall disburse the funds of the corporation as may be ordered by the board, taking proper vouchers for such disbursements, and shall render to the president and Trustees, at regular meetings of the board, or whenever they may require it, an account of all transactions as treasurer and of the financial condition of the corporation.

Section 2. Removal, Resignation and Vacancies.

- a) Any officer elected or appointed by the Board may be removed by the Board with or without cause. The removal of an officer without cause shall be without prejudice to that officer's contract rights, if any. Election or appointment of an officer shall not of itself create contract rights.
- b) An officer may resign by written notice to the corporation. The resignation shall be effective upon receipt thereof by the corporation or at a subsequent time as shall be specified in the notice of resignation.
- c) Any vacancy occurring among the officers, however caused, shall be filled in the manner provided in the By-Laws. In the absence of such a provision, any vacancy shall be filled by the Board.

ARTICLE VII - BOOKS AND RECORDS

Section 1. Availability. The corporation shall keep books and records of account and minutes of the proceedings of its Board and executive committee, if any and make available for inspection at the office of its agent, records containing the names and addresses of all members of the Board.

ARTICLE VIII

SALE OR OTHER DISPOSITION OF ASSETS IN REGULAR COURSE OF ACTIVITIES AND MORTGAGE OR PLEDGE OF ASSETS

Section 1. Generally. The sale, lease, exchange, or other disposition of all, or substantially all, the assets of a corporation in the usual and regular course of its activities as conducted by the corporation, and the mortgage or pledge of any or all the assets of a corporation whether or not in the usual and regular course of activities as conducted by the corporation, may be made upon terms and conditions and for a consideration, which may consist in whole or in part of money or property, real or personal, including shares, bonds or other securities of any domestic corporation, foreign corporation, or any corporate business entity as shall be authorized by its Board.

ARTICLE IX

SALE OR OTHER DISPOSITION OF ASSETS OTHER THAN IN THE REGULAR COURSE OF ACTIVITIES

Section 1. Generally. A sale, lease, exchange, or other disposition of all, or substantially all, the assets of a corporation, if not in the usual and regular course of its activities as conducted by the corporation, may be made upon terms and conditions and for a consideration, which may consist in whole or in part of money or property, real or personal, including shares, bonds or other securities of any corporation, domestic or foreign, or any corporate business entity as may be authorized by the Board.

ARTICLE X - INDEMNIFICATION

Section 1. Generally. The corporation shall indemnify a corporate agent, against the agent's expenses and liabilities in connection with any proceeding involving the corporate agent because the agent is or was a corporate agent, other than a proceeding by or in the right of the corporation, if the corporate agent acted in good faith and in a manner which the agent reasonably believed to be in or not opposed to the best interests of the corporation or, in respect to any criminal proceeding, the corporation agent had no reasonable cause to believe the conduct was unlawful.

The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the corporate agent did not meet the applicable standards of conduct set forth above.

Section 2. Proceedings by or in Right of Corporation. The corporation shall indemnify a corporate agent against the agent's expenses in connection with any proceeding by or in the right of the corporation to procure a judgment in its favor which involves the corporate agent by reason of being or having been the corporate agent if:

- a) the corporate agent acted in good faith and in a manner which the agent reasonably believed to be in or not opposed to the best interests of the corporation; and
- b) the corporate agent has been successful on the merits or otherwise in any proceeding or in defense of any claim issue or matter therein.

However, no indemnification shall be provided in respect of any claim, issue or matter as to which the corporate agent was liable to the corporation.

Section 3. Determination of Standard of Conduct. Any indemnification under the above subsections may be made by the corporation, only as authorized in a specific case, upon a determination that indemnification is proper in the circumstances because the corporate agent has met the applicable standard of conduct as set forth above. The corporation shall make this determination:

By the board of Trustees or a committee thereof at a meeting at which is present a quorum determined without including Trustees who were parties or otherwise involved in the proceeding, acting by a majority vote of Trustees who were not parties to or otherwise involved in the proceeding.

If the quorum is not obtainable, or even if obtainable and the quorum of the board of Trustees or committee by a majority vote of the disinterested Trustees directs, by independent legal counsel, in a written opinion, the counsel to be designated by the board of Trustees.

Section 4. Advance Payment. The corporation may pay the expenses incurred by a corporate agent in connection with a proceeding, in advance of the final disposition of the proceeding, if authorized by the Trustees, upon receipt of an undertaking by or on behalf of the corporate agent to repay the amount unless it shall ultimately be determined that the agent is entitled to be indemnified as provided above.

Section 5. No Indemnification. Notwithstanding any other provision in this Article, no indemnification shall be made to or on behalf of a corporate agent if a judgment or other final adjudication adverse to the corporate agent establishes that the agent's acts or omissions (a) were in breach of the agent's duty of loyalty to the corporation; (b) were not in good faith or involved a knowing violation of law; or (c) resulted in the receipt by the agent of an improper personal benefit.

