



**BY-LAWS OF THE  
BLUEWATER MICHIGAN CHAPTER, INC.  
NATIONAL RAILWAY HISTORICAL SOCIETY  
(AS REVISED BY THE CHAPTER MEMBERSHIP, EFFECTIVE JANUARY 1, 2009)**

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## **PREAMBLE**

Whereas, we, a group of men and women of all creeds, colors and walks of life share a common interest in the present, past, and future of North American Railroads, their history, equipment, architecture, operations and sociology; and whereas, we feel that this historical past must be preserved for the present and future generations, we band together under these By-Laws for the enjoyment of our interest and to inform ourselves, the general public and all others who have an interest in the history of railroading of what this institution has meant to our society.

## **ARTICLE I: NAME, AFFILIATION AND LOCATION**

- 1.1 The name of this organization shall be BLUEWATER MICHIGAN CHAPTER, INC., hereafter referred to as the Chapter. The Chapter shall be a chartered chapter of the National Railway Historical Society, hereafter referred to as the National Society.
- 1.2 The principal office of this organization shall be maintained in the city of Royal Oak, Michigan until such time as the Board of Directors may otherwise deem appropriate to change the office location.

## **ARTICLE II: PURPOSES**

2.1 The purposes of the Chapter are:

- A. To establish and maintain a collection of books, records, photographs, railroadiana, railway equipment, structures and other materials relating to the history of railroading in Michigan and in North America.
- B. To encourage research and to educate the public about the history, equipment, operations and architecture of railroading in Michigan and North America.
- C. To conduct such other charitable and educational activities within the meaning of Section 501 (c)(3) of the Internal Revenue Code of 1954, or comparable provisions of subsequent legislation as the Board of Directors of the Chapter may determine.

D. To acquire, to own, to dispose of, and to deal with real and personal property and interests therein, and to receive, and apply gifts, grants, bequests, and devises, and the proceeds thereof, in furtherance of the purposes of the corporation.

E. To do such things and to perform such acts to accomplish its purposes as are not forbidden by Section 501(c)(3) of the Internal Revenue Code of 1954, or comparable provisions of subsequent legislation, with all the powers conferred upon non-profit corporations by the laws of the State of Michigan.

2.2 Non-Profit Operation. The Chapter shall be operated exclusively for charitable, scientific and educational purposes as a non-profit corporation. No member of the Board of Directors of the Chapter shall have any title to or interest in the Chapter property or earnings in his or her individual or private capacity and no part of the net earnings of the Chapter shall inure to the benefit of any member, director, officer or any private individual. However, this provision shall not prevent the Chapter from acquiring goods or services from Chapter members, provided that the price paid for such goods or services does not exceed the fair market price. No substantial part of the activities of the Chapter shall consist of carrying on propaganda, or otherwise attempting to influence legislation, nor shall the Chapter participate in or intervene in any political campaign on behalf of any candidate for public office.

### **ARTICLE III: MEMBERSHIP**

3.1 Any person of good character, sixteen (16) years of age or older, who is a member of or an applicant for membership in the National Society shall be eligible for membership, except that no person under age twenty-one (21) shall be eligible to hold elective office.

3.2 Application for membership in this Chapter shall be by the National Society membership application. All membership applications shall be announced at regular Chapter meetings and listed in the next issue of the Chapter Newsletter.

Immediately thereafter applicants shall be elected to membership by a majority vote of the Board of Directors. Prior to this, any member may question an applicant's fitness for membership by presenting a written statement to any member of the Board of Directors.

3.3 Membership shall be divided into eight (8) classes: Sustaining, Active, Affiliate, Chapter Only, Honorary, Family, Junior Chapter Only, and Corporate as defined:

- A. Sustaining & Active members shall be dues paying members of the Chapter who pay their National Society dues through the Bluewater Michigan Chapter. They shall have the right to vote in annual and special elections and at regular and special meetings and to hold elective office.
- B. Affiliate members will receive the Chapter newsletter, event flyers, etc., can participate in all chapter events, membership meetings, etc., but cannot vote or hold office.
- C. Chapter Only memberships shall be available in Sustaining, Active, or Affiliate and shall be dues paying members of the Chapter who pay their National dues through another Chapter of the National Society. They shall have the same voting and office holding rights as members who pay their National dues through the Chapter.
- D. Honorary membership in the Chapter only, may be awarded by the Board of Directors to any person who is deemed worthy without regard to National Society membership. Honorary members shall pay no dues and shall have no right to vote nor hold elective office. Such membership shall be for lifetime unless revoked by the Board of Directors.
- E. Family membership shall be available to the spouse of any Chapter member. Family members shall have voting and office holding rights consistent with the membership of their spouse.
- F. The Board of Directors may accept Junior Chapter Only members, ages 10 to 21, while in school on a full time basis, when sponsored by a Sustaining, Active, Affiliate or Family member. Such Junior members cannot vote or hold any

elective or appointed office. The children of Sustaining, Active, Affiliate, or Family members age 21 and under and full time students will automatically be Junior Chapter Only members.

