

Pacific Northwest Railroad Archive By-Laws

Article I. PURPOSE

Railroads are a major part of Pacific Northwest heritage and helped shape the region; its towns, communications and its economic life. Today railroads continue to play a central role in the emergence of the Pacific Northwest as a significant region of the United States, but their significance and value is not generally apparent to the public. Fostering public understanding of the value, influence and history of railroads is the mission of the nonprofit Railroad History Organizations (RHOs). This is particularly important to the future of the RHOs associated to the major railroads of the Pacific Northwest region of the United States and railroad-related museums in the region with document collections. These organizations lack facilities to preserve the photos, drawings, documents and small artifacts which contain important elements of the histories of their railroads.

The purpose of Pacific Northwest Railroad Archive (PNRA or Archive) is to be a service organization providing affordable space and services for the benefit of nonprofit RHOs and thereby the public at large. These benefits are intended to strengthen the RHOs by making their railroad history collections much more accessible to the general public, promoting their collections' public use, preserving the collections physically and digitally, encouraging RHO memberships, and ultimately enabling RHOs to continue their missions to preserve and interpret railroad history for current and future generations.

PNRA is organized exclusively for charitable, educational, and scientific purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

Article II. MEMBERSHIP

Section 1. Types of Membership. PNRA, a nonprofit corporation, shall have the following classes of members:

- A. Volunteer Friends: Those who work at the Archive on preservation and other projects a minimum number of hours during the designated interval preceding the annual meeting as specified by the Board of Directors, will be considered Volunteer Friends. Volunteer Friends are entitled to a vote during the designated calendar year of their work.
- B. Supporting Friends: Those persons who annually contribute at or above an amount of funding as specified by the Board of Directors for the support of

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the operations and activities of PNRA. Supporting Friends are entitled to a vote during the designated calendar year of the contribution.

C. Sustaining Friend: Those persons who annually contribute at or above an amount of funding as specified by the Board of Directors for the support of the operations and activities of PNRA. Sustaining Friends are entitled to a vote during the designated calendar year of the contribution.

D. Benefactor: Those persons who contribute a substantial amount of funding as specified by the Board of Directors for the support of the operations and activities of PNRA. Benefactors are entitled to a vote each year during and after their substantial contribution for the rest of their natural life.

Section 2. Dues. The minimum amount of annual dues for Supporting, Sustaining and Benefactor levels will be set by the Board of Directors.

Section 3. Membership Requirements. A person becomes a Volunteer Friend by working on designated preservation projects a minimum number of hours per year as specified by the Board, and otherwise remaining in good standing. Supporting, Sustaining and Benefactor levels will become active after receipt and acknowledgement of contributions meeting the minimum amounts set by the Board of Directors.

Section 4. Voting Rights. Each member shall be entitled to one vote on each matter submitted to a vote of the members.

Section 5. Termination. A person's membership shall lapse into non-member status at the end of a calendar year in which the specified amount of volunteer work or contributions have not been made. In addition, the Board of Directors may, by two-thirds vote, terminate for cause the membership of any person whose actions or conduct are deemed contrary to the best interests of PNRA. However, such action shall not be taken except for good cause shown and upon written notice and opportunity for the member concerned to submit such comments in writing or in person or both as the member concerned desires.

Section 6. Transfer of Membership. Membership in this Archive is not transferable or assignable.

Article III. MEMBERSHIP MEETINGS

Section 1. Annual Meeting. A meeting of the members shall be held at the call of the Board of Directors at such time and place as they shall determine. It shall be held no less than once in each calendar year for the purpose of electing Directors and transacting such other business as may come before the meeting. Notice of

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the meeting will be published in the quarterly PNRA newsletter sent by email or United States mail to the members' last known address.

Section 2. Special Meetings. Special meetings of the members may be called by the Board President, by the Board of Directors or by petition signed by no less than ten percent of the members having voting rights.

