

CENTRAL OHIO AREA LIVE STEAMERS, INC.

An Ohio Non-profit Corporation

ARTICLES OF INCORPORATION

ARTICLE I NAME

1.01 Name

The name of this corporation shall be CENTRAL OHIO AREA LIVE STEAMERS, INC. The business of the corporation may be conducted as CENTRAL OHIO AREA LIVE STEAMERS, INC. or fictitiously as COALS or COAL STEAMERS.

ARTICLE II DURATION

2.01 Duration

The period of duration of the corporation is perpetual.

ARTICLE III PURPOSE

3.01 Purpose

CENTRAL OHIO AREA LIVE STEAMERS, INC. is a non-profit corporation and shall operate exclusively for educational and charitable purposes within the meaning of Section 501 (c)(3) of the Internal Revenue Code, or the corresponding section of any future Federal tax code.

The purpose for which CENTRAL OHIO AREA LIVE STEAMERS, INC., is formed is to expand, own and/or lease, operate and maintain the Mill Creek Central Railroad, LLC. and its associated equipment and to foster a spirit of cooperation among railroaders, both live steam and those with more modern equipment. CENTRAL OHIO AREA LIVE STEAMERS, INC., will gather and disseminate information pertaining to the design, construction, maintenance, and operation of live steam railroads, locomotives and railcars among the general public that are interested in railroading as well as the members of this and similar associations and hold meetings, meets, operating sessions, work sessions, seminars, conventions and provide public awareness and educational opportunities at stated times for the discussion of topics and the exchange of ideas relating to all forms of railroading, including but not limited to, live steam railroads, locomotives, railcars, infrastructure requirements, track layout design, construction, maintenance and signaling.

3.02 Non-Profit

CENTRAL OHIO AREA LIVE STEAMERS, INC. is designated as a non-profit corporation.

ARTICLE IV **NON-PROFIT NATURE**

4.01 Non-profit Nature

CENTRAL OHIO AREA LIVE STEAMERS, INC. is organized exclusively for charitable and educational purposes including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code. No part of the net earnings of CENTRAL OHIO AREA LIVE STEAMERS, INC. shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in the purpose clause hereof.

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

CENTRAL OHIO AREA LIVE STEAMERS, INC. is not organized and shall not be operated for the private gain of any person. The property of the corporation is irrevocably dedicated to its educational and charitable purposes. No part of the assets, receipts, or net earnings of the corporation shall inure to the benefit of or be distributed to any individual. The corporation may, however, pay reasonable compensation for services rendered, and make other payments and distributions consistent with these Articles.

4.02 Personal Liability

No officer or director of this corporation shall be personally liable for the debts or obligations of CENTRAL OHIO AREA LIVE STEAMERS, INC. of any nature whatsoever, nor shall any of the property or assets of the officers or directors be subject to the payment of the debts or obligations of this corporation.

4.03 Dissolution

Upon termination or dissolution of the CENTRAL OHIO AREA LIVE STEAMERS, INC., any assets lawfully available for distribution shall be distributed to one (1) or more qualifying organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986 (or described in any corresponding provision of any successor statute) which organization or organizations have a charitable purpose which, at least generally, includes a purpose similar to the terminating or dissolving corporation.

The organization to receive the assets of the CENTRAL OHIO AREA LIVE STEAMERS, INC. hereunder shall be selected by the discretion of a majority of the managing board body of CENTRAL OHIO AREA LIVE STEAMERS, INC. as stipulated in the corporation's bylaws and if its board members cannot so agree, then the recipient organization shall be selected pursuant to the Bylaws.

In the event that the court is petitioned as per the corporation's bylaws and finds that this section is applicable the court shall select the qualifying organization or organizations to receive the assets to be distributed, giving preference if practicable to organizations located within the State of Ohio. Should the court find that this section is applicable but that there is no qualifying organization known to it which has a charitable purpose, which, at least generally, includes a purpose similar to this corporation, then the court shall direct the distribution of its assets lawfully available for distribution to the Treasurer of the State of Ohio to be added to the general fund.

4.04 Prohibited Distributions

No part of the net earnings or properties of this corporation, on dissolution or otherwise, shall inure to the benefit of, or be distributable to, its members, directors, officers or other private person or individual, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article III, Section 3.01.

4.05 Restricted Activities

No substantial part of the corporation's activities shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene (including the publishing or distribution of statements) in any political campaign on behalf of or in opposition to any candidate for public office.

4.06 Prohibited Activities

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

ARTICLE V
BOARD OF DIRECTORS

5.01 Governance

CENTRAL OHIO AREA LIVE STEAMERS, INC. shall be governed by its board of directors.

5.02 Initial Directors

The initial directors of the corporation, being citizens of the United States, shall be Robert Vanderkarr, Mark Betlem, Richard McCloy, P. Noelle Rogovin and James Henry.

ARTICLE VI
MEMBERSHIP

6.01 Membership

CENTRAL OHIO AREA LIVE STEAMERS, INC. shall have non-voting members. The management of the affairs of the corporation shall be vested in a board of directors, as defined in the corporation's bylaws.

ARTICLE VII
AMENDMENTS

7.01 Amendments

Any amendment to the Articles of Incorporation may be adopted by approval of sixty percent of the board of directors.

ARTICLE VIII
ADDRESSES OF THE CORPORATION

8.01 Corporate Address

The address of the corporation is:

CENTRAL OHIO AREA LIVE STEAMERS, INC.
19313 County Road 6
Coshocton, Ohio 43812

The mailing address of the corporation is:

CENTRAL OHIO AREA LIVE STEAMERS, INC.
19313 County Road 6
Coshocton, Ohio 43812

ARTICLE IX
APPOINTMENT OF REGISTERED AGENT

9.01 Registered Agent

The registered agent of the corporation shall be:

James Henry
19313 County Road 6
Coshocton, Ohio 43812

ARTICLE X
INCORPORATOR

The incorporators of the corporation are as follow:

James Henry
1187 Sleeping Meadow Drive
New Albany, Ohio 43054

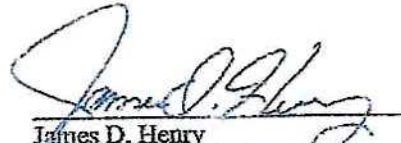
Richard McCloy
19313 County Road 6
Coshocton, Ohio 43812

CERTIFICATE OF ADOPTION OF ARTICLES OF INCORPORATION

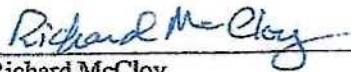
We, the undersigned, do hereby certify that the above stated Articles of Incorporation of CENTRAL OHIO AREA LIVE STEAMERS, INC. were approved by the board of directors on January 12, 2023, and constitute a complete copy of Articles of Incorporation of the CENTRAL OHIO AREA LIVE STEAMERS, INC.



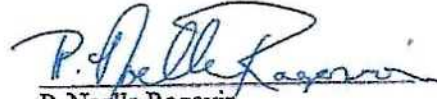
Mark D. Betlem
106 Perkins Lane
Burgettstown, PA 15021



James D. Henry
1187 Sleeping Meadow Drive
New Albany, OH 43054

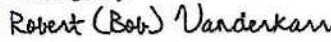


Richard McCloy
19313 County Road 6
Coshocton, OH 43812



P. Noelle Rogovin
151 20th Drive SE
New Philadelphia, OH 44663

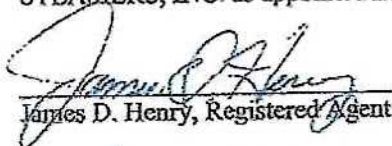
DocuSigned by:



Robert Vanderkarr
PO Box 421
Napoleon, MI 49261

**ACKNOWLEDGMENT OF CONSENT
TO APPOINTMENT AS REGISTERED AGENT**

I, James D. Henry, agree to be the registered agent for CENTRAL OHIO AREA LIVE STEAMERS, INC. as appointed herein.



James D. Henry, Registered Agent

Date: January 5, 2023

BYLAWS
OF
CENTRAL OHIO AREA LIVE STEAMERS, INC.

ARTICLE I:

NAME

The name of this association shall be Central Ohio Area Live Steamers, Inc., hereinafter referred to fictitiously as COALS and COAL Steamers.

ARTICLE II:

PURPOSE AND POWERS

2.01 Purpose

COALS is a non-profit corporation and shall be operated exclusively for educational and charitable purposes within the meaning of Section 501 (c)(3) of the Internal Revenue Code of 1986, or the corresponding section of any future Federal tax code. COALS shall operate at all times on a non-profit basis.