- G. Corporate membership shall be available to any corporation interested in, and wishing to support, the goals and projects of the Chapter. A copy of each Chapter publication will be mailed as directed by the member corporation. (Chapter only with no voting or office holding rights.)

3.4 All members are expected to represent the Chapter in the best way possible at all times by their conduct, language, and bearing. No member shall do otherwise or shall consume or be under the influence of alcohol, controlled substance, etc. while on Chapter duty or while wearing apparel that would identify him or her as a Chapter member. The Board of Directors shall take such disciplinary action as they deem appropriate without consulting the membership beforehand except for removal, which process is described in Article VIII.

#### **ARTICLE IV: OFFICERS AND DIRECTORS**

4.1 There shall be a Board of Directors (Board) to establish policy and set long term goals of the Chapter. This Board shall consist of the elected officers and directors and the appointed officers of the Chapter. The Board shall have all the authority to decide policy and to plan Chapter activities within the limitations expressed in these By-Laws and to approve expenditures as limited by Article VII of these bylaws.

4.2 The elected Chapter officers shall be a President, Vice President, Treasurer, Secretary and National Director as well as four (4) Directors-at-Large, all of whom shall be elected for one year terms in accordance with Article VI of these by-laws.

4.3.1 The President shall provide nominations for appointments to standing offices and committee chairs to the Board of Directors for confirmation. The Board shall approve/disapprove each nomination by simple majority vote. In the event that a

nomination is disapproved by the board, either the President or the Board may nominate further candidates for the office in question. Standing offices and committee chairs include (but are not limited to): Conductor, Car Host Manager, Food Service Manager, Souvenir Manager, Chief Mechanical Officer, Newsletter Editor, Membership Chair, Librarian/Archivist, Office Manager, Ticket Chair, Events Committee Chair, and Program Chair. All nominees shall be members in good standing. Appointments for standing offices and committee chairs shall be for one (1) year (January 1-December 31 of a given calendar year). Appointees may be re-nominated for additional terms of service. An appointment may be terminated, using the same procedures as described above. In the event that the appointee holding a standing office or committee chair leaves office before the expiration of their term, the President may directly appoint a temporary replacement without a vote of the Board. These temporary appointments shall not exceed 45 calendar days. On the effective date of this paragraph, current holders of standing offices or committee chairs may retain their positions through the end of the current calendar year. All standing officers and committee chairs shall be non-voting members of the Board, unless they otherwise hold elective office.

4.3.2 The President may make direct appointments to temporary offices or committees without a vote of the board. However, the President shall notify the Board of such appointments (and terminations of such appointments) at the next Board meeting following the appointment/termination. All appointees shall be members in good standing. Appointments to temporary offices or committees shall not exceed ninety (90) days without approval of the Board. Temporary offices and committee chairs include (but are not limited to): Trip/Event Chairs, Nominating Committee and Teller Committee.

4.3.3 Elected and appointed officers and chairs may select one or more assistants or subordinates to aid them in their duties. All assistants and subordinates shall be members in good standing. However, the responsibility for the performance of duties remains with the member elected or appointed to the office or chair.

4.3.4 In the event that the performance or activities of an appointee (or his assistant/subordinate) endanger life or property, the President or presiding officer (see

succession of officers as listed in paragraph 4.2) may temporarily suspend the person from his duties and call an emergency board meeting within seven (7) calendar days to discuss and act on the matter. The authority to suspend may be delegated to managers or supervisors. In the event that the board does not meet within the period described, the suspension shall be lifted.

4.3.5 Upon the request of the majority of the board, the President shall appoint a committee consisting of three Chapter members in good standing to review the performance of any appointed officer or chair, and to report the result of such review at the next scheduled Board meeting.