Section 3. Notice of Meetings. Email or written notice stating the place, date and time of any meeting of members other than the Annual Meeting shall be published in the quarterly newsletter or sent to each member of record not less than fifteen days before the date of such meeting. In case of a special meeting or when required by statute or by these By-laws, the purpose for which the meeting is called shall be stated in the notice. If sent by United States mail, the notice of the meeting shall be deemed delivered when sent addressed to the member at his address as it appears on the records of the Archive, with First Class postage thereon prepaid. If emailed, the notice of the meeting shall be deemed delivered when sent addressed to the member at his or her email address as it appears on the records of the Archive. Any member whose email notice is return without delivery, shall be mailed a notice by United States mail.

Section 4. Quorum. Ten members in person or fifty percent of the total membership, whichever is less, shall constitute a quorum at any meeting of the members. If a quorum is not present, a majority of members present may adjourn the meeting to another time without further notice. At the resumption of a previously adjourned meeting where a quorum is present, any business may be transacted which might have been transacted at the original meeting. Withdrawal of members from the resumed meeting shall not cause failure of a duly constituted quorum at the resumed meeting.

Section 5. Election of Directors. Nominations for Directors, in addition to those made by the Nominating Committee, may be made at the Annual Meeting.

- A. If no additional nominations are made, following the majority approval of a motion of acceptance the presiding officer of the meeting shall declare the Nominating Committee's slate elected.
- B. Nominations in addition to those made by the Nominating Committee must be made and seconded by members in good standing. Each such nominee must be a PNRA member in good standing, be present at the meeting, and state their willingness to serve if elected.
- C. If there are more nominees than open positions on the Board of Directors, the Archive members present at the meeting shall vote in writing to fill the

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open positions on the Board. Each member may cast one vote each for as many nominees as there are open positions on the Board. Ballots with votes for more nominees than open positions shall not be counted.

Article IV. BOARD OF DIRECTORS

Section 1. General Powers. The affairs of PNRA shall be *governed* by the Board of Directors. The President of the Board shall chair the Board's meetings.

Section 2. Directors. There will be two types of directors. At Large Directors are elected by the members. RHO Directors are appointed by a Railroad History Organization (RHO).

Section 3. Number and Length of Terms. The number of Directors shall initially be four (4). Each At Large Director shall hold office for two years and until his or her successor shall have been elected and qualified. RHO Directors serve for two years at the pleasure of the RHO they represent. The Board of Directors shall adjust the terms of new Board seats when they are added, to result in the expiration of the terms of a set of Directors on alternating years.

Section 4. Election. At Large Directors will be elected by the members. RHO directors will be appointed by an RHO that has a signed contract with the Archive. At Large Directors may be appointed by the Board of Directors as called for in Article IV Section 11 below. The terms of At Large Directors elected at the Annual Meeting of the Archive shall begin following adjournment of such meeting of the Board of Directors specified below, except that new Directors shall be entitled to vote for Officers of the Archive as specified in Art V, Sec.2. The term of RHO directors begin on the day of appointment by the RHO.

Section 5. Regular Meetings. An annual meeting of the Board of Directors shall be held after and at the same place as the annual meeting of members and without other notice than these By-laws. The Board of Directors may provide by resolution the time and place for additional regular meetings of the Board without other notice than such resolution.

Section 6. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two Directors, who shall fix any reasonable place for holding the meeting. Such meetings may be called by email sent to all current email addresses of the Directors and motions may be presented, seconded and voted upon by each Director under separate email sent to all other Board members.

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Section 7. Notice. Notice of any special meeting of the Board of Directors in which the Directors are to be physically present shall be given at least two weeks previous thereto by email or written notice to each Director at his address as shown by the records of the Archive. If sent by United States mail, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with First Class postage thereon paid. If emailed, the notice of the meeting shall be deemed delivered when sent addressed to the member at his or her email address as it appears on the records of the Archive. If notice of a special meeting is made by e-mail, it shall be followed up with a telephone contact to any director not responding to the notice within one week.