The purpose for which COALS is formed is to expand, own and/or lease, operate and maintain the Mill Creek Central Railroad, LLC. and its associated equipment and to foster a spirit of cooperation among railroaders, both live steam and those with more modern equipment. COALS will gather and disseminate information pertaining to the design, construction, maintenance, and operation of live steam railroads, locomotives and railcars among the general public that are interested in railroading as well as the members of this and similar associations and hold meetings, meets, operating sessions, work sessions, seminars, conventions and provide public awareness and educational opportunities at stated times for the discussion of topics and the exchange of ideas relating to all forms of railroading, including but not limited to, live steam railroads, locomotives, railcars, infrastructure requirements, track layout design, construction, maintenance and signaling.

COALS recognizes that 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.

Bylaws of Central Ohio Area Live Steamers, Inc. (continued)

2.02 Powers

The corporation shall have the power, directly or indirectly, alone or in conjunction or cooperation with others, to do any and all lawful acts which may be necessary or convenient to affect the charitable purposes, for which the corporation is organized, and to aid or assist other organizations or persons whose activities further accomplish, foster, or attain such purposes. The powers of the corporation may include, but not be limited to, the acceptance of contributions from the public and private sectors, whether financial or in-kind contributions.

2.03 Nonprofit Status and Exempt Activities Limitation.

(a) Nonprofit Legal Status. COALS is an Ohio non-profit public benefit corporation, recognized as tax exempt under Section 501(c)(3) of the United States Internal Revenue Code.

(b) Exempt Activities Limitation. Notwithstanding any other provision of these Bylaws, no Director, Officer, employee, Member, or representative of this corporation shall take any action or carry on any activity by or on behalf of the corporation not permitted to be taken or carried on by an organization exempt under Section 501(c)(3) of the Internal Revenue Code as it now exists or may be amended, or by any organization contributions to which are deductible under Section 170(c)(2) of such Code and Regulations as it now exists or may be amended. No part of the net earnings of the corporation shall inure to the benefit or be distributable to any Director, Officer, Member, or other private person, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in the Articles of Incorporation and these Bylaws.

(c) Distribution Upon Dissolution. Upon termination or dissolution of COALS, any assets lawfully available for distribution shall be distributed to The Jerry & Laura Jacobson Foundation, Inc. or with the approval of at least sixty percent of the Board of Directors (1) or more qualifying organizations described in Section 501(c)(3) of the 1986 Internal Revenue Code (or described in any corresponding provision of any successor statute) which organization or organizations have a charitable purpose which, at least generally, includes a purpose similar to the terminating or dissolving corporation.

The organization to receive the entire assets of COALS hereunder shall be The Jerry & Laura Jacobson Foundation, Inc. or as otherwise selected at the discretion of at least a sixty percent majority of the Board of Directors of the corporation, and if its Board of Directors so choose not to distribute the entire assets of COALS to The Jerry & Laura Jacobson Foundation and cannot so agree upon a distribution different than The Jerry & Laura Jacobson Foundation, then the recipient organization(s) shall be selected pursuant to a verified petition in equity filed in a court of Coshocton County against COALS, by one (1) or more of its Board of Directors which verified petition

Bylaws of Central Ohio Area Live Steamers, Inc. (continued)

shall contain such statements as reasonably indicate the applicability of this section. The court upon a finding that this section is applicable shall select the qualifying organization or organizations to receive the assets to be distributed, giving preference if practicable to organizations located within the State of Ohio.

In the event that the court shall find that this section is applicable but that there is no qualifying organization known to it which has a charitable purpose, which, at least generally, includes a purpose similar to COALS, then the court shall direct the distribution of its assets lawfully available for distribution to the Treasurer of the State of Ohio to be added to the general fund.

ARTICLE III:

MEMBERSHIP

3.01. The Board of Directors may establish up to six (6) classes of membership: Regular, Family, Junior, Associate, Visitor and Honorary (hereinafter "Member(s)"). The corporation shall have no Members who have any right to vote or title or interest in or to the corporation, its properties, and franchises.

3.02. The Regular Membership shall be composed of, but not restricted to, individuals who are engaged in teaching, training, construction, maintenance, or operation of live steam railroads and locomotives as outlined in ARTICLE II, Section 2.01. Family Membership and Honorary Memberships are considered a subset of a Regular Membership with all the rights, privileges and obligations of Regular Membership

3.03. The Family Membership shall be composed of family members consisting of individuals (no more than two) and their dependents that are under the age of 22, students with the Family Member's home as the principal address or that live in the same household. All Family Members will have the same rights and privileges as a Regular Member, but the adult Family Members will be in attendance, responsible and liable for the oversight and actions of any underaged individual that is part of the Family Membership while on the club grounds.

3.04. The Junior Member shall be composed of an individual between and including the ages of twelve (12) and twenty-two (22) years of age and a full-time student. For an individual to be accepted as a Junior Member the individual must meet these additional criteria:

- (a)** Must be sponsored by a minimum of two (2) Regular Members
- (b)** If underage, must have the appropriate permission to join the club from a parent or legal guardian

Bylaws of Central Ohio Area Live Steamers, Inc. (continued)

(c) Must be able to receive emergency medical treatment until a parent or legal guardian is contacted

3.05. The Associate Membership shall be composed of individuals who have an interest in live steam, meets the criteria as defined in 3.09 or as otherwise covered in this Article.

3.06. Honorary Membership may be conferred upon any individual. The Board of Directors shall be the sole judge of the qualifications of the individual. Honorary Members shall be relieved of the payment of dues, and their names shall remain enrolled on the roster of Members and shall have the same rights and privileges as those of Regular Members.

3.07. The Visitor Membership shall be composed of an individual who has an interest in live steam, who is visiting Mill Creek Central Railroad as an individual without equipment and visits the track less than 6 times on a calendar year basis. Anyone not meeting all the requirements stated in 3.07 shall apply for Regular Membership and the fees paid by the individual for the Visitor Membership shall be credited towards their Regular Membership. The definition of a visit to the track shall be as defined by the Board of Directors. The term established for the Visitor Membership may be up to a calendar year but may be less, as determined by the Board of Directors.

3.08. Regular Members only shall be entitled to regular access to the track, buildings, storage options and, with the consent of the Board of Directors, hold operating and management positions.

3.09. Any Associate Member living within a one hundred fifty (150) mile radius of the COALS club site or visiting the track more than five times on a calendar year basis shall apply for Regular Membership for continued use and operation on any track provided by COALS. The definition of a visit to the track shall be as defined by the Board of Directors.

3.10. A Regular Member who moves more than one hundred fifty (150) miles from COALS and visits the track less than five times on a calendar year basis may elect to apply for Associate Membership. If the individual later again resides within the above limit or visits more than five times on a calendar year basis, the individual shall, upon application and payment of dues, be reinstated as a Regular Member without incurring a new initiation fee.

3.11. Applications for Membership shall be submitted in writing in the form as provided by COALS and accompanied by (1) payment of dues for the current year at the applicable Membership rate, (2) the Member initiation fee, (3) all information as required in 3.12 below, and (4) an executed Member Acknowledgment of Responsibility and Release of Liability.

Bylaws of Central Ohio Area Live Steamers, Inc. (continued)

3.12. Individuals applying for Membership shall pay the required dues to the Treasurer and present their names, addresses, email address and optionally their phone number to the Secretary for enrollment on the roster.

3.13. Members and guests shall be required to always comply with the rules and regulations prescribed by COALS, relating to property of COALS, and the operation of equipment. (See ARTICLES VIII IX, and X.)

3.14. 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 Board of Directors.

3.15. Non-Voting Affiliates

The Board of Directors may approve classes of non-voting affiliates with rights, privileges, and obligations established by the Board. Affiliates may be individuals, businesses, and other organizations that seek to support the mission of the corporation. The Board, a designated committee of the Board, or any duly elected Officer in accordance with Board policy, shall have authority to admit any individual or organization as an affiliate, to recognize representatives of affiliates, and to make determinations as to affiliates' rights, privileges, and obligations. At no time shall affiliate information be shared with or sold to other organizations or groups without the affiliate's consent. At the discretion of the Board of Directors, affiliates may be given endorsement, recognition and media coverage at fundraising activities, clinics, other events or at the corporation website. Affiliates have no voting rights and are not Members of the corporation. Any dues for affiliates shall be determined by the Board of Directors.

ARTICLE IV:

OFFICERS AND DIRECTORS

4.01. The executives of COALS shall be a President, a Vice President, a Secretary, a Treasurer, and a Board of Directors, hereinafter referred to as the Board, all of whom shall be chosen by, and serve at the pleasure of, the Board of Directors. The Board shall include the four (4) Board elected Officers plus one (1) additional Director. The President shall also function as Chairman of the Board. So long as there are no less than five (5) nor more than nine (9) the Board may increase or decrease the number of Directors serving on the Board. All Officers and Directors shall be Regular Members of COALS.