4.4 The President shall be the chief executive officer of the Chapter. He shall establish and dissolve all committees (except as provided in paragraphs 4.3.1, 4.3.2, and 8.2); shall be an ex-officio member of all committees except the Nominating Committee and shall preside at all meetings of the Board of Directors and of the Chapter. He may call Special Meetings of the Board (upon 24 hours verbal notice to all Board members) or the Chapter (upon written notice to Chapter members postmarked not less than seven days prior to said meeting) when necessary. He or his designee will be the only official spokesperson and agent for the Chapter.

4.5 The Vice President shall act as assistant to the President and shall perform such duties as the President may direct. In the event of the President's resignation, complete disability, death or removal from office, he shall become the Chapter President for the remainder of the President's term of office.

4.6 The Treasurer shall, under the general direction of the President, be the chief fiscal and accounting officer of the Chapter. The Treasurer shall see that general and subsidiary ledgers as required be maintained. The Treasurer shall establish and enforce standard procedures for check writing, cash box operations, and financial record-keeping. The Treasurer shall maintain records and establish procedures for the safekeeping of Chapter property. The Treasurer shall be responsible for collection of

annual membership dues and all other funds due the Chapter; for the safekeeping of Chapter funds, the filing of all government tax returns and providing the Secretary with such information as required to file government reports, the disbursements of Chapter funds as prescribed in these By-Laws and maintaining accurate, understandable and easily accessible records. The Treasurer shall be responsible for the completion of tax returns, annual reports, etc. for his/her term of office even though said term is completed and he/she is no longer treasurer.

4.7 The Secretary shall see that attendance records are kept for all Board of Directors and Chapter meetings, shall prepare minutes for these meetings and for Events Committee meetings, assist in elections as prescribed in the By-Laws, be custodian of the Chapter Charter, Chapter Seal, Articles of Incorporation, these By-Laws, the minutes of Board and Chapter meetings and other records as may be of permanent value in conducting Chapter business. The Secretary shall maintain a file of the minutes of Board and Chapter meetings, and all motions approved by the Board which affect Chapter policy, including motions approved prior to the current Secretary's term of office and motions rescinded. All such motions shall have a sequential number assigned, and an index of such motions shall be maintained. The Secretary shall provide current copies of the By-Laws and the index of approved motions to each incoming Board member at the January board meeting, and shall provide copies of the By-Laws, the index of approved motions and any specific motion to any member upon ten (10) days' request. The Secretary is responsible for filing all non-tax government reports on a timely basis as required by law.

4.8 The National Director shall be the Chapter's representative to the National Society and shall sit on the National Society's Board of Directors subject to by-laws and rules of the National Society. In the event of the National Director's inability to attend any National Society function, the President, subject to Board of Directors approval, may appoint a proxy to serve as National Director.

4.9 The Directors-at-Large shall represent the membership on the Board of Directors and shall perform such other duties as may be assigned by the President. A Member desiring that an issue be brought to the Board's attention may request that a Director at Large act on his behalf at the next Board meeting.

4.10 The Board of Directors shall elect a member to the Board to fill any vacant elected office on the Board for the remainder of the current term other than the office of President, which shall be filled according to Section 4.5 above.

#### **ARTICLE V: MEETINGS AND QUORUM**

5.1 Regular Meetings of the Chapter shall be scheduled at least nine (9) times per year by the Board of Directors, The Chapter Annual Meeting will be held in December and will be the Regular meeting for that month.

5.2 The Board of Directors shall meet at least once every three months. Board meetings will be open to all members with the exception when the Board invokes the privilege to discuss any matter concerning litigation, the purchase or sale of equipment, or expulsion of an officer, director or member. In such cases, the Board meeting will only be closed for the portion of the meeting devoted to discussion of the matter of privilege. Members may enter into discussion at Board meetings only upon approval of the President or person presiding at that meeting.

5.3 Special Meetings of the membership may be called by the President, the Board of Directors or upon written petition of twenty-five (25) members in good standing (see Article III).

5.4 The quorum at Regular and Special Meetings of the Chapter shall be twenty-five (25) members in good standing as determined by the Secretary (see Article III). A

quorum shall be presumed to be present unless a count is requested. The Board of Directors quorum will be five (5) elected members.

5.5 Meetings shall be governed by Robert's Rules of Order, newly revised, when not in conflict with these By-Laws or the Articles of Incorporation.

