

PENNSYLVANIA LIVE STEAMERS, Inc.

Bylaws

ARTICLE I NAME

The name of this association shall be Pennsylvania Live Steamers, Incorporated, hereinafter referred to as PLS, Inc.

ARTICLE II PURPOSE

The purpose for which PLS, Inc. is formed is to formulate and carry out plans for the construction and operation of a live steam railroad, and to foster a spirit of cooperation among live steam railroaders. PLS, Inc. will gather and disseminate information pertaining to the design, construction, maintenance, and operation of live steam railroads and locomotives among the members of this and similar associations and hold meetings at stated times for the discussion of topics and the exchange of ideas relating to live steam railroads and locomotives.

PLS, Inc. recognizes that, since its inception in 1946, the live steam railroading hobby has gradually changed from solely live steam models to a variety of different types of locomotive power; just like the full size railroads. Therefore, the term "live steam", as it applies to these bylaws, shall include steam as well as contemporary forms of motive power.

PLS, Inc. shall operate at all times on a non-profit basis.

ARTICLE III MEMBERSHIP

1. There shall be three (3) classes of members: Regular, Associate, and Honorary.
2. The Regular Membership shall be composed of, but not restricted to, individuals who are engaged in construction, maintenance, or operation of live steam railroads and locomotives as outlined in ARTICLE II.
3. The Associate Membership shall be composed of individuals who have an interest in live steam, except as otherwise covered in this Article.
4. Honorary Membership may be conferred upon any individual. The Board of Directors shall be the sole judge of the qualifications of the individual. He shall be relieved of the payment of dues, and his name shall remain enrolled on the roster of members.
5. Regular Members only shall be entitled to hold office and vote.
6. Any Associate Member living within a fifty (50) mile radius of the PLS, Inc. club site shall apply for Regular Membership immediately following acquisition of a locomotive to the point of operation on any track provided by PLS, Inc.

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7. A Regular Member who moves more than fifty (50) miles from PLS, Inc. may elect to apply for Associate Membership. If he later again resides within the above limit, he shall, upon application and payment of dues, be reinstated as a Regular Member without incurring a new initiation fee.
8. Applications for Regular Membership shall be submitted in writing, accompanied by (1) payment of dues for the current year at the Regular Membership rate (2) the Regular Member initiation fee.

Applicants for regular membership shall be required to complete a probationary period lasting a minimum of one year and extending to a maximum of two years. The probationary requirement may be fulfilled after: (1) a minimum of one year has elapsed from the date of application and, (2) the work participation requirement specified below has been successfully completed.

During the probationary period, the applicant will be required to participate actively in construction, maintenance or other duties for the benefit of PLS as approved by the Board of Directors. This work participation requirement will be for a minimum of ten occasions, on separate days, of not less than three hours each during the probationary period.

At the conclusion of the probationary period, the Board of Directors will review the application. If approved, the Board of Directors will submit the application at the next regular meeting for vote by secret ballot. The applicant shall become a Regular Member upon receiving the favorable vote of not less than two-thirds (2/3) of the Regular Members present.

During the probationary period, applicants will have running privileges on the railway at Rahns but will not be issued keys to the property, or have voting rights.

If the application does not receive approval of the membership as provided above, a full refund of the initiation fee will be made. The applicant's dues payment, however, will not be refunded.

The work participation requirement does not apply to applicants residing more than 50 miles from the PLS site at Rahns.

At the discretion of the PLS Board of Directors the probationary requirements outlined in this Article may be waived for sufficient cause.

9. Individuals applying for Associate Membership shall pay the required dues and present their names and addresses to the Treasurer for enrollment on the roster. Associate Members who desire Regular Membership shall be subject to the same requirements as set forth in the above paragraph.
10. Members and guests shall be required to comply at all times with the rules and regulations prescribed by PLS, Inc. relating to the property of PLS, Inc. and the operation of equipment. (See ARTICLES VI, VII, and VIII.)