Bylaws of Central Ohio Area Live Steamers, Inc. (continued)

4.02. All corporate powers shall be exercised by and under the authority of the Board and the affairs of COALS shall be managed under the direction of the Board, except as otherwise provided by law. Each Board Officer shall have the authority and shall perform the duties set forth in these Bylaws or by resolution of the Board or by direction of an Officer authorized by the Board to prescribe the duties and authority of other Officers. The Board may also appoint additional Vice-Presidents and such other Officers as it deems expedient for the proper conduct of the business of the corporation, each of whom shall have such authority and shall perform such duties as the Board of Directors may determine. One person may hold two or more Board offices, but no Board Officer may act in more than one capacity where action of two or more Officers is required.

4.03. The initial Board Members and their initial terms shall be, Robert Vanderkarr (3 years), Mark Betlem (2 years), Richard McCloy (unlimited), Noelle McCloy Rogovin (2 years) and James Henry (1 year). With the exception of Richard McCloy whose term is unlimited, all Board Member terms, after the initial terms established above, shall be elected to serve a three-year period, however the term may be extended until a successor has been elected. Directors/Officers may serve terms in succession. Upon passing, direct heirs of Richard McCloy shall have a guaranteed position on the Board so long as the heir is a continuously active participant as reasonably determined by the Board.

4.04. The term of office shall be considered to begin June 1 and end May 31 of the third year in office, unless the term is an initial term or the term is extended until such time as a successor has been elected. The Board of Directors may fill vacancies due to the expiration of the Director's term of office, resignation, death, or removal of a Director or may appoint new Directors to fill a previously unfilled Board position, subject to the maximum number of Directors under these Bylaws. A Director elected to replace a vacancy shall hold that Director's position for as long as the original term of the vacant position.

4.05. To be eligible for nomination as an Officer or Director, a candidate must be at least 18 years of age, a Regular Member of COALS, recommended by a minimum of two Directors or one Director and five Regular Members. Each Regular Member, prior to the individual's formal nomination, shall agree to accept the office if elected. Directors may be elected at any Board meeting by the majority vote of the existing Board of Directors. The election of Directors to replace those who have fulfilled their term of office shall take place in May of each year.

4.06. To be eligible as a nominee for the Presidency of COALS, a Regular Member must have previously served at least one (1) term as an Officer or Director.

Bylaws of Central Ohio Area Live Steamers, Inc. (continued)

4.07. A Director may be removed by two-thirds (⅔) vote of the Board of Directors then in office, if:

(a) the Director is absent and unexcused from two or more meetings of the Board of Directors in a twelve-month period. The Board President is empowered to excuse Directors from attendance for a reason deemed adequate by the Board President. The President shall not have the power to excuse themselves from the Board meeting attendance and in that case, the Board Vice President shall excuse the President. Or:

(b) for cause or no cause, if before any meeting of the Board at which a vote on removal will be made the Director in question is given electronic or written notification of the Board's intention to discuss their individual case and is given the opportunity to be heard at a meeting of the Board.

4.08. The President/Chairman, the Vice President, the Secretary, and the Treasurer shall be elected annually by a majority of the votes of the Board of Directors present at the May Annual Business Meeting.

(a) Directors unable to attend the Annual Business Meeting may vote by absentee ballot. Directors desiring an absentee ballot shall submit their request to the Secretary not less than fifteen (15) days prior to the announced date of the Annual Business 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 their designee at the Annual Business Meeting will present the absentee ballots. Directors voting by absentee ballot will not vote, if present, until the next election.

4.09. Unless elected to fill a vacancy in an Officer position, each Officer shall serve for a term to begin upon the adjournment of the Board meeting at which elected and shall end upon the adjournment of the Board meeting during which a successor shall have been elected President. The Board of Directors may remove an Officer at any time, with or without cause. Any Officer may resign at any time by giving written notice to the corporation without prejudice to the rights, if any, of the corporation under any contract to which the Officer is a party. Any resignation shall take effect at the date of the receipt of the notice or at any later time specified in the notice, unless otherwise specified in the notice. The acceptance of the resignation shall not be necessary to make it effective.

4.10. Regular Board of Directors Meeting

(a) **Regular Meetings.** The Board of Directors shall have a minimum of one (1) regular meeting(s) each calendar year at times and places fixed by the Board. Board meetings shall be held upon four (4) days notice by first-class mail, electronic mail, or facsimile transmission or forty-eight (48) hours notice

Bylaws of Central Ohio Area Live Steamers, Inc. (continued)

delivered personally or by telephone. If sent by mail, facsimile transmission, or electronic mail, the notice shall be deemed to be delivered upon its deposit in the mail or transmission system. Notice of meetings shall specify the place, day, and hour of meeting. The purpose of the meeting need not be specified.

(b) Special Meetings. Special meetings of the Board may be called by the President, Vice President, Secretary, Treasurer, or any two (2) other Directors of the Board of Directors. A special meeting must be preceded by at least two (2) day notice to each Director of the date, time, and place, but not the purpose, of the meeting.

(c) Waiver of Notice. Any Director may waive notice of any meeting, in accordance with Ohio law.

(d) Changes to Lease, Safety Rule or Builder Standards. Any newly proposed Lease, Safety Rule, or Builder Standard as well as revisions to those documents that bind the conduct of COALS and its 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 Board of Directors 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, email or post on the Member only part of the website, 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 discussed and voted upon by the Board of Directors.

(e) Regular 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.

4.11. Manner of Acting.

(a) Quorum. A majority of the Directors in office immediately before a meeting shall constitute a quorum for the transaction of business at that meeting of the Board. No business shall be considered by the Board at any meeting at which a quorum is not present.

(b) Majority Vote. Except as otherwise required by law or by the articles of incorporation, the act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board.

(c) Hung Board Decisions. On the occasion that Directors of the Board are unable to make a decision based on a tied number of votes, the President or Treasurer in the order of presence shall have the power to swing the vote based on the individual's discretion.

Bylaws of Central Ohio Area Live Steamers, Inc. (continued)

(d) Participation. Except as required otherwise by law, the Articles of Incorporation, or these Bylaws, Directors may participate in a regular or special meeting through the use of any means of communication by which all Directors participating may simultaneously hear each other during the meeting, including in person, internet video meeting or by telephonic conference call.

(e) Robert's Rules of Order. All business shall be transacted in accordance with *Robert's Rules of Order*.

4.12. Directors shall receive no compensation for carrying out their duties as Directors. The Board may adopt policies providing for reasonable reimbursement of Directors for expenses incurred in conjunction with carrying out Board responsibilities.

4.13. Directors are not restricted from being remunerated for professional services provided to the corporation. Such remuneration shall be reasonable and fair to the corporation and must be reviewed and approved in accordance with the Board Conflict of Interest policy and state law.

4.14. If for any reason the President, Secretary, or Treasurer is unable to handle their individual 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:

RESTRICTIONS ON THE PUBLIC & REMOVAL OF MEMBERSHIP RIGHTS

5.01. Public Removal Any member of the Board of Directors, at their sole discretion, may eject a public guest or Visitor Member if that person is causing any kind of disruption or disturbance or if that person is violating any of the posted rules or is considered a harm to themselves or any Member or guest.

5.02. Persona Non Grata Any person may be listed as persona non grata by a majority vote of the Board of Directors and that person shall be forbidden from any attendance or participation in the COALS activities and will be forbidden to enter upon COALS and Mill Creek Central Railroad property.

5.03. Membership Removal Except as defined in Section 5.1 above, a Member of COALS may be removed from membership in COALS for cause by a four-fifths vote of the Board of Directors. Cause includes but is not limited to threats or intimidation of Members or guests, theft, willful misconduct, willful destruction of property, numerous safety violations or actions which may harm or damage the good name and reputation of COALS. If the Member is a member of the Board of Directors then a

Bylaws of Central Ohio Area Live Steamers, Inc. (continued)

unanimous vote of the remaining Board of Director Members will be required for the removal of Membership.

ARTICLE VI:

DUTIES OF OFFICERS

6.01. Board

(a) The President/Chairman shall convene the Board at such times and places as needed to properly conduct the business of COALS. In the absence of the President/Chairman, the Vice President, or in the absence of the Vice President, a member of the Board shall preside at all meetings of COALS.

(b) The Board shall plan such projects for plant extensions and changes as it shall deem appropriate. The Board shall submit such projects and their estimated costs for consideration at a regular meeting of COALS. Upon approval of a project, as revised or modified by the Board and shall be responsible for its execution and shall not alter the project or exceed the approved costs thereof without the prior approval of a majority of the Board at a meeting during which the changes are requested.

(c) The Board shall supervise the maintenance of the property of COALS. At its discretion, the Board shall be empowered to appoint such committees and such individuals from the membership of COALS, 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 COALS. It may review and, if approved by the Board, shall carry out any special directives or duties within its executive sphere as may be recommended 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 of Directors may, from time to time, and at the request of any Director, followed by the resolution adopted by one-third of the Directors then in office, shall designate two (2) Regular Members or an accountant to act as an Auditing Committee. They shall audit all accounts and shall have their report in the hands of the Board within one hundred twenty (120) days of the end of the fiscal year.