5.6 In the President's absence, the next officer in the sequence named in paragraph 4.2 of these By-Laws shall preside. The Secretary shall not preside unless he or she relinquishes his/her duties temporarily to a Director-at-Large or the Assistant Secretary while presiding. If no elected officer is present at a chapter meeting, then the Directors-at-Large alphabetically by order of surname shall preside.

5.7 The presiding officer may appoint a Parliamentarian at any meeting, who when called upon, will render guidance on procedural matters.

5.8 Except as otherwise provided by statute, written notice of Regular and Special Meetings will be given in writing, preferably in the Newsletter, to be mailed not less than 10 days or more than 90 days before the meeting date. Board of Directors meetings need not be announced to the membership except upon request. Elected officers, Board members, appointed officers and committee chairpersons shall receive written or verbal announcement of Board of Directors meetings mailed at least 10 days in advance.

## **ARTICLE VI: NOMINATIONS AND ELECTIONS**

6.1 The President shall appoint the Nominating Committee Chair and members not later than July 1 of each year (see Paragraph 4.3.2) and shall announce such appointments to the membership in the next issue of the Chapter newsletter and at the next regular Chapter meeting. The Nominating Committee Chair and members shall not currently hold any elected Board position, nor shall any current members of the Nominating Committee be a candidate for the current election.

6.2 The Nominating Committee shall nominate at least one (1) but not more than two (2) candidates for each elected office and Board position. These candidates shall be announced to the membership in the September newsletter (if published), and at the regular September and October Chapter meetings. Additional nominations may be made from the floor at these meetings by any member in good standing, provided the nomination is seconded by another member in good standing. Nominations shall be closed at the regular October Chapter meeting. All candidates must be members in good standing, have expressed a willingness to serve in the position to which they were nominated and to attend all regular Board and Chapter meetings as far as is practical. Each candidate (or his/her representative) shall provide a biographical resume of their qualifications, Chapter service, and/or their goals for the Chapter to the nominating committee by October 31. The resume shall be one hundred (100) words or less, and shall not be altered unless factually incorrect. If no resume is received, the Nominating Committee shall disqualify the candidate and his/her name shall not appear on the ballot. No candidate shall appear on the ballot without a biographical resume.

6.3 The Secretary shall prepare and mail in an envelope not later than November 10<sup>th</sup>, to each Chapter member with voting privilege, at their last known address, one ballot containing the names of all candidates for elected positions (in alphabetical order, no write-in entries) and resumes, the date of the annual meeting, printed on the ballot, along with an addressed envelope prominently marked BALLOT ONLY. No other materials (other than By-laws amendments, see 18.3) shall be mailed with the ballot, resumes, and return envelope. The ballot shall be returned to the Secretary by mail or presented to the Secretary at the December Chapter meeting. Upon receipt, all ballot envelopes shall remain unopened until opened by the Tellers at the December Chapter meeting. Ballots are to be printed on colored paper to make copied ballots more difficult.

6.4 At the December Chapter meeting, the President shall issue a final call for ballots. After the final call for ballots, the Secretary shall turn over all ballots received at the

meeting or at the Chapter office to the Teller Committee for the opening, counting, and recording during the balance of the meeting. No member of the Teller Committee shall be a current candidate or currently hold elected office. Each candidate for elected positions may select a representative to observe (but not participate in) the vote count.

6.5.1 On each ballot returned, if the number of votes for an elected position exceeds the number of persons to be elected to that position, the vote for that position shall be voided. It is not necessary that votes be submitted for all ballot positions. Mutilated, faxed, or photocopied ballots shall be disqualified. Any ballot with notes and/or voter identification thereon shall be disqualified. There shall be no write-in votes. The vote totals shall be written on a form to be prescribed by the Secretary, which will be signed by all members of the Teller Committee. Upon completion, the vote total form shall be provided to the President for announcement at the December regular meeting.

6.5.2 The President shall announce the votes received for each candidate at the December regular meeting and ask if there are any challenges to the vote totals. If there are challenges, a new Teller Committee shall be appointed and the disputed votes recounted, recorded, and announced. The list of successful candidates shall be published in the next issue of the Chapter newsletter. The final vote totals shall be kept with the ballots, including any disqualified ballots plainly marked in the Chapter office for member inspection for one (1) year until the next election then destroyed.

6.6 The term of Officers and Board Members elected is from January 1st following the election to December 31st of the same year.