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11. As a condition of membership, all members, regardless of class, shall execute a Member Acknowledgement of Responsibility and Release of Liability, a copy of which is attached to these Bylaws as Exhibit "A," prior to renewing their annual membership. The Member Acknowledgement of Responsibility and Release of Liability attached hereto as Exhibit "A" may be amended from time to time by a simple majority vote of the members.

ARTICLE IV OFFICERS AND DIRECTORS

1. The executives of PLS, Inc. shall be a President, a Secretary, a Treasurer, and a Board of Directors, hereinafter referred to as the Board. The Board shall include the three (3) elected Officers, plus six (6) additional Directors. The President will also function as Chairman of the Board. All Officers and Directors shall be Regular Members of PLS, Inc.
2. The Board shall appoint a Nominating Committee of two Regular Members to obtain a slate of candidates as described in subsequent paragraphs of this Article. The Committee must attempt to contact all eligible members as described in paragraphs 5 & 6. The slate of nominees will be posted in the clubhouse no later than 30 days prior to the Annual Meeting and distributed to all Regular Members prior to the election. Notice of the opening of nominations and pertinent dates shall be provided to a Regular Members (Gazette or special mailing) in sufficient time for action prior to the closing of nominations. Any member believing he/she is eligible and not having been contacted by the Nominating Committee must make his/her intentions known to the Committee prior to the closing date.
3. The Nominating Committee shall be charged with the responsibility of obtaining at least one, and preferably more than one, eligible Regular Member to run for each of the offices of President/Chairman, Secretary, and Treasurer.
4. To fill the three (3) non-officer directorships to be elected in a given year, the Nominating Committee should identify a minimum of five (5) Regular Members (if available) as candidates.
5. To be eligible for nomination as an Officer or Director, a candidate must have been present at not less than fifty percent of PLS, Inc. regular meetings during the preceding calendar year.
6. To be eligible as a nominee for the Presidency of PLS, Inc., a Regular Member must have previously served at least one term as an Officer or Director.
7. Each Regular Member, prior to his formal nomination, shall agree to accept the office if elected.
8. The President/Chairman, the Secretary, and the Treasurer shall be elected by a majority of the votes of the Regular Members present at the Annual Business Meeting.
 - 8.1. Regular Members unable to attend the Annual Meeting may vote by absentee ballot. Regular Members desiring an absentee ballot shall submit their request to the Secretary

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not less than 15 days prior to the announced date of the Annual Meeting if requesting the ballot by mail. Absentee ballots may be requested of the Secretary in person at any time prior to the election. All absentee ballots returned to the Secretary prior to the election will be accepted and may not be withdrawn. The Secretary or his designate at the Annual Meeting will present the absentee ballots to the election tellers. Members voting by absentee ballot will not vote, if present, until the next election.

9. Each Officer shall serve for a term of one (1) year or until his successor shall have been elected and qualified, except the President, who shall serve as President for one (1) year and shall, if not re-elected, then serve as an extra non-voting member of the Board for the following year, until the next election.

- 9.1. Each non-officer Director shall serve for a term of two (2) years or until his successor shall have been elected and qualified. Each non-officer Director shall serve a maximum of two (2) consecutive terms in that capacity, after which a one (1) year hiatus is mandatory before again running for the office of non-officer Director. (A term served as an Officer will fulfill the one-year hiatus requirement.)

Three (3) of the six non-officer Directors shall be elected in each of alternating years.

10. The three (3) candidates receiving the largest number of votes of the Regular Members present at the Annual Business Meeting shall be elected to the Board.

In the event of a tie vote, a second ballot, or as many subsequent ballots as may be necessary, shall be required among those candidates whose election is necessary to complete the Board of Directors.

11. If for any reason the President, Secretary, or Treasurer is unable to handle his duties, the Board shall select from its own membership a qualified successor to fill out the unexpired term until the next scheduled election.