Section 6. Definitions. For purposes of this Article:

- a) "Corporate agent" means any person who is or was an officer, employee or agent of the indemnifying corporation or of any constituent corporation absorbed by the indemnifying corporation in a consolidation or merger, and any person who is or was a Trustee, officer, employee or agent of any other enterprise, serving as such at the request of the indemnifying corporation, or the legal representative of the Trustee, officer, employee or agent;
- b) "Expenses" means reasonable costs, disbursements and counsel fees;
- c) "Liabilities" means amounts paid or incurred in satisfaction of settlements, judgments, fines, and penalties; and
- d) "Proceeding" means any pending, threatened or completed civil, criminal, administrative or arbitral action, suit or proceeding, and any appeal therein and any inquiry or investigation which could lead to the action, suit or proceeding.

Section 7. Trustees and Officers Insurance. The corporation may, at its discretion, purchase and maintain an insurance policy providing for the payments of any and all claims against the Board of Trustees or any or several of the Trustees resulting from any action by such Trustees as a result of their actions on behalf of the corporation.

ARTICLE XI - CONFLICTS OF INTEREST

Section 1. Purpose. The purpose of the conflict of interest policy is to protect the corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or Trustee of the corporation or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Section 2. Definitions. For purposes of this Article:

- a) “Interested Person” means any Trustee, principal officer, or member of a committee with Board-delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.
- b) “Financial Interest” means a person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 - 1. An ownership or investment interest in any entity with which the corporation has a transaction or arrangement;
 - 2. A compensation arrangement with the corporation or with any entity or individual with which the corporation has a transaction or arrangement;
or
 - 3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the corporation is negotiating a transaction or arrangement.
- c) “Compensation” includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.
- d) A financial interest is not necessarily a conflict of interest. Under Section 3(b), a person who has a financial interest may have a conflict of interest only if the Board or committee decides that a conflict of interest exists.

Section 3. 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 Trustees and members of committees with Board-delegated powers considering the proposed transaction or arrangement.
- b) **Determining Existence of Conflict of Interest.** After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the Board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or committee members shall decide if a conflict of interest exists.
- c) **Addressing the Conflict of Interest.**
 - 1. An interested person may make a presentation at the Board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

2. The Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
 3. After exercising due diligence, the Board or committee shall determine whether the corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
 4. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board or committee shall determine by a majority vote of the disinterested Trustees whether the transaction or arrangement is in the corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.
- d) **Violations.** If the Board 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 such belief and afford the member an opportunity to explain the alleged failure to disclose. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Section 4. Records of Proceedings. The minutes of the Board and all committees with Board-delegated powers shall contain:

- a) The names of the persons who disclosed or otherwise were 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 Board's or committee's decision as to whether a conflict of interest in fact existed.
- b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Section 5. Compensation. No board member shall be compensated for their service as a member of the Board.

Section 6. Annual Statements. Each Trustee, principal officer, and member of a committee with Board-delegated powers shall annually sign a statement which affirms such person:

- a) Has received a copy of the conflicts of interest policy;
- b) Has read and understands the policy;
- c) Has agreed to comply with the policy; and
- d) Understands the corporation is charitable and to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Section 7. Periodic Reviews. To ensure the corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, 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's 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 in an excess benefit transaction.

Section 8. Use of Outside Experts. When conducting the periodic reviews as provided for in Section 7. of this Article, the corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring periodic reviews are conducted.

ARTICLE XII - CONTRIBUTIONS AND DISSOLUTION

Section 1. Contributions. The corporation shall have the right to solicit and accept contributions from third parties. All monies thus received will be used in furtherance of the corporation's purpose as hereinabove stated. The corporation shall have the right, however, to use a reasonable amount of any sums received for the payment of administrative expenses.

Section 2. Dissolution of the Corporation. Upon the dissolution of the corporation, the Board of Trustees shall, after payment of all liabilities, dispose of all of the assets of the corporation exclusively for the purposes and in such manner or to such an organization or organizations organized and operated exclusively for charitable, educational, religious, or scientific purposes, as shall at the time qualify for exemption under Section 501(c)(3) of the Code or the corresponding section of any future federal tax code, or shall be distributed to the federal government or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by the Superior Court of the County in which the principal office of the corporation is then located; exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE XIII - MISCELLANEOUS PROVISIONS

Section 1. Fiscal Year: The fiscal year of the corporation shall be as determined by the Board of Trustees.

ARTICLE XIV- AMENDMENTS

Section 1. Power to Amend. The Board of Trustees shall have the power to make, alter and repeal By-Laws at any regular or special meeting duly convened after notice of the purpose.