

**BY-LAWS OF THE  
PUEBLO RAILWAY FOUNDATION  
(A NON-PROFIT CORPORATION)**

The following by-laws were adopted by the Board of Directors of the Pueblo Railway Foundation, a Colorado Non-Profit Corporation.

**ARTICLE I  
Organization**

**Section 1.1** Name.

The name of this organization is the Pueblo Railway Foundation hereafter referred to as the foundation.

**Section 1.2** Organization.

- 1.2.1.1 The foundation was organized as a non-profit corporation under the Colorado Non-profit Corporation Act on April 25, 2003 by Gerald Dandurand, Incorporator.
- 1.2.1.2 As a non-profit organization, no income or profits of the foundation shall be distributable to any member, director or officer of the foundation, and no member, director or officer shall have any interest or title in any of the asset of the foundation.
- 1.2.1.3 If any Article or Section thereof of the following By-laws shall be found to be inconsistent with the Articles of the Incorporation or the Laws of Colorado, said Article or Section thereof shall be null and void and the nullifying provisions of Colorado Law or the Articles of Incorporation shall control. If any Article or Section thereof of the By-laws shall be found to be inconsistent, the remaining Articles and provisions of these By-laws shall not be voided, but shall remain in full force and effect until altered, amended, or revoked in the manner provided herein.

**ARTICLE II  
Corporate Seal**

The directors may adopt a corporate seal by appropriate resolution thereof. These By-laws shall not require the use of such seal on any instrument issued by the foundation.

**ARTICLE III  
Registered Office and Agent**

**Section 3.1** Appointment

The Corporation shall always maintain a Registered Office within the State of Colorado and in any other state in which it is qualified to do business. The Registered Agent at such address shall be appointed by and serve at the pleasure of the Board of Directors. The Registered Office shall be designated, from time to time, by the directors or by the Registered Agent.

**Section 3.2** Change of Agent and/or Office.

Any change of Registered Agent and/or Registered Office, whether by action of the directors or by the agent himself shall be done in accordance with current state laws and regulations.

**ARTICLE IV.  
Membership**

**Section 4.1 Eligibility.**

*Any person or organization that indicates an interest in the construction or operation of railroad related items, or preservation of railroad history, preservation of prototype equipment, or otherwise furthering the purposes and goals of the foundation shall be eligible for membership.*

**Section 4.2 Member categories**

- 4.2.1 An Associate individual member shall be entitled to participate in Foundation events and activities, receive all announcements, newsletters and presentations or seminars, vote for Directors, and attend meetings.
- 4.2.2 Void
- 4.2.3 A Lifetime individual member shall be entitled to all rights and privileges of Associate members, including voting rights, and pays a one-time membership fee.
- 4.2.4 A Corporate member shall be entitled to all rights and privileges of Associate members, plus free recognition in the newsletter. Corporate members shall be entitled to one vote on matters of interest.

**Section 4.3 Acceptance.**

- 4.3.1 A majority vote of the directors is required for acceptance of new members.
- 4.3.2 Upon acceptance for membership, each individual shall agree to accept and abide by the By-laws and Operating Rules then in effect, and shall pay all dues and initiation fees as shall be in effect at the time.
- 4.3.3 Memberships are not transferable.

**ARTICLE V.  
Dues and Fees**

**Section 5.1. Purpose.**

The foundation is financially supported by dues and fees assessed upon its members.

**Section 5.2. Initiation Fees.**

Initiation fees for new members shall be established by a majority vote of the directors.

**Section 5.3. Dues.**

Dues and any other assessments levied upon current members shall be established by a majority vote of the Directors, a quorum being present.

**ARTICLE VI  
Termination of Membership**

**Section 6.1 Resignation.**

Any member in good standing may resign his membership at any time by giving notice to the President and the prompt return of all foundation keys and assets, including manuals and intellectual property.

**Section 6.2. Expulsion.**

Any member may be expelled or excluded from membership by a majority vote of the Directors. Following expulsion the member may reapply for membership anytime after one year and may be reinstated by majority vote of the Directors.

**ARTICLE VII.  
Powers of Members**

**Section 7.1 Election of Directors**

All Members are eligible to elect Directors as described in Section 11.2

**Section 7.2 Other Actions**

All Members are entitled to vote on other special actions presented at designated meetings.

**Section 7.3 Vacancies**

Any member may petition the Board of Directors concerning a Board or Officer vacancy.

**Section 7.4 Representation**

Members may petition the Board of Directors that a Director or Officer is improperly representing the foundation.