ARTICLE V DUTIES OF OFFICERS

1. Board of Directors

- a) The President/Chairman shall convene the Board at such times and places as needed to properly conduct the business of PLS, Inc. In the absence of the President/Chairman, a member of the Board shall preside at all meetings of PLS, Inc.
- b) The Board shall plan such projects for plant extensions and changes, as it shall deem appropriate. The Board shall submit such plan and its estimated costs for consideration at a regular meeting of PLS, Inc. membership as soon as possible after the election of the Board and not later than the March meeting. Upon approval of the plan, as revised

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or modified by the membership, the Board shall be responsible for its execution and shall not alter the plan or exceed the approved costs thereof without the prior approval of a majority of the Regular Members at a meeting during which the changes are requested.

- c) The Board shall supervise the maintenance of the property of PLS, Inc. At its discretion, the Board shall be empowered to appoint such committees and such individuals from the membership of PLS, Inc. as may be necessary for carrying out construction and maintenance projects under the supervision of the Board. The costs of all construction and maintenance projects shall be subject to the prior approval of the Board.
- d) The Board shall attend to all executive business and have charge of the general welfare of PLS, Inc. It shall carry out any special directives or duties within its executive sphere as may be decided from time to time by the membership.
- e) The Board shall appoint, at its discretion, members to such positions as are necessary for safe and efficient operation of the railroad.
- f) The Board shall designate two Regular Members to act as an Auditing Committee. They shall audit all accounts and shall have their report in the hands of the Board and to the membership within sixty (60) days of the end of the fiscal year.
- g) When necessary, the Board shall engage an attorney to represent PLS, Inc. in all legal matters.

2. Treasurer

- a) The Treasurer shall have charge of all funds of PLS, Inc. and shall disburse such sums as are required by the Board to carry out its approved and assigned duties. He shall also remit to the Secretary and to him such sums as are necessary to carry out the duties of their respective offices.
- b) The Treasurer shall present a report of all receipts and disbursements at each regular meeting of PLS, Inc.
- c) The Treasurer shall collect and receive all dues, fees, and properly authorized assessments, and shall deposit them promptly in the authorized bank account of PLS, Inc.
- d) A joint account, either Treasurer or named Director to draw, shall be held in one of the metropolitan banks for the account of PLS, Inc.

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- e) The Treasurer shall have a revolving fund called the "Petty Cash Fund". This fund shall not exceed \$500 at any time. This fund shall be audited in the annual audit.
- f) The Treasurer shall provide information concerning new members and changes of address to the Secretary and to the Editor of the PLS Gazette.

3. Secretary

The Secretary shall maintain and preserve a record of all business transacted at the meetings of PLS, Inc. and shall attend to all correspondence and communications relating to PLS, Inc. He shall maintain a correct record of all accounts between the Treasurer and PLS, Inc. The Secretary shall attend all meetings of the Board, and when unable to be present at a meeting, shall designate a substitute and provide said substitute with complete files so that the business of PLS, Inc. may be carried out without delay.

ARTICLE VI MEETINGS

- 1. There shall be a minimum of four (4) business meetings each year. One shall be the Annual Business Meeting and the others shall be designated at the discretion of the Board.
- 2. All business shall be transacted in accordance with Robert's Rules of Order. The results of voting, except in cases described to the contrary in these Bylaws, shall be determined by a majority vote of the Regular Members present.
- 3. Any newly proposed Lease, Safety Rule or Builder Standard, as well as revisions to those documents that bind the conduct of the PLS membership, shall first be submitted in writing to the Secretary, who shall read the proposal at the next business meeting. At that meeting, the proposal must gain the support of a simple majority of the regular members present, before continuing with the approval process. If the proposal is supported, then, at least fourteen (14) days prior to the following business meeting, the Secretary shall mail a copy of the proposal to each regular member with a notice to include the date, time and place of the meeting at which the proposal is to be voted upon.
- 4. Members shall be given at least fourteen (14) days notice of the Annual Business Meeting, and at least fourteen (14) days notice of other business meetings.