Bylaws of Central Ohio Area Live Steamers, Inc. (continued)

(g) When necessary, the Board shall engage an attorney to represent COALS, in all legal matters.

6.02. President

The Board President shall be the chief Officer of the corporation. The Board President shall lead the Board of Directors in performing its duties and responsibilities, including, if present, presiding at all meetings of the Board of Directors, and shall perform all other duties incident to the office or properly required by the Board of Directors.

6.03. Vice President

In the absence or disability of the Board President, the ranking Vice-President or Vice-President designated by the Board of Directors shall perform the duties of the Board President. When so acting, the Vice-President shall have all the powers of and be subject to all the restrictions upon the Board President. The Vice-President shall have such other powers and perform such other duties prescribed for them by the Board of Directors or the Board President.

6.04. Treasurer

- (a) The Treasurer shall have charge of all funds of COALS and shall disburse such sums as are required by the Board to conduct its approved and assigned duties. The Treasurer shall also remit to the Secretary and to itself such sums as are necessary to perform the duties of their respective offices.
- (b) The Treasurer shall present a report of all receipts and disbursements at the annual Board of Directors meeting and may also present said information during regular scheduled meetings of COALS.
- (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 COALS.
- (d) A joint account, either Treasurer or named Director to draw, shall be held in one (1) of the local banks for the account of COALS. COALS may also oversee and/or manage accounts associated with the Mill Creek Central Railroad, LLC.

Bylaws of Central Ohio Area Live Steamers, Inc. (continued)

(e) The Treasurer shall have a revolving fund called the "Petty Cash Fund." This fund shall not exceed one thousand five hundred dollars (\$1,500.00) at any time. This fund may, from time to time, be audited in the annual audit.

(f) The Treasurer shall provide information concerning new Members and changes of address to the Secretary and, should one exist, to the Editor of the organization's website.

6.05. Secretary

The Secretary shall maintain and preserve a record of all business transacted at the meetings of COALS and shall attend to all correspondence and communications relating to COALS. The Secretary shall maintain a correct record of all accounts between the Treasurer and COALS. 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 COALS may be carried out without delay. The Secretary will maintain the applications, liability releases and roster of the organization and will add and remove Members based on the information associated with the payment of dues by the Treasurer.

6.06. Non-Director Officers

The Board of Directors may designate additional Officer positions of the corporation and may appoint and assign duties to other non-Director Officers of the corporation.

ARTICLE VII:

COMMITTEES

7.01. Committees

The Board of Directors may, by the resolution adopted by a majority of the Directors then in office, designate one or more committees, each consisting of one or more Directors, to serve at the pleasure of the Board. Any committee, to the extent provided in the resolution of the Board, shall have all the authority of the Board, except that no committee, regardless of Board resolution, may:

(a) take any final action on matters which also requires Board Members' approval;

Bylaws of Central Ohio Area Live Steamers, Inc. (continued)

(b) fill vacancies on the Board of Directors of in any committee which has the authority of the Board;

(c) amend or repeal Bylaws or adopt new Bylaws;

(d) amend or repeal any resolution of the Board of Directors which by its express terms is not so amendable or repealable;

(e) appoint any other committees of the Board of Directors or the Members of these committees;

(f) expend corporate funds to support a nominee for Director; or

(g) approve any transaction;

(i) to which the corporation is a party and one or more Directors have a material financial interest; or

(ii) between the corporation and one or more of its Directors or between the corporation or any person in which one or more of its Directors have a material financial interest.

7.02. Meetings and Action of Committees

Meetings and action of the committees shall be governed by and held and taken in accordance with, the provisions of Article IV of these Bylaws concerning meetings of the Directors, with such changes in the context of those Bylaws as are necessary to substitute the committee and its Members for the Board of Directors and its Members, except that the time for regular meetings of committees may be determined either by resolution of the Board of Directors or by resolution of the committee. Special meetings of the committee may also be called by resolution of the Board of Directors. Notice of special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the committee. Minutes shall be kept of each meeting of any committee and shall be filed with the corporate records. The Board of Directors may adopt rules for the governing of the committee not inconsistent with the provision of these Bylaws.

7.03. Informal Action by the Board of Directors

Any action required or permitted to be taken by the Board of Directors at a meeting may be taken without a meeting if consent in writing, setting forth the action so taken, shall be agreed by the consensus of a quorum. For purposes of this section an e-mail transmission from an e-mail address on record constitutes a valid writing. The intent of this provision is to allow the Board of Directors to use email to approve actions, as long as a quorum of Board Members gives consent.

ARTICLE VIII:

DUES

8.01. Dues and fees shall be proposed by the Board and approved by a majority of Board.

8.02. All dues are payable in advance of the calendar year, and Members failing to remit their dues shall become delinquent on January 1.

8.03. When a Regular Member is delinquent in dues for a period of thirty (30) days, the Treasurer shall notify the delinquent Member of their standing of days in arrears. The Regular Member shall be required either to remit their dues by March 31 or to submit to the Board in writing the individual's case of extenuating circumstances by March 31. If by March 31 no reply is received, the Treasurer shall give that Regular Member's name to the Board for consideration.

(a) Regular Members who, by reason of extenuating circumstances, 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 Regular Member, the individual shall be dropped from the roster of Members of COALS. 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.

8.04. Failure of an Associate Member or Visitor Member to remit dues within sixty (60) days will constitute cause for removing the individual's name from the roster of COALS.

ARTICLE IX:

MILL CREEK CENTRAL RAILROAD PROJECTS

9.01. Any project at the Mill Creek Central Railroad site which may result in any change, addition, removal of equipment, or alteration in any form shall first be proposed by a Director, an individual or group of Members and shall require the prior approval of the Board.

ARTICLE X:

MILL CREEK CENTRAL RAILROAD SAFETY

10.01. At COALS, as on the prototype railroads, the safety of our Members, guests, and visitors is of the first importance. Therefore, any COALS, 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 COALS Officer or Board Member and further action will be reviewed and taken, as needed.

10.02. Currently effective Safety Rules, Regulations for Operation of the Railroad and, should they be developed, a copy of COALS' Standards for Builders will always be maintained and posted on the website and at the track.

ARTICLE XI:

CONTRACTS, CHECKS, LOANS AND RELATED MATTERS

11.01. Contracts and other Writings

Except as otherwise provided by resolution of the Board or Board policy, all contracts, deeds, leases, mortgages, grants, and other agreements of the corporation shall be executed on its behalf by the Treasurer or other persons to whom the corporation has delegated authority to execute such documents in accordance with policies approved by the Board.

11.02. Checks, Drafts

All checks, drafts, or other orders for payment of money, notes, or other evidence of indebtedness issued in the name of the corporation, shall be signed by such Officer or Officers, agent or agents, of the corporation and in such manner as shall from time to time be determined by resolution of the Board.

11.03. Deposits

Bylaws of Central Ohio Area Live Steamers, Inc. (continued)

All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depository as the Board or a designated committee of the Board may select.

11.04. Loans

No loans shall be contracted on behalf of the corporation and no evidence of indebtedness shall be issued in its name unless authorized by resolution of the Board. Such authority may be general or confined to specific instances.

ARTICLE XII:

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

12.01. Limitation of Personal Liability of Directors, Officers or Members. A Director, Officer or Member of COALS 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 their office as defined in (11.2) 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.

12.02. Standard of Care and Justifiable Reliance.

(a) A Director, Officer or Member of COALS shall stand in a fiduciary relationship to COALS and shall perform their duties as a Director, Officer or Member, including the individual's duties as a member of any committee of the Board upon which the individual may serve, in good faith, in a manner the individual reasonably believes to be in the best interests of COALS and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances. In performing their duties, a Director shall be entitled to rely in good faith on information, opinions,

Bylaws of Central Ohio Area Live Steamers, Inc. (continued)

reports or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:

(1). One or more Officers or Members of COALS whom the Director reasonably believes to be reliable and competent in the matters presented; or

(2). 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

(3). A committee of the Board upon which the individual 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 the Director has knowledge concerning the matter in question that would cause the Director's 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 COALS, consider the effects of any action upon Members, upon persons with whom COALS has business and other relations and upon communities which the offices or other establishments or related to COALS are located, and all other pertinent factors. The consideration of those factors shall not constitute a violation of (11.2.1).

(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 COALS.