**ARTICLE VIII  
Meetings of Members**

**Section 8.1 Regular Meetings.**

If a regular time and place is established by resolution of the members for holding of their regular meetings, then no further notice shall be required to be given.

**Section 8.2 Annual Meeting**

8.2.1 The annual meeting of members, commencing with the year 2004 shall be held during the first week in June or at such time and place determined by the Directors.

8.2.2 The business to be transacted at such annual meeting shall be the election of directors, and such other business as shall be properly brought before the meeting, as defined in Article IX.

8.2.3 Each member in good standing entitled to vote at the annual meeting, shall be given in person, or by mail, written or printed notice of the annual meeting and a brief Description of the business to be conducted at the annual meeting. A quorum of the members represented in person or proxy at such meeting is a simple majority.

**Section 8.3 Special Meetings.**

8.3.1 Special meetings of the members may be called at any time by the directors or at the written request to the Directors by 25% or more of the members in good standing.

8.3.2 Each member in good standing entitled to vote at the special meeting, shall be given in person or by mail, written or printed notice of the special meeting and a description of the matters to be considered for action. Only those matters described in such written notice may be considered at any special meeting of the members.

**Section 8.4** Vote by Proxy

A member may vote through a proxy executed on a document originated by the Secretary.

**Section 8.5.** Notice of Meetings.

- 8.5.1 Whenever these By-laws require any notice of meetings of Members to be given, such notice shall be delivered not less than ten (10 ) days nor more than fifty (50) days before the meeting. The secretary shall keep a copy of all notices of members meetings.
- 8.5.2 If the foundation shall publish a newsletter to be distributed to all members by first class mail, notice shall be deemed met by publication in such newsletter.

**ARTICLE IX**  
**Directors**

**Section 9.1** Number and Term.

The Number of directors shall be three (3) to five (5). Each Director shall serve a term of four (4) years, with two directors being elected every other year and the fifth director having a life time term. Newly elected directors shall take office upon adjournment of the meeting at which they are elected. Two of the initial directors will hold initial office for six years.

**Section 9.2** Qualification.

Candidates for the Board of Directors must be members of the foundation and in good standing for at least one year.

**Section 9.3** Powers of Directors.

The Directors shall have and exercise the following powers, but are not limited to those powers not expressly enumerated herein or elsewhere in the By-laws subject to the rights of members:

- 9.3.1 To establish and amend policies, and to make, alter, amend, and repeal the by-laws, subject to provisions of any law;
- 9.3.2 To interview and nominate candidates for Directors, who will then be voted upon by the full membership.
- 9.3.3 To appoint the officers of the foundation;
- 9.3.4 To designate, by resolution passed by the board, one or more ,committees, each consisting of one or more directors. which, to the extent permitted by law and Authorized by the resolution or the By-laws, shall have and may exercise the powers bestowed upon the committee by the board.
- 9.3.5 To buy, sell, exchange, assign, convey, or otherwise dispose of a part of the property, assets, and effects of the foundation less than substantially the whole thereof, on such terms and conditions as they deem advisable, in compliance with these By-Laws.
- 9.3.6 To authorize and issue, subject to the power of the members, notes and other obligations of the foundation secured and unsecured, under such terms and conditions as the Board, in its sole discretion may determine, and to pledge or mortgage, as security therefor any real or personal property of the foundation, including after-acquired property;

9.3.7 The Directors may, subject to the powers of the members, by proper adoption of By-laws, confer upon the Board of Directors power and authority additional to those enumerated in the Articles of Incorporation and to those expressly conferred upon the directors by statute.

**Section 9.4. Interested Directors Disclosure.**

Unless shown to be unfair and unreasonable as to the foundation, no contract or other transaction between the foundation and one or more of its directors or between the foundation and any other corporation, firm, association or other entity in which one or more directors are Directors or are financially interested shall be either void or voidable irrespective of whether such interested director or directors, are present at the meeting of the Board, or of a committee thereof which approves such contract or transaction and irrespective of whether his or their votes are counted for such purpose.

In the absence of fraud any such contract or transaction may be conclusively approved as fair and reasonable by the Board, or a duly empowered committee thereof, by a vote sufficient for that purpose without counting the vote or votes of such interested director or directors (although he or they may be counted in determining the presence of a quorum at the meeting which approves such contract or transaction), if the fact of such common directorship, officership, or financial interest is disclosed to the Board or committee.