ARTICLE VII DUES

- 1. Dues, fees, and assessments, as required for maintenance and/or expansion of club facilities, shall be established by the Board and approved by a majority of Regular Members present at a membership meeting. (See separate Schedule of Dues.)

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2. When a Regular Member is delinquent in dues for a period of sixty (60) days, the Treasurer shall notify the delinquent member of his standing of days in arrears. The member shall be requested to indicate whether he intends to continue as a member. If at the end of thirty (30) days no reply is received, the Treasurer shall give that member's name to the board for consideration.
 - a. Regular Members who, by reason of extenuating circumstances, anticipate they may become delinquent in the payment of dues may, on submission of their case in writing, be extended a grace period or waiver of dues at the discretion of the Board.
 - b. If no extenuating circumstances are presented by the member, he shall be dropped from the roster of members of PLS, Inc. The Secretary and the Treasurer shall be notified of the disposition of the case, and the Secretary shall report the proceeding in the minutes of the next regular meeting.
3. When an Associate Member is delinquent in payment of dues for a period of sixty (60) days, the Treasurer shall notify the member of his delinquency. Failure to remit dues within thirty (30) days will constitute cause for removing the individual's name from the roster of PLS, Inc.

ARTICLE VIII CLUB PROJECTS

1. Any project at the club site which may result in any change, addition, removal of equipment, or alteration in any form, shall first be proposed by an individual or group of members, and shall have the prior approval of the Board of Directors.

ARTICLE IX CLUB SAFETY

1. At PLS, Inc., as on the prototype railroads, the safety of our fellow members, guests, and visitors is of the first importance. Therefore, any PLS Member – whether Regular or Associate – who observes the violation of a Safety Rule, or any other improper conduct, must take the following action:
 - a. With courtesy and discretion, call the violation to the attention of the person involved.
 - b. If the problem is not corrected, then contact any PLS Officer and further action will be taken.
2. Currently effective Safety Rules and Regulations for Operation of the Railroad, and a copy of PLS, Inc. standards for builders will at all times be maintained and posted prominently in the main clubhouse.

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ARTICLE X LIMITATION OF PERSONAL LIABILITY OF DIRECTORS; INDEMNIFICATION OF DIRECTORS, OFFICERS, MEMBERS, AND OTHER AUTHORIZED REPRESENTATIVES

1. Limitation of Personal Liability of Directors, Officers or Members. A director, officer or member of the corporation shall not be personally liable for monetary damages as such for any action taken, or any failure to take any action, unless:

a) the director, officer or member has breached or failed to perform the duties of his or her office as defined in (2) below; and

b) the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness.

The provisions of this paragraph shall not apply to (a) the responsibility or liability of a director, officer or member pursuant to any criminal statute; or (b) the liability of a director, officer or member for the payment of taxes pursuant to local, state or federal law.

2. Standard of Care and Justifiable Reliance.

a) A director, officer or member of the corporation shall stand in a fiduciary relationship to the corporation, and shall perform his or her duties as a director, officer or member, including his or her duties as a member of any committee of the Board upon which he or she may serve, in good faith, in a manner he or she reasonably believes to be in the best interests of the corporation, and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances. In performing his or her duties, a director shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:

(i) One or more officers or members of the corporation whom the director reasonably believes to be reliable and competent in the matters presented; or

(ii) Counsel, public accountants or other persons as to matters which the director reasonably believes to be within the professional or expert competence of such person; or

(iii) A committee of the Board upon which he or she does not serve, duly designated in accordance with law, as to matters within its designated authority, which committee the director, officer or member reasonably believes to merit confidence.