12.03. Indemnification in Third Party Proceedings. COALS 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 COALS). The reason for this indemnification shall be the fact that the individual is or was a representative of COALS or is or was serving at the request of COALS, 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 the individual in connection with such action, suit or proceeding if the individual acted in good faith and in a manner reasonably believed to be in, or not opposed to, the best interests of COALS and, with respect to any criminal action or proceeding, had no reasonable

Bylaws of Central Ohio Area Live Steamers, Inc. (continued)

cause to believe the individual's 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 the individual reasonably believed to be in, or not opposed to, the best interests of COALS and, with respect to any criminal action of proceeding, had reasonable cause to believe that the individual's conduct was unlawful.

12.04. Indemnification of Derivative Actions. COALS 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 COALS to procure a judgment in its favor by reason of the fact that the individual is or was a representative of COALS or is or was serving at the request of COALS 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 the individual acted in good faith and in a manner the individual reasonably believed to be in, or not opposed to, the best interests of COALS 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 the individual's duty to COALS, unless and only to the extent that the Court of Common Pleas of Coshocton 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.

12.05. Mandatory Indemnification. Notwithstanding any contrary provision of the articles of incorporation or these Bylaws, to the extent that a representative of COALS has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in either (11.3) or (11.4) above, the individual shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by the individual in connection therewith.

12.06. Determination of Entitlement to Indemnification. Unless ordered by a court, any indemnification under (11.3) or (11.4) above shall be made by COALS only as authorized in the specific case upon determination that indemnification of the representative is proper in the circumstances because the individual 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

Bylaws of Central Ohio Area Live Steamers, Inc. (continued)

(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.

12.07. Advancing Expenses. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by COALS 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 the individual is entitled to be indemnified by COALS as authorized in paragraphs (11.1) through (11.3) above.

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

12.09. Insurance. COALS shall have the power to purchase and maintain insurance on behalf of the organization.

(a) **Officers and Directors Insurance** Insurance may be provided for any person who is or was a Director, Officer, Member, or agent of the corporation or is or was serving at the request of COALS 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 COALS would otherwise have the power to indemnify such person against such liability.

(b) **Personal Property and Liability Insurance** At the discretion of the Board of Directors, COALS may provide personal property and/or liability insurance to its Members and/or guests.

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

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

ARTICLE XIII

MISCELLANEOUS

13.01. Books and Records

Bylaws of Central Ohio Area Live Steamers, Inc. (continued)

The corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of all meetings of its Board of Directors, a record of all actions taken by Board of Directors without a meeting, and a record of all actions taken by committees of the Board. In addition, the corporation shall keep a copy of the corporation's Articles of Incorporation and Bylaws as amended to date.

13.02. Fiscal Year

The fiscal year of the corporation shall be from January 1 to December 31 of each year.

13.03. Conflict of Interest

The Board shall adopt and periodically review a conflict of interest policy to protect the corporation's interest when it is contemplating any transaction or arrangement which may benefit any Director, Officer, employee, affiliate, or member of a committee with Board-delegated powers.

13.04. Nondiscrimination Policy

The Officers, Directors, committee Members, employees, and persons served by this corporation shall be selected entirely on a nondiscriminatory basis with respect to age, sex, race, religion, national origin, and sexual orientation. It is the policy of COALS not to discriminate on the basis of race, creed, ancestry, marital status, gender, sexual orientation, age, physical disability, veteran's status, political service or affiliation, color, religion, or national origin.

13.05. Bylaw Amendment

These Bylaws may be amended, altered, repealed, or restated by a vote of the majority of the Board of Directors then in office at a meeting of the Board, provided, however,

(a) that no amendment shall be made to these Bylaws which would cause the corporation to cease to qualify as an exempt corporation under Section 501 (c)(3) of the Internal Revenue Code of 1986, or the corresponding section of any future Federal tax code; and,

(b) that an amendment does not affect the voting rights of Directors. An amendment that does affect the voting rights of Directors further requires ratification by a two-thirds ($\frac{2}{3}$) vote of a quorum of Directors at a Board meeting.

(c) that all amendments be consistent with the Articles of Incorporation.

ARTICLE XIV

COUNTERTERRORISM AND DUE DILIGENCE POLICY

In furtherance of its exemption by contributions to other organizations, domestic or foreign, COALS shall stipulate how the funds will be used and shall require the recipient to provide the corporation with detailed records and financial proof of how the funds were utilized.

Although adherence and compliance with the US Department of the Treasury's publication the "Voluntary Best Practice for US. Based Charities" is not mandatory, COALS willfully and voluntarily recognizes and puts to practice these guidelines and suggestions to reduce, develop, re-evaluate and strengthen a risk-based approach to guard against the threat of diversion of charitable funds or exploitation of charitable activity by terrorist organizations and their support networks.

COALS shall also comply and put into practice the federal guidelines, suggestion, laws and limitation set forth by pre-existing U.S. legal requirements related to combating terrorist financing, which include, but are not limited to, various sanctions programs administered by the Office of Foreign Assets Control (OFAC) in regard to its foreign activities.

ARTICLE XV

DOCUMENT RETENTION POLICY

15.01. Purpose

The purpose of this document retention policy is establishing standards for document integrity, retention, and destruction and to promote the proper treatment of COALS' records.

15.02. Policy

(a) General Guidelines. Records should not be kept if they are no longer needed for the operation of the business or required by law. Unnecessary records should be eliminated from the files. The cost of maintaining records is an expense which can grow unreasonably if good housekeeping is not performed. A mass of records also makes it more difficult to find pertinent records.

From time to time, COALS may establish retention or destruction policies or schedules for specific categories of records in order to ensure legal compliance, and also to accomplish other objectives, such as preserving intellectual property and cost management. Several categories of documents that warrant special consideration are

Bylaws of Central Ohio Area Live Steamers, Inc. (continued)

identified below. While minimum retention periods are established, the retention of the documents identified below and of documents not included in the identified categories should be determined primarily by the application of the general guidelines affecting document retention, as well as the exception for litigation relevant documents and any other pertinent factors.

(b) Exception for Litigation Relevant Documents. COALS expects all Officers, Directors, and employees to comply fully with any published records retention or destruction policies and schedules, provided that all Officers, Directors, and employees should note the following general exception to any stated destruction schedule: If a Member believes, or COALS informs a Member, that corporate records are relevant to litigation, or potential litigation (i.e. a dispute that could result in litigation), then a Member must preserve those records until it is determined that the records are no longer needed. That exception supersedes any previously or subsequently established destruction schedule for those records.

(c) Minimum Retention Periods for Specific Categories

(i) Corporate Documents. Corporate records include the corporation's Articles of Incorporation, By-Laws and IRS Form 1023 and Application for Exemption. Corporate records should be retained permanently. IRS regulations require that the Form 1023 be available for public inspection upon request.

(ii) Tax Records. Tax records include, but may not be limited to, documents concerning payroll, expenses, proof of contributions made by donors, accounting procedures, and other documents concerning the corporation's revenues. Tax records should be retained for at least seven years from the date of filing the applicable return.

(iii) Employment Records/Personnel Records. State and federal statutes require the corporation to keep certain recruitment, employment and personnel information. The corporation should also keep personnel files that reflect performance reviews and any complaints brought against the corporation or individual employees under applicable state and federal statutes. The corporation should also keep in the employee's personnel file all final memoranda and correspondence reflecting performance reviews and actions taken by or against personnel. Employment applications should be retained for three years. Retirement and pension records should be kept permanently. Other employment and personnel records should be retained for seven years.

(iv) Board and Board Committee Materials. Meeting minutes should be retained in perpetuity in the corporation's minute book. A clean copy of all other Board and Board Committee materials should be kept for no less than three years by the corporation.

Bylaws of Central Ohio Area Live Steamers, Inc. (continued)

(v) **Press Releases/Public Filings.** The corporation should retain permanent copies of all press releases and publicly filed documents under the theory that the corporation should have its own copy to test the accuracy of any document a member of the public can theoretically produce against the corporation.

(vi) **Legal Files.** Legal counsel may be consulted to determine the retention period of particular documents, but unless otherwise recommended by legal counsel, legal documents shall be maintained for a period of ten years.

(vii) **Marketing and Sales Documents.** The corporation should keep final copies of marketing and sales documents for the same period of time it keeps other corporate files, generally three years. An exception to the three-year policy may be sales invoices, contracts, leases, licenses, and other legal documentation. These documents should be kept for at least three years beyond the life of the agreement.

(viii) **Development/Intellectual Property and Trade Secrets.** Development documents are often subject to intellectual property protection in their final form (e.g., patents and copyrights). The documents detailing the development process are often also of value to the corporation and are protected as a trade secret where the corporation:

(1) derives independent economic value from the secrecy of the information; and

(2) has taken affirmative steps to keep the information confidential.

The corporation should keep all documents designated as containing trade secret information for at least the life of the trade secret.

(ix) **Contracts.** Final, execution copies of all contracts entered into by the corporation should be retained. The corporation should retain copies of the final contracts for at least three years beyond the life of the agreement, and longer in the case of publicly filed contracts.