Section 8. Presence at Meetings. A conference among Directors, or among members of any committee designated by the Board of Directors, by any means of communication through which the participants may simultaneously read or hear each other during the conference, constitutes a meeting of the Board, or the committee, if the same notice is given of the conference as would be required for a meeting, and if the number of persons participating in the conference would be sufficient to constitute a quorum at the meeting. Virtual participation via email in such a meeting constitutes personal presence at the meeting and votes by email will constitute a vote on the motion presented.

Section 9. Board Actions. Any action required to be taken at a meeting of the Directors of the Archive or any other action which may be taken at a meeting of the Directors may be taken without a meeting if an email response in writing, setting forth the action so taken, shall be sent by each Director entitled to vote with respect to the subject matter thereof. Motions presented by email must receive a response from at least sixty-five (65) percent of Directors to be declared a quorum and a vote of a majority of all the Board members to be declared a decision.

Section 10. Quorum. Sixty-five percent of the Board of Directors shall constitute a quorum for the transaction of any business at any meeting of the Board. If less than a quorum of the Directors are present at said meeting, a simple majority of the Directors present may adjourn the meeting to another time. The President of the Board shall notify all Board members, in a timely manner, of the time and place of the rescheduled meeting.

Section 11. Termination. Any Director who resigns as a Director or as a member of the Archive or whose membership in the Archive lapses or is terminated for cause, shall cease to be a Director as of such resignation, lapse or termination. The Board of Directors may, by two-thirds vote, terminate for cause

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the Directorship of any person whose actions or conduct are deemed contrary to the best interests of PNRA. However, such action shall not be taken except for good cause shown and upon written notice and opportunity for the member concerned to submit such comments in writing or in person or both as the member concerned desires.

Section 12. Vacancies. Any vacancy occurring on the Board of Directors, or any vacancy created by an increase in the number of Directors, shall be filled by the Board of Directors unless these By-laws or the Articles of Incorporation provide otherwise. A Director appointed to fill a vacancy shall serve the unexpired term of his or her predecessor in office, or until the next annual meeting, whichever is later.

Section 13. Compensation. Directors shall not receive any salary for their service but, by resolution of the Board of Directors, may be allowed reimbursement of reasonable expenses of attending regular or special meetings of the Board. Any reimbursement to a Director shall be identified in the Minutes of the Board meeting and in Treasurer's Report to the next Annual Meeting of the Archive.

Article V. OFFICERS

Section 1. Officers. The Officers of the Archive shall be a Board President, a Vice President, a Treasurer, a Secretary and Executive Director.

Section 2. Election and Term of Office. Officers shall be elected annually by the Board of Directors of the Archive at the annual meeting of the Board of Directors and shall assume office following adjournment of the annual meeting of the Board of Directors. Only new or continuing Directors shall be eligible to vote for and be elected an Officer of the Archive. Each Officer shall hold office until his or her successor shall have been duly elected and qualified to hold office, or until death or resignation or until removed from office in the manner herein provided.

Section 3. Vacancies. Vacancies in any office of the Archive occurring between the times of the annual meeting of the Board of Directors shall be filled through appointment by the Board of Directors.

Section 4. Termination. Any Officer elected or appointed by the Board of Directors who resigns as a Director, Officer, or member of the Archive, or whose membership in the Archive lapses or is terminated for cause shall cease to be an Officer as of such resignation, lapse, or termination.

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Section 5. Board President. The Board President shall manage the affairs of the PNRA Board and work with the Executive Director for implementation of board policy, plans and strategy. He or she will work with the board members to develop and implement annual and long term plans and strategy and to set policy that will guide the Archive toward its goals.

Section 6. Vice President. The Vice President shall assist the Board President in the discharge of his or her duties as the Board President may direct and shall perform such other duties as may from time to time be assigned by the Board President or in the event of the inability or refusal of the Board President to act, the Vice President shall perform the duties of the Board President and when so acting, shall have all of the powers of and be subject to all the restrictions upon the Board President.