A director shall not be considered to be acting in good faith if he or she has knowledge concerning the matter in question that would cause his or her reliance to be unwarranted.

b) In discharging the duties of their respective positions, the Board, committees of the board and individual director, officer or member may, in considering the best interests of the corporation, consider the effects of any action upon members, upon persons with whom the

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corporation has business and other relations and upon communities which the offices or other establishments of or related to the corporation are located, and all other pertinent factors. The consideration of those factors shall not constitute a violation of (2)(a).

c) Absent breach of fiduciary duty, lack of good faith or self-dealing, actions taken as a director, officer or member or any failure to take any action shall be presumed to be in the best interests of the corporation.

3. Indemnification in Third Party Proceedings. The corporation shall indemnify any member, director, officer, supervisor, or agent, who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation). The reason for this indemnification shall be the fact that he or she is or was a representative of the corporation, or is or was serving at the request of the corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner reasonably believed to be in, or not opposed to, the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in, or not opposed to, the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

4. Indemnification of Derivative Actions. The corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he or she is or was a representative of the corporation, or is or was serving at the request of the corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred in connection with the defense or settlement of such action or suit if he or she 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 corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his or her duty to the corporation unless and only to the extent that the Court of Common Pleas of Montgomery County or any court of appropriate jurisdiction in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Common Pleas or such other court of appropriate jurisdiction shall deem proper.

5. Mandatory Indemnification. Notwithstanding any contrary provision of the articles of incorporation or these by-laws, to the extent that a representative of the corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in

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either (3) or (4) above, he or she shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith.

6. **Determination of Entitlement to Indemnification.** Unless ordered by a court, any indemnification under (3) or (4) above shall be made by the corporation only as authorized in the specific case upon determination that indemnification of the representative is proper in the circumstances because he or she has met the applicable standard of conduct set forth in such paragraph. Such determination shall be made:

a) by the Board by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding; or

b) by independent legal counsel in a written opinion if such a quorum is not obtainable, or, even if obtainable, a majority vote of a quorum of disinterested directors so directs.

7. **Advancing Expenses.** Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding as authorized by the Board in a specific case upon receipt of an undertaking by or on behalf of the representative to repay such amount unless it shall ultimately be determined that he or she is entitled to be indemnified by the corporation as authorized in paragraphs (1) through (3) above.

8. **Indemnification of Former Representatives.** Each such indemnity may continue as to a person who has ceased to be a representative of the corporation and may inure to the benefit of the heirs, executors and administrators of such person.

9. **Insurance.** The corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, member, or agent of the corporation or is or was serving at the request of the corporation as a director, officer, member, or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any capacity or arising out of such person's status as such, whether or not the corporation would otherwise have the power to indemnify such person against such liability.

10. **Reliance on Provisions.** Each person who shall act as an authorized representative of the corporation shall be deemed to be doing so in reliance upon the rights of indemnification provided by this Article.

11. **Personal Injury Claims Among Members.** Any and all personal injury claims are absolutely forbidden among members inter se.

ARTICLE XI AMENDMENTS

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1. Any Regular Member of PLS, Inc. may submit proposals for changes or additions to the Bylaws.
2. Proposed changes or additions shall first be submitted in writing to the Secretary, who shall read the proposal at the next business meeting. At that meeting, the proposed amendment must gain the support of a simple majority of the regular members present, before continuing with the approval process. If the proposal is supported, then, at least fourteen (14) days prior to the following business meeting, the Secretary shall mail a copy of the changes or additions to each Regular Member with a notice to include the date, time, and place of the meeting at which the proposal is to be voted upon.
3. The affirmative vote of at least two-thirds (2/3) of the Regular Members present shall be required to enact the proposed change or addition to the Bylaws.

Originally adopted March 28, 1954

Revisions:

January 18, 1959	January 17, 1960	December 1, 1963	December 4, 1966
December 10, 1967	May 17, 1968	July 19, 1968	February 20, 1970
October 23, 1971	November 27, 1972	August 9, 1975	March 9, 1980
May 21, 1983	November 19, 1988	November 21, 1992	November 19, 1994
November 18, 1995	March 17, 2001	September 4, 2001	November 16, 2002
April 19, 2003	May 16, 2009	July 17, 2010	