6.7 To be eligible for elective office, a member must be in good standing with continuous membership for at least two (2) years before being nominated for elective office.

6.8 It is recommended that prospective candidates for elective office serve the Chapter by performing volunteer duties such as Chapter passenger car maintenance or on board Chapter trips/excursions, assisting with the running of trips, etc., or have specific experiences related to the position as evidenced by written endorsement from Chapter officials or as determined by the Nominating Committee.

## **ARTICLE VII: COMMITTEES**

7.1 [Reserved]

7.2 The Program Committee shall arrange for entertainment or programs for each Chapter Regular Meeting. Such programs may include but are not limited to lectures, movies, slide programs, videos, dinner programs, book reviews, contests and field trips. The Program Committee Chair shall make arrangements for educational or entertainment programs of a railroad nature. Scheduled programs shall be publicized in the Chapter newsletter and at prior regular Chapter meetings.

7.3 The Newsletter Staff will be chaired by the Editor and shall be responsible for the creation, composition, printing and distribution of a monthly Newsletter consistent with the sections of these By-Laws pertaining to expenditure of Chapter Funds. The Newsletter shall be sent to all members and other persons or organizations deemed worthy by the Board of Directors. It shall contain official action of the Board and feature articles the Editor feels of interest to the membership. It shall list the names of new members and when possible, notice of all meetings and scheduled Chapter events. While the Newsletter will be the official publication of the Chapter, unless otherwise indicated, the opinions expressed will be those of the contributor or editor, and not necessarily reflecting the opinions of the Chapter or the National Society; a statement to this effect shall appear in each Newsletter. Although the Newsletter need not be exclusively devoted to Chapter news, etc., no issue shall be totally devoted to any other organization or other non-Chapter news, history, stories, etc.

7.4 Membership Committee shall be responsible for actively recruiting new members. It shall recommend new members to the Board of Directors for consideration by submitting a National Society Application. The Chairperson shall insure National Society membership applications are available at all Chapter meetings, trips and events and that the availability of these applications is announced.

7.5 The Events Committee is responsible for planning all Chapter sponsored trips and outings, for presenting the final plans for such events to the Board of Directors for approval, for making all arrangements with any carrier or other outside party, supervising all Chapter personnel at such events, appointing volunteers and the training of all Chapter personnel involved. Each event chair shall submit a budget, in a form prescribed by the Treasurer, for their event to the Events Committee Chair with a copy to the Treasurer before any expenditures are authorized for that event. Each event chair shall provide an accounting of revenues and expenditures for their event, in a form prescribed by the Treasurer, to the Events Committee Chair with a copy to the Treasurer not later than 60 calendar days after the event. Following each event the event chair's file (containing contracts, correspondence, and other pertinent data) shall be placed in the Chapter office for member review.

7.6 The Public Relations Committee is responsible for all relations between Chapter and the public, the news media, other National Society Chapters and other organizations. It shall assist the Events Committee and other Chapter functions with publicity. The Chapter President or his designee is the only official spokesperson for the Chapter.

7.7 The Property Committee will be custodian of all Chapter owned property (including owned or leased real estate or structures) including historical railroad artifacts, equipment, tools, supplies with the exception of motive power and railroad cars of any type. The Committee is responsible and under the guidelines established by the Board of Directors for arranging for procurement and disposition recommendations to the

Board of Directors. The Chairperson will report in writing to the membership and the Board at the December Annual Meeting of all acquisition and disposition of property during the year. All lease agreements or other contractual arrangements made on behalf of the Chapter, together with any related documentation, are Chapter property and shall be available for review by any member upon ten (10) days' request.

7.8 The Mechanical Committee shall be responsible for planning and supervising the restoration, maintenance, preservation, and utilization of all motive power and railroad cars owned or controlled by the Chapter. The Committee shall be responsible for procurement and disposition of materials required for this function within the authority granted by the Board of Directors as is consistent with these By-Laws. The Committee will prepare a written report for submission to the membership at the December Annual Meeting on the current status of all equipment under their control, activity for the past year and planned activity.

7.9 The Historical Committee shall be chaired by the Archivist and shall be responsible for the research, collection, documentation and organization of railroad history. The Archivist is responsible for recommending to the President and the Board of Directors a program in detail including what projects should be undertaken along with equipment, expense and facilities requirements. He and his committee shall determine what Chapter activities and events should be recorded for posterity along with Chapter records which should be saved.