Except in those instances in which the authority to execute is expressly delegated to another officer or agent of the Archive or a different mode of execution is expressly prescribed by the Board of Directors or these By-laws, the Vice President may execute for the Archive any contracts, deeds, mortgages, bonds or other instruments which the Board of Directors has authorized to be executed, either individually or with the Secretary, the Treasurer or any other officer thereunto authorized by the Board of Directors, according to the requirements of the form of the instrument.

Section 7. Treasurer. The Treasurer shall be the principal accounting and financial officer of the Archive. The Treasurer shall:

- A. Have charge of and be responsible for the maintenance of adequate books of account of the Archive;
- B. Have charge and custody of all funds and securities of the Archive, and be responsible therefore, and for the receipt and disbursement thereof;
- C. Make a report at each Annual Meeting of the financial condition of the Archive;
- D. Perform all other duties incident to the office of Treasurer and such other duties as may be assigned from time to time by the President or the Board of Directors. If required by the Board of Directors, the Treasurer shall give bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board of Directors may prescribe and authorize payment for.

Section 8. Secretary. The Secretary shall:

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- A. Record and maintain the minutes of the meetings of members and of the Board of Directors in one or more locations provided for that purpose;
- B. Assure that all required notices are duly given in accordance with the provisions of these By-laws or as required by law;
- C. Keep the Certificate of Incorporation of the Archive;
- D. Make such reports as are required by law; and
- E. Perform all other duties incident to the office of Secretary, and such other duties as may be assigned from time to time by the Board President or by the Board of Directors.

Section 9. Executive Director. The Executive Director shall be the principal executive officer of the Archive. Subject to the direction and control of the Board of Directors, he or she shall be in charge of the business and affairs of the Archive, and shall see that the resolutions and directives of the Board of Directors are carried into effect, including those instances in which that responsibility is assigned to some other person by the Board of Directors.

Except in those instances in which the authority to execute is expressly delegated to another officer or agent of the Archive or a different mode of execution is expressly prescribed by the Board of Directors or these By-laws, the Executive Director may execute for the Archive any contracts, deeds, mortgages, bonds or other instruments which the Board of Directors has authorized to be executed, either individually or with the Secretary, the Treasurer, or any other Officer thereunto authorized by the Board of Directors, according to the requirements of the form of the instrument. The Executive Director may vote all securities which the Archive is entitled to vote, except to the extent such authority shall be vested in a different officer or agent of the Archive by the Board of Directors.

Section 10. Compensation. Officers shall not receive any salary for their service as officers but, by resolution of the Board of Directors, may be allowed reimbursement of reasonable expenses incurred in connection with performance of their duties or attending regular or special meetings of the Board. Any such reimbursement to an officer shall be identified in the Minutes of the Board meeting and in Treasurer's Report to the next Annual Meeting of the Archive. If an Officer provides Services as a contractor, as described in Article VI, Section 8 of these By-laws, he or she may be compensated for such Services at the same rates established by the Services Committee to be paid to contractors who are not Officers.

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Section 11. Legal Address. The legal address of the Archive shall be established by the Board of Directors, and such information communicated to all interested parties, including the IRS.

Article VI. COMMITTEES

Section 1. Committees. The activities of the Archive are carried out principally through standing committees and temporary committees. The following shall constitute the standing committees of the Archive:

- A. Finance Committee
- B. Facility Committee
- C. Services Committee
- D. Community Outreach Committee
- E. Membership Committee
- F. Nominating Committee

Section 2. Committee Governance. The Board of Directors will establish the charter, specific tasks and authority for each committee. The chair of each Committee shall be appointed by the Board President, with the advice and consent of the Board of Directors, unless otherwise determined by these By-laws. Members and chairs of Committees serve at the pleasure of the authority appointing them.