**ARTICLE X.  
Meetings of the Directors**

**Section 10.1 Annual Meeting.**

The annual meeting of directors, commencing with the year 2004, shall be held during the first week in June, on such day, and at such time and place as shall be determined by the Directors immediately following the annual meeting of members.

**Section 10.2 Regular meetings**

Regular meetings of the Board shall be at such time as may be fixed from time to time by resolution of the Board. No notice need be given for meetings held pursuant to such resolution.

**Section 10.3 Special Meetings**

Special meetings may be called at any time upon call of President, Vice President, or shall be called by the Secretary on the written request of any two directors.

**Section 10.4 Action without meeting**

Any action to be at a meeting of the Board of Directors may be taken without a meeting if a consent in writing, setting forth the action so taken is signed by all of the directors.

**Section 10.5 Quorum**

No less than a simple majority of the Board shall be present or proxy to constitute a quorum for conducting business of the directors.

**ARTICLE XI**  
**Election of Directors**

**Section 11.1** Qualifications

Candidates for Directors of the Foundation must be members in good standing of the foundation, support the objectives of the Foundation defined in the Articles of Incorporation, and demonstrate fiscal responsibility.

**Section 11.2** Nominations

The Secretary shall receive names of Director Candidates during the months of January, February, and March of each year in which directors are to be elected. The existing Directors will interview each candidate to ascertain his understanding of Director's responsibilities and prepare a list of qualified nominees. The Secretary will then provide a list of the nominees, in the notice of annual meeting of members along with any campaign information desired by the nominee. In lieu of the notice of the annual meeting, this information may be posted in an issue of the newsletter at least thirty (30) day's prior to such annual meeting. The Secretary shall also post a notice of elections and a sign up sheet for nominations in Foundation's business office at least six (6) months in advance of the election.

**Section 11.3** Election.

- 11.3.1 Election of Directors shall be at the annual meeting of members that falls upon the expiration of the term of incumbent directors. For such an election to be effective, a quorum of members entitled to vote must be present, either in person or by proxy.
- 11.3.2 Each voting member shall be permitted one vote for each of the number of positions to be filled on the Board of Directors, and each member shall be entitled to only one vote per candidate.
- 11.3.3 The number of candidates equivalent to the number of positions to be filled receiving the largest number of votes shall be elected.
- 11.3.4 Voting for directors shall be by secret or mail-in ballot. Ballots shall be distributed to qualified electors by the Secretary who shall also count the ballots and certify the results of the election.
- 11.3.5 Newly elected Directors shall take office upon the adjournment of the meeting, and if this is annual meeting of members, the new directors shall hold their annual meeting upon the adjournment of the meeting of members

**Section 11.4** Vacancies on the Board of Director

- 11.4.1 Vacancies on the Board of Directors due to an increase in the number of directors by amendment of these by-laws shall be filled by a vote of the membership in accordance with Section 11.2. and 11.3.
- 11.4.2 In case of any vacancies in the Board of Directors caused by death, resignation, disqualification, removal or other cause, the remaining directors, even if their total number is less than a quorum, may by affirmative vote of a majority thereof, elect a successor or successors, and the directors so chosen shall hold office for the unexpired term of each vacant director, and until successor or successors shall be elected and qualified.

**Section 11.5** Resignation.

Any director may resign at any time, either by oral tender of resignation at any meeting of Board of Directors, or by mailing or delivering, written notice to the President or Secretary. The resignation of any director shall take effect at the time specified and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**Section 11.6 Removal.**

- 11.6.1 Any director may be removed from office by a vote of the majority of the directors, with or without cause.
- 11.6.2 At any meeting of the members, any director or directors may be removed from office, without assignment of any reason therefore, by a 3/4 vote of the members entitled to vote.

**ARTICLE XII  
Officers**

**Section 12.1 Qualification and Election**

- 12.1.1 The officers of the foundation are the President, Vice-President, Secretary, and Treasurer. All officers must be members in good standing, and will be appointed by the Directors.
- 12.1.2 The Officers will hold two-year terms coinciding with the bi-annual Director election.

**Section 12.2 Duties and Powers of Officers**

- 12.2.1 The President shall preside at all meetings of the members. He shall have general supervision of the affairs of the foundation, shall sign or countersign all certificates, contracts or other instruments of the foundation as authorized by the Board of Directors.
- 12.2.2 The Vice-President shall exercise the function of President during the absence or disability of the President. The Vice-President shall have such other duties as are assigned to him from time to time by the President or the Board of Directors.
- 12.2.3 The Secretary and Treasurer shall perform such duties as are incident to their offices, or are properly required of them by the Board of Directors, or are assigned to them by the Articles of Incorporation or these By-laws.
- 12.2.4 In the case of absence or disability of any officer and of any person hereby authorized to act in his place during such period of absence or disability, the Board of Directors may from time to time delegate the power and duties of such officer, or any director.

