

SOUTHEAST ASSOCIATION OF RAIL SHIPPERS

Constitution

Article I Name and Purpose

This organization shall be known as the Southeast Association of Rail Shippers, hereafter called the "Association". It is a non-profit membership organization devoted to providing its membership with education forums, seminars and a place for open dialog with participating Railroads for the purpose of establishing and maintain a better understanding of the Shipper, Receiver and Carrier needs and requirements, so each can improve on its individual business and professional skills.

Article II Offices

The Associations offices shall be at such location as determined by the Board of Governors.

Article III Members and Memberships

Section 1. Membership shall be open to all companies who are users of rail transportation in the Associations territory and such other companies/individuals as may be approved from time to time by the membership.

Section 2. Membership dues and qualifications, rights, and duties of members, to the extent not set out in this Constitution, shall be as provided in the Bylaws of the Association.

Article IV Board of Governors

The affairs of the Association shall be managed by a Board of Governors of five (5) persons who shall be elected by the members, as defined in Article III of this constitution.

Article V Officers

Section 1. The officers of the Association shall be the president, first vice president, second vice president, secretary/treasurer and immediate past president. Officers shall be elected by the Members. No person shall hold two offices.

Section 2. Except as set out in this Constitution, nominations and elections of officers shall be as set out in the Bylaws.

Article VI General Provisions

Section 1. In the event of the dissolution of the Association, the assets remaining after satisfaction of all just claims shall be distributed to a successor organization, if any, and if none, to the North American Rail Shippers Association for use in education programs. The

distributions shall be made by the Board of Governors or by court order. In no event shall such distribution inure to any member, organizer, or donor.

Section 2. The Association shall not do any act which shall constitute a basis for denial of tax exemption under applicable law. In particular:

- (a) The Association shall not do the following:
 - (1) Lend any part of its income or corpus, without the receipt of adequate security and a reasonable rate of interest;
 - (2) Pay any compensation, in excess of a reasonable allowance for salaries, or other compensation for personal services actually tendered;
 - (3) Make any part of its services available on a preferential basis;
 - (4) Make a substantial purchase of securities or other property, for less than an adequate consideration in money or money's worth;
 - (5) Sell any part of its securities or other property, for less than an adequate consideration in money or money's worth;
 - (6) Engage in any other transaction which results in a substantial diversion of its income or corpus.
- (b) The Association shall not accumulate out of income amounts which:
 - (1) Are unreasonable in amount or duration in order to carry out the purpose or function constituting the basis for tax exemption of the Association;
 - (2) Are used to a substantial degree for purposes or functions other than those contributing the basis for tax exemption;
 - (3) Are invested in such a manner as to jeopardize the carrying out of the purpose or function constituting the basis for tax exemption.

Article VI Meetings

The Association shall have one or more meetings each year, with such dates determined by the Board of Governors.

Article VIII Amendments

Amendments to the Constitution may be made at any meeting of the membership by a vote of at least two-thirds (2/3) of all the votes cast, provided there is a quorum, and provided that at least ten (10) days before each meeting, a notice of the proposed amendment has been sent to each member of the Association eligible to vote. The Board of Governors may change or amend the Bylaws of the Association so long as such change or amendment does not conflict with the provisions of the Constitution.

A True Copy as amended and adopted March 27, 1998. This is the original Constitution of the Association.

Certified by Association Secretary:

Phil Goginsky