7.10 The Publication Committee is responsible for making recommendations to the Board of Directors for historical publications including the printing and distribution. Upon approval from the Board, the Committee will be responsible to see that such publications for resale and distribution programs are carried out to the benefit of the Chapter.

7.11 The Finance Committee shall prepare an annual budget giving due consideration to budget requests from the various concerned officers and committees for recommendation to the Board of Directors for approval. It shall advise the Board on Chapter financial, procurement and accounting procedures and the investment of funds.

7.12 The President may appoint or terminate such additional committees as are required.

### **ARTICLE VIII: REMOVAL OF OFFICER, DIRECTORS OR MEMBERS**

8.1 Should it become necessary to remove an officer, director or member from office or from the Chapter for just cause, the individual may be removed by a two-thirds (2/3) vote of the members present and voting at a Special Meeting of the Chapter called for this purpose under the following procedures:

- A. A written detailed request for removal shall be sent to the President or presented to the presiding officer at a Regular Meeting of the Chapter. The request shall provide reason for the removal and shall be signed by at least three members.
- B. The President shall promptly appoint a special Investigating Committee of five members composed of former elected officers or directors, if available, and request the Committee report their findings within 30 days. The Committee will not discuss its findings to anyone other than the President prior to presenting its report to the Board of Directors.
- C. If the Investigating Committee concurs with the request for removal, the Board of Directors shall put before the membership at a Special Meeting called for that purpose as soon as possible a motion for removal and the report of the Investigating Committee and the Board of Directors.
- D. If the Investigating Committee does not concur with the removal request, the Board of Directors may either terminate the matter by a majority vote or refer the removal to the membership at a Special Meeting to be called as soon as possible with recommendations from both the Investigating Committee and the Board of Directors.

- E. The President shall notify the officer, director, or member whose removal has been requested by certified mail of the reasons for requesting removal and the fact an Investigating Committee has been formed. Upon Board action on the Investigating Committee report, the person whose removal has been requested will again be notified by the President by Certified mail of the action and, if the matter has been referred to the membership, when that Special Meeting will be held so he may answer the charges made in the request for removal.
- F. Following this opportunity to answer the reasons for removal, or if the officer, director or member fails to appear without having requested a delay for good cause, the final vote of the membership will be taken by secret written ballot. The President shall appoint three (3) tellers to count the votes at the Special Meeting and the result, but not the actual count, shall be announced immediately to the membership. The President shall notify the officer, director or member of the result in writing. The recorded vote count and the ballots shall be retained in the Chapter office for member review.
- G. The Secretary shall promptly notify the National Society Treasurer of any member expelled from the Chapter and of any officer or director removed from office.

8.2 If the President is subject to a request for removal, all actions prescribed in section 8.1 shall be taken by the Vice President.

8.3 If the person whose removal is requested is an elected or appointed officer, director or chairperson, the Board of Directors may, upon a majority vote, suspend the individual from his office or Chapter participation until the removal vote is put before the membership or the removal is terminated.

8.4 The Board of Directors upon a two-thirds (2/3) majority vote of all Board members, not just those present, may remove an elected officer or director who misses 3 consecutive Chapter Meetings or 3 consecutive Board meetings without good cause.

This procedure need not be referred to the membership and the Secretary shall not notify the National Society of such action.

#### **ARTICLE IX: DUES AND FEES**

9.1 Chapter membership dues shall be fixed by vote of the board and may be different for different classes of members.

9.2 Dues shall be payable prior to March 31st for each calendar year. The dues renewal notice shall be promptly sent by the Treasurer upon receipt from the National Society. An additional notice shall be sent by the Treasurer to any member who has not paid by March 1st. Upon failure to pay by March 31st, the member's name shall be removed from the rolls.

#### **ARTICLE X: EARNINGS**

10.1 Consistent with Article 2.2 of these By-Laws, none of the earnings or assets of the Chapter shall inure to the benefit of or be distributable to the members, directors or officers or other private individuals or organizations. Such persons may be reimbursed for actual expenses incurred in conducting the official business of the Chapter when duly authorized by the Board of Directors as prescribed in these By-Laws.

#### **ARTICLE XI: CHAPTER FUNDS**

11.1 The Finance Committee as prescribed in Article 7.11 of these By-Laws in conjunction with the Treasurer shall prepare an annual budget. The budget will be approved or modified by the Board of Directors and submitted to the membership for approval not later than the January regular Chapter meeting. The proposed budget presented by the Board will be printed along with any pertinent explanations in the issue of the Newsletter immediately preceding the Chapter meeting at which the budget will be discussed.