(x) **Correspondence.** Unless correspondence falls under another category listed elsewhere in this policy, correspondence should generally be saved for two years.

(xi) **Banking and Accounting.** Accounts payable ledgers and schedules should be kept for seven years. Bank reconciliations, bank statements, deposit slips and checks (unless for important payments and purchases) should be kept for three years. Any inventories of products, materials, and supplies and any invoices should be kept for seven years.

Bylaws of Central Ohio Area Live Steamers, Inc. (continued)

(xii) Insurance. Expired insurance policies, insurance records, accident reports, claims, etc. should be kept permanently.

(xiii) Audit Records. External audit reports should be kept permanently. Internal audit reports should be kept for three years.

(d) Electronic Mail. E-mail that needs to be saved should be either:

(i) printed in hard copy and kept in the appropriate file; or

(ii) downloaded to a computer file and kept electronically or on disk or other form of storage device as a separate file; or

(iii) retained in cloud storage; or

(iv) retained in existing email files.

The retention period depends upon the subject matter of the e-mail, as covered elsewhere in this policy.

ARTICLE XVI

Transparency and Accountability

Disclosure of Financial Information With The General Public

16.01. Purpose

By making full and accurate information about its mission, activities, finances, and governance publicly available, COALS practices and encourages transparency and accountability to the general public. This policy will:

- (a)** indicate which documents and materials produced by the corporation are presumptively open to staff and/or the public
- (b)** indicate which documents and materials produced by the corporation are presumptively closed to staff and/or the public
- (c)** specify the procedures whereby the open/closed status of documents and materials can be altered.

The details of this policy are as follow:

16.02. Financial and IRS documents (The form 1023 and the form 990)

Bylaws of Central Ohio Area Live Steamers, Inc. (continued)

COALS shall provide its Internal Revenue forms filed with the IRS such as 990, 990-T, 1023 and 5227, bylaws, conflict of interest policy, and financial statements to the general public for inspection free of charge.

16.03. Means and Conditions of Disclosure

COALS shall make available at the Mill Creek Central Railroad the aforementioned documents in a designated file that can be viewed and inspected in-person by the general public. Upon request, said documents shall be made available in-person when the property has a Board Member on site or an in-person appointment can be made with a Board Member by the general public. Mail requests may be considered but are not guaranteed. Contact information for the Board Members shall be made available on its internet website: www.millcreekcentral.com.

COALS may further make "Widely Available" one or more of the aforementioned documents on its internet website, which may be viewed and inspected by the general public. The following criteria shall be followed should COALS choose to make such document(s) available on its internet website:

- (a) The document(s) shall be posted in a format that allows an individual using the Internet to access, download, view and print them in a manner that exactly reproduces the image of the original document filed with the IRS (except information exempt from public disclosure requirements, such as contributor lists).
- (b) The website shall clearly inform readers that the document is available and allow for downloading it.
- (c) COALS shall not charge a fee for downloading the information. Documents shall not be posted in a format that would require special computer hardware or software (other than software readily used and available to the public).
- (d) COALS shall inform anyone requesting the information where this information can be found, including the web address.

16.04. IRS Annual Information Returns (Form 990)

COALS shall submit the Form 990 to its Board of Directors prior to the filing of the Form 990. While neither the approval of the Form 990 or a review of the 990 is required under Federal law, the corporation's Form 990 shall be submitted to each member of the Board of Director's via (hard copy or email) at least 5 days before the Form 990 is filed with the IRS.

16.05. Board

- (a) All Board deliberations shall not be open to the public except where the Board

Bylaws of Central Ohio Area Live Steamers, Inc. (continued)

passes a motion to do so.

- (b) All Board minutes shall not be open to the public but shall be open to the Members once accepted by the Board, except where the Board passes a motion to make any specific portion confidential or open to the public.
- (c) All papers and materials considered by the Board shall not be open to the Members following the meeting at which they are considered, except where the Board passes a motion to make any specific paper or material available to the Membership.

16.06. Staff Records

- (a) All staff records shall be available for consultation by the staff member concerned or by their legal representatives.
- (b) No staff records shall be made available to any person outside the corporation except the authorized governmental agencies.
- (c) Within the corporation, staff records shall be made available only to those persons with managerial or personnel responsibilities for that staff member, except that
- (d) Staff records shall be made available to the Board when requested.

16.07. Donor Records

- (a) All donor records shall remain confidential but shall be available for consultation by the Members and donors who made such donation or by their legal representatives.
- (b) No donor records shall be made available to any other person outside the corporation except the authorized governmental agencies.
- (c) Within the corporation, donor records shall be made available only to those persons with managerial or personnel responsibilities for dealing with those donors or donations, except that;
- (d) donor records shall be made available to the Board when requested.

ARTICLE XVII

CODES OF ETHICS AND WHISTLEBLOWER POLICY

17.01. Purpose

COALS requires and encourages Directors, Officers and employees to observe and practice high standards of business and personal ethics in the conduct of their duties

Bylaws of Central Ohio Area Live Steamers, Inc. (continued)

and responsibilities. The employees and representatives of the corporation must practice honesty and integrity in fulfilling their responsibilities and comply with all applicable laws and regulations. It is the intent of COALS to adhere to all laws and regulations that apply to the corporation and the underlying purpose of this policy is to support the corporation's goal of legal compliance. The support of all corporate staff is necessary to achieving compliance with various laws and regulations.

17.02. Reporting Violations

If any Director, Officer, staff or employee reasonably believes that some policy, practice, or activity of COALS is in violation of law, a written complaint must be filed by that person with the Vice President or the Board President.

17.03. Acting in Good Faith

Anyone filing a complaint concerning a violation or suspected violation must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false shall be subject to civil and criminal review.

17.04. Retaliation

Said person is protected from retaliation only if the individual brings the alleged unlawful activity, policy, or practice to the attention of COALS and provides COALS with a reasonable opportunity to investigate and correct the alleged unlawful activity. The protection described below is only available to individuals that comply with this requirement.

COALS shall not retaliate against any Director, Officer, staff or employee who in good faith, has made a protest or raised a complaint against some practice of COALS or of another individual or entity with whom COALS has a business relationship, on the basis of a reasonable belief that the practice is in violation of law, or a clear mandate of public policy.

COALS shall not retaliate against any Director, Officer, staff or employee who disclose or threaten to disclose to a supervisor or a public body, any activity, policy, or practice of COALS that the individual reasonably believes is in violation of a law, or a rule, or regulation mandated pursuant to law or is in violation of a clear mandate of public policy concerning the health, safety, welfare, or protection of the environment.

17.05. Confidentiality

Bylaws of Central Ohio Area Live Steamers, Inc. (continued)

Violations or suspected violations may be submitted on a confidential basis by the complainant or may be submitted anonymously. Reports of violations or suspected violations shall be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

17.06. Handling of Reported Violations

The Board President or Vice President shall notify the sender and acknowledge receipt of the reported violation or suspected violation within twenty business days. All reports shall be promptly investigated by the Board and its appointed committee and appropriate corrective action shall be taken if warranted by the investigation.

This policy shall be made available to all Directors, Officers, staffs or employees and they shall have the opportunity to ask questions about the policy.

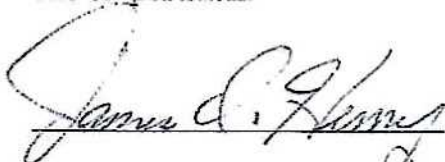
ARTICLE XVIII:

AMENDMENTS

- 18.01.** Any Regular Member or Director of COALS may submit proposals for changes or additions to the Bylaws.
- 18.02.** 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 Directors 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 email a copy of the changes or additions to each Director with a notice to include the date, time, and place of the meeting at which the proposal is to be voted upon.
- 18.03.** The affirmative vote of at least two-thirds (2/3) of the Directors present shall be required to enact the proposed changes or additions to the Bylaws.

CERTIFICATE OF ADOPTION OF BYLAWS

I do hereby certify that the above stated Bylaws of CENTRAL OHIO AREA LIVE STEAMERS, Inc. were approved by the CENTRAL OHIO AREA LIVE STEAMERS, Inc. Board of Directors on January 5, 2023 and constitute a complete copy of the Bylaws of the corporation.


James D Henry, Secretary

Date: January 24, 2023

Originally adopted January 5, 2023

Revisions:

CENTRAL OHIO AREA LIVE STEAMERS INC

An Ohio Non-profit Corporation

IRS FORM 1023 ATTACHMENT

Part IV Narrative Description of Activities

Overview

The purpose of the Central Ohio Area Live Steamers, Inc (COALS) organization is to continue the core goal of the owner of Mill Creek Central Railroad, Dick McCloy. Dick's goal has been, from the start, to promote and educate those who have an interest in railroading and to provide them a place to accomplish those interests.