Section 3. Discontinuance. In the event any Committee established under these By-laws shall be deemed unnecessary or ineffective in carrying out the objectives and purposes of the Archive, the Board of Directors may, by an affirmative majority vote, terminate the existence of such committee. The Board of Directors may reinstate a terminated committee by a subsequent affirmative majority vote.

Section 4. Reports. Each Committee shall keep minutes of its meetings and report on the progress and results of its activities at the Annual Membership Meeting and at such other times as specified in these By-laws or directed by the Board of Directors.

Section 5. Rules. Each Committee may adopt rules for its own governance not inconsistent with these By-laws or the Articles of Incorporation of the Archive.

Section 6. Temporary Committees. The President or the Board of Directors may from time to time appoint one or more Temporary Committees. The membership, responsibilities, duration, tasks and duties of such committees are at the discretion of the appointing authority, within the constraints of these By-laws and the Articles of Incorporation of the Archive.

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Article VII. BOOKS AND RECORDS

The Archive shall keep accurate and complete books and records of accounts and shall also keep minutes of the proceedings of its members and of the Board of Directors and shall keep at the registered or principal office a record giving the names and addresses of the members entitled to vote. All books and records of the Archive may be inspected by any member, or his agent or attorney, for any proper purpose at any reasonable time by prior arrangement.

Article VIII. FISCAL YEAR

The fiscal year of the Archive shall be fixed by resolution of the Board of Directors. The fiscal year currently matches the calendar year of January 1 through December 31 in conformance with the Federal and state tax filing requirements for tax-exempt corporations.

Article IX. CONTRACTS, BANKING, GIFTS AND LOANS

Section 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents of the Archive, in addition to the officers so authorized by these By-laws, to enter into any contract or execute and deliver any instrument in the name of and on the behalf of the Archive and such authority may be general or confined to specific instances.

Section 2. Checks and Drafts. All checks, drafts and other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Archive shall be signed by such officer or officers, agent or agents of the Archive and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer of the Archive, but only when presented with a valid invoice or receipt from a pre-authorized transaction. In all cases, expenditures shall be made only within the current approved budget, unless specifically authorized by action of the Board of Directors, or at the discretion of the Board President or Vice President of the Archive for amounts not to exceed limits established by the Board of Directors.

Section 3. Deposits. All funds of the Archive shall be deposited promptly upon receipt, to the credit of the Archive in such banks, trust companies, or other depositories as the Board of Directors may select.

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Section 4. Gifts. The Board of Directors may accept, or direct the acceptance by resolution, on behalf of the Archive any contribution, gift, bequest or devise for the general purposes or any special purposes of the Archive.

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

Article X. RESTRICTIONS ON INCOME AND ACTIVITIES

No part of the net earnings of the Archive shall inure to the benefit of, or be distributable to its members, directors, officers, or other private persons, except that the Archive shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article I above. No substantial part of the activities of the Archive shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Archive shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office.

Notwithstanding any other provision of these articles, the Archive shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or (b) by a corporation, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

Notwithstanding any other provision of these articles, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes of this corporation.

Article XI. CONFLICTS OF INTEREST POLICY

Section 1. Purpose. The purpose of the conflicts of interest policy is to protect Pacific Northwest Railroad Archive's (PNRA or Archive) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Archive 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.

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Section 2. Interested Person. Any director, officer, or member of a committee with Board of Directors delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

Section 3. Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- A. An ownership or investment interest in any entity with which the Archive has a transaction or arrangement;
- B. A compensation arrangement with the Archive or with any entity or individual with which the Archive has a transaction or arrangement; or
- C. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Archive is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Section 5 below, a person who has a financial interest may have a conflict of interest only if the appropriate Board of Directors or committee decides that a conflict of interest exists.

Section 4. 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 and members of committees with Board of Directors delegated powers considering the proposed transaction or arrangement.

Section 5. Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he or she shall leave the Board of Directors 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.