11.2 The proposed budget shall identify anticipated income and expenses by activity. The Board of Directors shall ensure that the budget contains a fixed minimum cash reserve which may be adjusted only by a two-thirds (2/3) vote of the Board of Directors.

11.3 The membership present at a Chapter meeting may approve the budget by a majority vote. In the event an objection(s) is raised to any item(s) within the budget, a separate vote may be taken on those item(s) and then on the remainder of the budget. If the proposed budget is not approved prior to the beginning of the fiscal year, then the rates of expenditure from the prior year's budget shall continue until the new budget is approved.

11.4 The authority of the Board of Directors to approve expenditures is limited to the amount specified in the approved Chapter Budget for any one item or service. The membership may, by majority vote at a Regular or Special Chapter Meeting, waive this requirement and authorize the Board of Directors to negotiate procurement of a specific item or service of higher value. The Board of Directors may request such waiver without disclosing the amount of expenditure when they deem it is in the best interest of the Chapter.

11.5 The Treasurer is authorized to expend Chapter Funds as authorized by the approved budget in the payment of invoices for Chapter activity required by any article of these By-Laws.

11.6 The Treasurer is authorized to expend Chapter funds in amounts not to exceed two hundred dollars (\$200.00), in one expenditure, in the payment of a member's expenses or miscellaneous purchases. An approved "Request for Payment" form and paid invoice or receipt shall be considered adequate documentation. This dollar limitation does not apply to budget or Board approved expenditures.

11.7 The Treasurer (in consultation with the President, Chief Mechanical Officer, and Finance Chairman) shall set aside funds for capital repairs, betterments, and maintenance of all Chapter owned railroad cars and/or locomotives, at a rate of the standard daily lease rate, or special (reduced rate) for each day of operational use, as it occurs

11.8 Chapter funds shall be deposited only in banks, savings & loans associations, credit unions or money market funds sponsored by member firms of the National Association of Security Dealers as approved by the Board of Directors with due consideration being given to Federal Deposit Insurance Corporation insurance, if available.

11.9 Chapter funds shall not be lent to or invested with any officer, director or member, nor shall they be invested through any officer, director or member, who shall receive a commission or otherwise profit from the investment.

11.10 Upon an affirmative vote by two-thirds of the entire elected Board, the Chapter may obtain loan(s) to promote the furtherance of Chapter purposes (Article II). Any Chapter assets, not otherwise encumbered, may be used as collateral for such loan(s). The payment of principal and interest of such loan(s) shall be included in the expenditure limitations of the approved Chapter budget or subsequent Board action (see paragraph 11.4).

## **ARTICLE XII: CLAIMS - INDEMNITY**

12.1 The Chapter assumes no responsibility for property which may be brought to or left at any Chapter sponsored activity, event or property (owned or leased), including member-owned tools and equipment (unless covered by lease or written agreement) nor for any accident or injury to any person or property.

12.2 The Chapter shall indemnify any officer, director or member serving at the request of the Board of Directors against expenses he or she actually and necessarily incurs in

the defense of any action, suit or proceeding to which he or she is a party by reason of serving or having served at the request of the Board of Directors. The exception to this is in relation to matters to which he or she shall be adjudged by the Board of Directors, or by suit or proceeding as being liable for negligence or misconduct in the performance of a duty. The foregoing right of indemnification shall be in addition to any other right such officer, director or member may be entitled to as a matter of law. The Board of Directors, when possible, shall purchase insurance for such indemnification.

### **ARTICLE XIII: BONDS**

13.1 The President, Treasurer, any Assistant Treasurer(s), and any other persons entrusted with Chapter checkbooks or cash boxes shall be bonded in such principal amounts as the Board of Directors shall direct. The Treasurer is responsible for procurement and maintenance of such bonds and the timely payment of their premiums. All costs of bonding shall be paid by Chapter funds. This requirement may be waived for any one fiscal year by a majority vote of the Board of Directors.

### **ARTICLE XIV: FINANCIAL RECORDS & REVIEW**

14.1 The President may name a Chairperson to an Audit Committee to review the financial records of the Chapter annually. Each member of the Audit Committee shall not currently be an elected member of the Board of Directors and shall not have been Treasurer or an Assistant Treasurer(s) for the period being audited. The audit shall be completed and the report submitted to the President within 90 days following the end of each fiscal year and shall be available for inspection by the membership. A certified external audit may be authorized by a two-thirds (2/3) vote of the Board of Directors to be paid from Chapter funds.