**Section 12.3 Resignation**

Any officer may resign at any time, either by oral tender of resignation at any meeting of Board of Directors, or by mailing or delivering written notice to the President or Secretary. The resignation of any officer shall take effect at the time specified and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**Section 12.4 Removal.**

- 12.4.1 Any officer may be removed from office by a vote of the majority of the directors, with or without cause.
- 12.4.2 At any meeting of the members held in accordance with Article VIII, the membership may by a 2/3 vote petition the Directors for removal of any officer, without assignment of any reason therefore.
- 12.4.3 If any officer shall fail to perform, or shall unlawfully perform, his duties as such officer, or shall fail to attend to the regular duties of such office, for a period of sixty (60) days, then the Board of Directors may in either event at its option, declare such officer disqualified and discharged, and his office vacated.

12.4.4 The Board of Directors shall appoint a successor to such vacant office either at a meeting called for that purpose, or at the next regular meeting.

### **ARTICLE XIII Compensation of Officers and Directors**

#### **Section 13.1** No compensation of Officers and Directors

All offices within the organization are voluntary. No officer or director shall receive any compensation for services performed in such capacity.

#### **Section 13.2** Expenses

Officers and Directors shall be entitled to reimbursement for out-of-pocket expenses actually incurred on behalf of the business and activities of the foundation, which, in the opinion of the directors, are fair and reasonable.

#### **Section 13.3** Indemnification

- 13.3.1 The foundation shall indemnify each of its officers and directors, whether or not then in office, (and his executor, administrator and heirs) against all reasonable expenses actually and necessarily incurred by him in conjunction with the defense of any litigation to which he may have been made a party because he is or was a director or officer of the foundation. He shall have no right to reimbursement, however, in relation to matters as to which he has been adjudged liable to the foundation for negligence or misconduct in the performance of his duties. The right to indemnify for expenses shall also apply to expenses of suit, which are compromised or settled if the court having jurisdiction of the action shall approve such settlement.
- 13.3.2 The foregoing right of indemnification shall be in addition to, and not exclusive of, all other rights to which such director or officer may be entitled.
- 13.3.3 Any amount payable by way of indemnity under this By-Law may be determined and paid pursuant to an order of, or allowance by, a court under the then applicable provisions of the state statutes; or may be determined and paid pursuant to a resolution of a majority of the members of the Board of Directors, other than those who have incurred expenses in connection with the litigation for which indemnification is sought.

### **ARTICLE XIV Operating Rule**

#### **Section 14.1** Purpose

The Operating Rules shall be rules and standards relating to activities of the foundation, primarily to the repair, maintenance and operation of foundation's assets, and new construction of foundation facilities, and the use thereof.

#### **Section 14.2** Adoption

Operating Rules shall be proposed by the members or directors, or alternately by a committee appointed for that purpose. The Operating Rules and any amendment thereto shall be ratified by a majority vote of the Directors: a quorum being present.



**ARTICLE XV**  
**Books and Records**

**Section 15.1** Responsibility for Records

The Board of Directors shall cause to be kept, in an acceptable manner and form, all books and records as shall be required by law and other records as they deem necessary. The record keeping or determination of the need therefore, may be delegated to any officer deemed appropriate.

**Section 15.2** Minutes of Meetings

The Board of Directors shall cause to be kept, in books provided for that purpose, minutes of all meetings and other votes or resolutions of the board, and all minutes of all meetings of the members.

**Section 15.3** Membership

Records shall be kept containing the names, addresses, and of the payment of financial obligations of all current members. The name, address and dates of membership of former members shall be kept on file for five (5) years.

**Section 15.4** Financial Records

Financial books and records shall be kept at all times. Such accounts and any reports made therefrom shall be maintained according to generally accepted accounting principles for non-profit organizations. Summary financial statements shall be available to all members at least annually.

**ARTICLE XVI**  
**Fiscal Year**

The Fiscal Year of the organization for financial accounting and reporting purposes shall be the twelve (12) month period commencing on January 1, and ending on December 31 of each year. IRS tax ID 87-0694204.

**ARTICLE XVII**  
**Amendment**

The Board of Directors reserves the right to amend, alter, or repeal the By-Laws from time to time in accordance with the Articles of Incorporation and the laws of Colorado.