Section 6. Procedures for Addressing the Conflict of Interest.

- A. An interested person may make a presentation at the Board of Directors 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.
- B. The Board President or the chair of a committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

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- C. After exercising due diligence, the Board of Directors or committee shall determine whether the Archive 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.
- D. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board of Directors or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Archive'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.

Section 7. Violations of the Conflicts of Interest Policy.

- A. 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 such belief and afford the member an opportunity to explain the alleged failure to disclose.
- B. If, after hearing the member's response and after making 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.

Section 8. Records of Proceedings. The minutes of the Board of Directors 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 of Director'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 9. Compensation.

- A. A voting member of the Board of Directors who receives compensation, directly or indirectly, from the Archive for services is precluded from voting on matters pertaining to that member's compensation.

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- B. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Archive for services is precluded from voting on matters pertaining to that member's compensation.
- C. No voting member of the Board of Directors or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Archive, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Section 10. Annual Statements. Each director, principal officer and member of a committee with Board of Directors 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 Archive is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Section 11. Periodic Reviews. To ensure the Archive 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 Archive'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 12. Use of Outside Experts. When conducting the periodic reviews as provided for in Section 11 above, the Archive may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of Directors of its responsibility for ensuring periodic reviews are conducted.

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Article XII. INDEMNIFICATION

Section 1. Indemnification. Each person, now or hereafter, a director, officer or employee of the Archive, shall be indemnified by the Archive against all costs and expenses, including counsel fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by or imposed upon him or her in connection with or resulting from any threatened, pending or completed action, suit or proceeding or the settlement thereof prior to final adjudication (including actions by or in the right of the Archive), to which he or she is or may be a party by reason of his or her being or having been a director, officer or employee at the time such costs or expenses are incurred by or imposed upon him or her. Such indemnification assumes that the person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Archive, and with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful.

The question whether and to what extent such indemnification is appropriate to be made in any particular case, under the above provision, shall be determined by final adjudication in such action, suit or proceeding or, in the absence of such adjudication, by vote of a majority of the Directors then in office who are not parties to the action, or any related action, suit or proceeding, whether or not such majority constitutes a quorum. If all Directors then in office are parties to the action, or a related action, suit or proceeding, this determination shall be made in a written opinion by independent legal counsel selected by the Board of Directors. The right of indemnification herein provided shall not exclude other rights to which such person may be entitled by law.

Section 2. Good Faith. No person shall be liable to the Archive for any loss or damage suffered by the Archive on account of any action taken or omitted to be taken in good faith by him or her as a Director or Officer of the Archive.

Article XIII. GENERAL PROVISIONS

Section 1. Rules. Roberts' Rules of Order shall govern the conduct of any meeting, assembly or convention of this Archive, should any dispute arise as to its conduct.

Article XIV. AMENDMENTS

The power to alter, amend or repeal these By-laws or adopt new By-laws shall be vested in the membership, unless otherwise provided in the Articles of Incorporation or the By-laws. Such action may be taken at a regular or special

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meeting of the membership for which 15 days written notice of the purpose and amendment contents shall be given. The By-laws may contain any provisions for the regulation and management of the affairs of the Archive not inconsistent with law or the Articles of Incorporation.

Article XV. DISSOLUTION

Upon the dissolution of the Pacific Northwest Railroad Archive (PNRA), assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code. The document, photo, drawing, artifact and other material collections, whether printed or digital, will be returned to the railroad history organization which retained the original ownership. All funds, equipment and other assets will be distributed between the participating railroad history organizations according to the amount of funds contributed to support PNRA from its beginning. Any such assets not so disposed of by these means shall be distributed to a state or local government, or to the federal government, for a public purpose. Any additional assets not so disposed of shall be disposed of by a Court of Competent Jurisdiction of the county in which the principal office of PNRA is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine.

Article XVI. ADOPTION

Adopted by vote of the members on November 14, 2012 in Burien, Washington.