COALS, established on January 24th of 2023, is seeking to become a non-profit corporation by submitting the necessary filings with state and federal agencies and shall be operated exclusively for educational and charitable purposes within the meaning of Section 501 (c)(3) of the Internal Revenue Code of 1986, or the corresponding section of any future Federal tax code. COALS shall operate at all times on a non-profit basis.

COALS was formed to continue Dick McCloy's legacy of educating those interested in the multifaceted disciplines associated with railroading by initially leasing and ultimately owning, operating and maintaining what is now the Mill Creek Central Railroad, LLC. and its associated equipment, thus allowing the organization the use of a facility that will allow COALS to foster a spirit of education and cooperation among railroaders and those interested in learning about railroads. Mr. McCloy began this journey back in the early 1990's by purchasing land so that it could be developed into a railroad that he and others could develop and learn new skills. Mr. McCloy funded the development and construction of the railroad and was assisted by a group of volunteers who had a common interest and desire to establish a place for those interested in learning the ways of railroading, its design, construction and maintenance of the property and associated equipment. In the past Mr. McCloy would even sponsor students at the local vocational school allowing them to develop their skills in construction of wood and metal work,

welding, sheet metal work, assembly, painting, graphics development and small building construction techniques. The railroad has continued to grow and the interest in the property has increased over time. The property has hosted numerous conventions, including the last one, which will be described in further detail below, in 2023. COALS will gather and disseminate information pertaining to the design, construction, maintenance, and operation of live steam railroads, locomotives and railcars among the general public that are interested in railroading as well as the members of this and similar associations. The organization will hold meetings, railroad track meets, operating sessions, work sessions, seminars, conventions. COALS will provide public awareness and educational opportunities at stated times for the discussion of topics and the exchange of ideas relating to all forms of railroading, including but not limited to, live steam railroads, locomotives, railcars, infrastructure requirements, track layout design, construction, maintenance and signaling.

Railroad Track Meets

During the spring, summer and fall, COALS hosts eight to ten track meetings a year located in Coshocton, Ohio. COALS hosts these events at Mill Creek Central Railroad for which it will lease from the owner for \$1 per year in return for helping to maintain the facility for the general use of those in the public who are interested in learning about the operations of trains and how to operate them. Meets include train rides for those in the public interested in learning about railroads with some of the meets focusing more on particular railroading activities like card order sessions and railroad dispatching techniques. At these railroad track meets individuals get together to also learn new techniques for maintaining equipment. This allows the individual to interact with others of similar interests trading ideas around metal work, electronics, electrical management, hydraulics, pneumatics, signaling, steam, diesel, gas engine as well as learning other pertinent trade/craft skills. These railroad track meets also allow those that have an interest in railroading to utilize onsite railroad equipment. Here they can be trained to utilize and maintain this type of equipment in a safe and responsible manner without being required to acquire this equipment before determining their level of interest. The meets are managed by our

member volunteers with past guests originating from around Ohio, the Midwest and as far away as Florida and California. Railroad track meets occupy approximately 25% of the organization's time and are funded from membership dues as well as donations from members and the public. The cost to fund this activity is, on average, slightly less than 6% of the budget.

Buckeye Limited Convention

This is considered a super train meet, the largest in the Eastern United States and only exceeded by a larger meet in Oregon. In the past we have had visitors from over 37 states, Canada and Europe. This event was sponsored in 2023 by COALS, at the Mill Creek Central Railroad and had over 350 participants over the five-day event. In the past the convention has been scheduled every three years, though the 2020 convention was cancelled due to Covid-19. COALS intends to continue this tradition by hosting again in 2026. The event, while similar to a railroad track meet, also includes formal presentations, in the form of clinics, from those who are willing to pass on their knowledge and skills to others, as well as vendors who attend the event to show their wares. In 2023, we had the privilege of having a YouTube channel volunteer to record our clinics. Here are examples of two of our clinics that took place over the past two Conventions; the first one being on characteristics of coal that are best for the production of steam in a locomotive: https://youtu.be/7A_wNFcHeeA and the second is on steam injectors, the history, theory and application: https://youtube.com/watch?v=kvJnkTa_kN8. The clinics are eventually published on the Mill Creek Central's website for public viewing and educational purposes at <https://www.millcreekcentral.com/buckeye-limited-clinics>. The convention is managed by our volunteer members as well as those volunteering to assist from some of the guests who also attend. In the past the funding for this event has been through the sale of passes to the event, donations by guests and volunteers, and the sale of apparel and beverages. In the future we hope to include raffles as well as a part of the sale of food that is currently managed through the hiring of food trucks for the event. As this is a large event for COALS, the Convention, on a yearly average, occupies approximately 22% of the organization's time. The cost to fund this activity is, on average, more than 4% of the budget.

Property Management

Sitting on 34 acres of land near Coshocton, Ohio, the use of the Mill Creek Central Railroad is critical to our organization’s activities. The property hosts numerous benefits for COALS, including over 5 miles of railroad track, facilities for the loading and unloading of railroad equipment onto the track, steaming bays, a machine shop and numerous other buildings that are needed to begin to meet COALS’ needs. All COALS’ activities, other than those promoting our organization at other railroad related events, occur at this location. The track, equipment and other ancillary items are to be leased from Mill Creek Central Railroad for an annual sum of \$1 and the agreement to utilize funding to help maintain the track. Plans also include the donation of Mill Creek Central Railroad LLC to COALS upon the passing of the owner (see certificate below). The property is maintained by volunteers and members of COALS so that this facility can meet the needs of our railroad track meets, Conventions, work sessions and other activities that we have done in the past and plan to conduct in the future. At times, volunteers also work with professional contractors that have the appropriate equipment available for projects of greater hazard, such as large tree removal or difficult excavation work. These contractors either donate their time and equipment or are paid through the COALS budget or by generous

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Restricted Transfer on Reverse of Certificate

Mill Creek Central Railroad, LLC

This Certifies that Richard D. McCloy, Trustee Mill Creek Central Railroad LLC **has caused** 100 Units **of the above named** Trust **to be**

transferred to the Richard D. McCloy, Trustee Mill Creek Central Railroad LLC **of the above named** Trust **and the**

transfer of this Richard D. McCloy, Trustee Mill Creek Central Railroad LLC **is subject to the**

restrictions set forth in the Operating Agreement **and the transfer of the related**

membership rights may be effected only upon the unanimous consent of members or compliance

with any procedure provided in the Operating Agreement.

In Witness Whereof, the said Limited Liability Company has caused this Certificate to be

executed on its behalf by its duly authorized manager, member, officer, or agent

Richard D. McCloy
Richard D. McCloy, Trustee
Manager-Member

the 10th day of April 2015

RESTRICTED TRANSFER OF MEMBERSHIP UNITS

Richard D. McCloy, Trustee, Hill Creek Central Railroad, LLC Revocable Trust declares that transfer of the membership units of Hill Creek Central Railroad, LLC, shall be transferred only to Central Ohio Area Live Steamers, Inc., an Ohio Non-profit Corporation.

X Richard D. McCloy
Richard D. McCloy, Trustee

William M. O'Neil
Notary for Trust Trustee

STATE OF OHIO
COUNTY OF COSHOCTON, SS:]

Before me, a Notary Public in and for said county and state, personally appeared the above named Richard D. McCloy, who acknowledged that he did sign the foregoing instrument and that the same is his free act and deed.

In Testimony Whereof, I have hereunto subscribed my name and affixed my official seal this 2 day of July, 2022

WILLIAM M. O'NEIL, Notary Public,
My Commission Expires September 26, 2025
8009 W 173 RD

donations of donors. There are also plans at this location, subject to acceptable funding through donations and volunteer work, to construct additional facilities owned and operated by COALS that will allow the organization to increase its offering to the members and those of the public in the surrounding community. Our initial plan, and our biggest potential project being an education depot that will be able to house the COALS organization, during all four seasons of the year, for the purpose of meetings, convention clinics, community gatherings, fund raisers, board meetings, potlucks and other similar types of activities. The facility will also house an extensive collection of books, periodicals and other related railroad paraphernalia. This activity will be funded through the generous donations of our members and volunteers, membership dues, as well as letter campaigns to potential donors for the construction of the facility. This activity is expected to occupy approximately 19% of the organization's time. The cost to fund this activity is by far our greatest expense but allows COALS to perform all our other activities at minimal cost. COALS expects, based on our actual and forecasted expenses, this activity to account for approximately 66% of the budget.