### **ARTICLE XV: FISCAL YEAR**

15.1 The Chapter fiscal year shall begin January 1st and end December 31st of the same year.

## **ARTICLE XVI: PROPERTY**

16.1 No item of real or personal property of the Chapter whose value exceeds two hundred and fifty dollars (\$250) shall be sold except upon approval by majority vote of the members present and voting at a Regular Meeting or Special Meeting following approval of such sale by the Board of Directors. Items of lesser value may be sold upon approval of the Board of Directors.

16.2 The Board of Directors may approve disposition of railroad motive power parts and railroad car parts which become surplus upon the recommendation of the Mechanical & Equipment Committee and not subject to the limitation of Article 16.1 above.

## **ARTICLE XVII: GENERAL**

17.1 There shall be a corporate seal which shall bear the name of the Chapter and its date of incorporation. The Secretary shall be responsible for the safekeeping of the seal.

## **ARTICLE XVIII: AMENDMENTS**

18.1 Any member may propose an amendment to these By-Laws by submitting a written proposal to the President. The President will present the proposed amendment to the Board at the next Board meeting for a vote on recommendation/non recommendation. At the next regular Chapter meeting following notification to the membership (see 18.2), the President shall present the amendment (and the Board's recommendation / non-recommendation) to the members present for discussion and vote. The proposed amendment must receive a second from a member other than the one who submitted it to be discussed and voted upon.

18.2 These By-Laws may be amended by a majority of the members present and voting at any Regular or Special Meeting provided written notice of the proposed amendment has been mailed to each member at least 10 days prior to the announced

meeting date. Publication of the proposed amendment in the Newsletter shall constitute such notice if mailed 10 days prior to the meeting.

18.3 These By-Laws may also be amended by a majority of the members voting by a mail ballot approved by the Board of Directors, provided that at least fifteen (15%) percent of the members cast valid ballots.

#### **ARTICLE XIX: DISSOLUTION**

19.1 In the event of the dissolution of the Chapter, the Board of Directors shall, after making provision to pay all liabilities of the Chapter, dispose of all Chapter assets to such organization(s) established for charitable or educational purposes who qualify under Section 501(c)(3) of the Internal Revenue Code of 1954 or provisions of any subsequent legislation.

19.2 If the Board of Directors fails to designate an organization, the property shall be distributed to the Michigan Railroad History Museum and Information Center located in the Durand Union Station and operated by Durand Union Station, Inc., if such qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code or provisions of any subsequent legislation.

#### **ARTICLE XX: BOARD RESOLUTIONS**

20.1 Board resolutions that pertain to long-term policy and/or procedure shall be recorded here as a supplemental document attached to these By-Laws for future reference. Such resolutions must be consistent with all articles of the By-Laws. Such resolutions may be rescinded by the Board at any time. Resolutions that pertain only to a current question or problem should not be recorded here. The purpose of this article is to provide a convenient reference for resolutions that establish long-term policy but do not qualify for By-Law amendment.

## **Board Resolutions**

*all board resolutions are to be held by the acting secretary  
and with advance notice, must be presents to a member upon  
said member's request within 5-days time.*

<b><i>Date:</i></b>	<b><i>Resolutions</i></b>
• 12-21-1998	<a href="#">Job descriptions for appointed Chapter officers.</a>
• 2-22-1999	Food Service to Meet USDA Standards
• 2-22-1999	Chapter cars to be painted, lettered, numbered and named according to the practices of the original railroad owners, except as required for operational necessity.
• 3-22-1999	James Bradford named official videographer by President Thatcher
• 3-22-1999	Only Bluewater can sell Souvenirs on Bluewater Excursions.
• 7-26-1999	Chapter to Retain Royalty Rights
• 2-28-2000	<a href="#">Mechanical Standards for Chapter-Owned Passenger Cars</a>
• 8-21-2000	<a href="#">Policy on Car Usage</a>
• 2-26-2001	<a href="#">Ticket processing procedures</a>
• 10-22-2001	<a href="#">Volunteer Incentive Program</a>
• 3-26-2007	Car Rental Policy-All chapter-owned passenger cars may rented to other parties providing that a least a two-week absence of any chapter events involving said cars.