Scouts BSA / Trail Life USA

One activity that COALS is very excited about is the introduction of use of our site for Scouts BSA activities, including being a part of the merit badge activities for these your men and women. In the past we have worked with Trail Life USA organization, a nonprofit Christian based organization that promotes boy-focused mentoring program for male youth. For the first time, this year in 2024, we have expanded our activities to include Scouts BSA at Mill Creek Central Railroad. The year we provided weekend activities, including the opportunity of an overnight stay, that allowed the Scouts to receive their railroading merit badge and we are hopeful that we will also be able to provide activities to additional merit badges in the future as well. The majority of the activities will be managed by the staff of the Scouts BSA but COALS volunteers and members have and plan to continue to teach the Scouts, through participation in their education stations. Our participation will be an integral part of these activities to ensure that these educational activities go smoothly. Our volunteers also teach the Operation Lifesaver station (class) and plan to assist at other Scout stations and operate the rail equipment providing rides to participants as well. This activity is expected to occupy approximately 18% of the organization's time. The cost to fund this activity is, on average, less than 4% of the budget.

Fall Farm & Foliage Tour

Coshocton County hosts an annual Fall Farm & Foliage Tour that is sponsored by the local Ohio State University Extension Office, USDA Farm Service Agency, Coshocton County and the Soil and Water Conservation District. This annual event is free & family-friendly, taking the public on a self-driven tour to learn about agriculture and the county while enjoying the fall colors. Mill Creek Central Railroad has participated several times and continues to offer our facilities for this event. The last time we were asked to participate, 2022, the railroad and its volunteers' provided rides, free of charge, to over 900 members of the public. These activities help promote Coshocton County and the farming community in the area and our participation allows the public to learn about railroading, the county, as well as enjoy a leisurely fall activity in the process. We hope to continue to participate in this and other local activities in the future. This activity is

funded through donations from the public during the event as well as the donations of our members and volunteers. This activity is expected to occupy approximately 10% of the organization's time. The cost to fund this activity is, on average, slightly more than 2% of the budget.

Work / Training Sessions

COALS performs around ten work training sessions per year at Mill Creek Central Railroad. These sessions provide the opportunity for volunteers to learn how to properly build and maintain the track infrastructure by volunteering at Mill Creek Central Railroad. We have many individuals that don't know how to get started constructing and maintaining a railroad. These sessions, along with information provided on the Mill Creek Central Railroad website, provide vital information on the work required to make a personal track project possible. Members provide general knowledge to those who want to undertake such a project by providing best practices and track standards to optimize the undertaking of such a project. During these sessions, those volunteers and members with practical experience are asked to volunteer in the maintenance of the track for purposes of COALS' other activities as well. This activity is funded through the COALS budget, which is funded through membership dues and generous donations. This activity is expected to occupy approximately 5% of the organization's time. The cost to fund this activity is, on average, more than 17% of the budget.

Multimedia / Website Activity

COALS, currently through Mill Creek Central's website, blogs, emails, Facebook and YouTube provides a wealth of information to members of the general public that are interested in railroading. While this activity does not take up more than approximately 1% of our time, the time spent has much value. One of the pages on the website that has the most activity relates to building track and establishing track standards. This page can be found here at <https://www.millcreekcentral.com/track-standards>. We also spend the time showing those who

are interested some of our projects and how these projects are constructed. Two such projects are the large bridge that was constructed several years ago (<https://www.millcreekcentral.com/trestle-project>) as well as our recent tunnel construction (<https://www.millcreekcentral.com/post/accu-tie-loop-tunnel-update>) project, completed in 2023. These examples, along with the clinics described earlier, are some of the examples of how we educate and inform those that have an interest in railroading. Management of these sites is done on a volunteer basis. The maintenance fees to retain information on these sites are funded through the COALS budget, which is funded by donations and membership dues. The cost to fund this activity is, on average, less than 1% of the budget.

Distribution to Other Organizations and Individuals

We only fundraise for COALS. However, at the discretion of the board of directors we may at times, choose to contribute to events with other organizations who share a similar mission and only if the contributions further our exempt status, with the objective to more broadly disseminate our mission more effectively.

One example of this is our participation in 2024 in the Ohio Ramble where we will be participating with other organizations, including nonprofits, by sharing the experience of other railroad organizations during a two-week event. This will be incorporated in our railroad meet scheduled for September, with our portion taking place at Mill Creek Central Railroad. COALS will be managing its share of the cost of this event through the participation at our track and will maintain any necessary records showing that any funds are used exclusively for charitable purposes in accordance with our mission.

Please Note:

- Section 1.501(c)(3)-1(d)(2) of the Income Tax Regulations states that the term “charitable” is used in section 501(c)(3) of the Code in its generally accepted legal sense and includes the advancement of education.

- Section 1.501(c)(3)-1(d)(3)(i)(a) of the regulations states that the term educational, as used in IRC 501(c)(3), relates to the instruction or training of the individual for the purpose of improving or developing his capabilities or the instruction of the public on subjects useful to the individual and beneficial to the community.
- Example 2 in Section 1.501(c)(3)-1(d)(3)(ii) of the regulations, makes it clear that "An organization whose activities consist of presenting public discussion groups, forums, panels, lectures, or other similar programs," is educational.
- Section 501(c)(3) of the Internal Revenue Code provides tax exemption for organizations organized and operated exclusively for charitable and/or educational purposes.

CENTRAL OHIO AREA LIVE STEAMERS, INC.

An Ohio Non-profit Corporation

CONFLICT OF INTEREST POLICY AND AGREEMENT

ARTICLE I PURPOSES

It is important for CENTRAL OHIO AREA LIVE STEAMERS, INC. directors, officers, and staff to be aware that both real and apparent conflicts of interest or dualities of interest sometimes occur in the course of conducting the affairs of the corporation and that the appearance of conflict can be troublesome even if there is in fact no conflict whatsoever. Conflicts occur because the many persons associated with the corporation should be expected to have, and do in fact generally have multiple interests and affiliations and various positions of responsibility within the community. In these situations a person will sometimes owe identical duties of loyalty to two or more corporations. The purpose of the conflict of interest policy is to protect the corporation's tax-exempt interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the corporation or might result in a possible excess benefit transaction. The policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Conflicts are undesirable because they potentially or eventually place the interests of others ahead of the corporation's obligations to its charitable purposes and to the public interest. Conflicts are also undesirable because they often reflect adversely upon the person involved and upon the institutions with which they are affiliated, regardless of the actual facts or motivations of the parties. However, the long-range best interests of the corporation do not require the termination of all association with persons who may have real or apparent conflicts that are harmless to all individuals or entities involved.

Each member of the board of directors and the staff of the corporation has a duty of loyalty to the corporation. The duty of loyalty generally requires a director or staff member to prefer the interests of the corporation over the director's/staff's interest or the interests of others. In addition, directors and staff of the corporation shall avoid acts of self-dealing which may adversely affect the tax-exempt status of the corporation or cause there to arise any sanction or penalty by a governmental authority.

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

ARTICLE II **DEFINITIONS**

2.1 Interested Person

Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

2.2 Financial Interest

A person has a financial interest if the person has, directly or indirectly, thorough business, investment, or family:

- (a) An ownership or investment interest in any entity with which the corporation has a transaction or arrangement,
- (b) A compensation arrangement with the corporation or with any entity or individual with which the corporation has a transaction or arrangement, or
- (c) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

ARTICLE III **PROCEDURES**

3.1 Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement

3.2 Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

3.3 Procedures for Addressing the Conflict of Interest

- (a) An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- (b) The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- (c) After exercising due diligence, the governing board or committee shall determine whether the corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- (d) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

3.4 Violations of the Conflicts of Interest Policy

- (a) If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- (b) If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

ARTICLE IV **RECORDS OF PROCEEDINGS**

4.1 Minutes

The minutes of the governing board and all committees with board delegated powers shall contain:

- (a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.

(b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

ARTICLE V **COMPENSATION**

5.1 A voting member of the governing board who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation.

5.2 A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation.

5.3. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

ARTICLE VI **ANNUAL STATEMENTS**

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

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

ARTICLE VII **PERIODIC REVIEWS**

To ensure the corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- (a) Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.

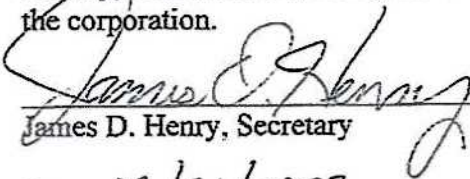
(b) Whether partnerships, joint ventures, and arrangements with management corporations conform to the corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

ARTICLE VIII
USE OF OUTSIDE EXPERTS

When conducting the periodic reviews as provided for in Article VII, the corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

CERTIFICATE OF ADOPTION OF CONFLICT OF INTEREST
POLICY AND AGREEMENT

I do hereby certify that the above stated Conflict of Interest Policy and Agreement for CENTRAL OHIO AREA LIVE STEAMERS, INC. were approved and adopted by the board of directors on Sunday, December 31, 2023, and constitute a complete copy of the Conflict of Interest Policy of the corporation.


James D. Henry, Secretary

Date: 12/31/2023