

**MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
BUREAU OF COMMERCIAL SERVICES**

Date Received
JUL 14 2011

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FILED
JUL 14 2011

Administrator
BUREAU OF COMMERCIAL SERVICES

Name Keith M. Aretha, c/o Dean & Fulkerson		
Address 801 W. Big Beaver Rd., 5th Floor		
City Troy	State Michigan	ZIP Code 48084

EFFECTIVE DATE:

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**ARTICLES OF INCORPORATION
For use by Domestic Nonprofit Corporations**
(Please read information and instructions on the last page)

Pursuant to the provisions of Act 162, Public Acts of 1982, the undersigned corporation executes the following Articles:

ARTICLE I

The name of the corporation is:

FRIENDS OF THE SOUTHERN MICHIGAN RAILROAD, INC.

ARTICLE II

The corporation is organized, subject to such limitations as are herein set forth, exclusively for religious, charitable, scientific, literary and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). Such limitations are as follows:

The Corporation shall operate as a "Type II supporting organization" consistent with 509(a)(3)(B)(ii) of the Code, "supervised or controlled in connection with" specific Supported Organization(s). Supported organizations shall be specifically enumerated in these Articles or Bylaws, and shall be limited exclusively to operating railroad museums whose a) primary purpose is to educate the public at large by preserving and operating historic railroad artifacts and equipment; b) which operates in motion full-sized railroad equipment for that purpose; c) located in Michigan, northern Ohio or northern Indiana; and d) which are organized as and act as nonprofit organizations in compliance with 501(c)(3) of the Code.

The Supported Organizations shall include: the Southern Michigan Railroad Society, Inc. in Clinton, Michigan.

The Corporation shall be responsive to the mission of the Supported Organization, but shall use an independent mind to encourage performance and accountability in the Supported Organizations.

The Corporation may also benefit other Type I or Type II supporting organizations which serve exclusively the Supported Organizations or a subset thereof, or which can provide explicit and enduring assurance that such benefits and gains thereon will benefit only Supported Organizations.

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ARTICLE III

1. The corporation is organized upon a **Nonstock** basis.
2. The description and value of its real property assets are: **None**.
3. The description and value of its personal property assets are: **None**.
4. The corporation is to be financed under the following general plan: Fundraising campaigns, particularly to members of Supported Organizations. Seeking of grants. Program services done jointly with Supported Organizations.
5. The corporation is organized on a **Directorship** basis.

ARTICLE IV

1. The name of the resident agent at the registered office is: Jeffrey Hudson.
2. The address of its registered office in Michigan is: 801 W. Big Beaver Rd. 5th Floor, Troy, MI 48084.

ARTICLE V

The name(s) and address(es) of the incorporator(s) is (are) as follows:

<i>Name</i>	<i>Residence or Business Address</i>
Melvin Dickerson	611 W. Chicago Blvd. Tecumseh, MI 49286

ARTICLE VI

The Corporation shall have all the powers conferred upon corporations by the laws of the State of Michigan, except that:

(a) The Corporation, including all activities incident to its purposes, shall at all times be conducted so as to be an organization described in Section 501 (c)(3) of the Internal Revenue Code of 1986, 26 U.S.C. §1, et seq. (the "Code"). Notwithstanding any other provision of these Articles to the contrary, the Corporation shall not carry on any other activities not permitted to be carried on (i) by a corporation exempt from federal income tax under Section 501 (c)(3) of the Code, (ii) by a corporation contributions to which are deductible under Section 170(c)(2) of the Code, or (iii) by a nonprofit corporation organized under the laws of the State of Michigan;

(b) No part of the net earnings, if any, of the Corporation shall inure to the benefit of any Director, officer, employee or any private individual (except that reasonable compensation may be paid for services rendered to or for the Corporation), and no Director, officer, employee or any private individual shall be entitled to share in the distribution of any of the corporate assets on dissolution of the Corporation.

(c) No substantial part of the activities of the Corporation shall consist of carrying on propaganda, or otherwise attempting, to influence legislation, except to the extent permitted under Section 501 (h) of the Code, nor shall the Corporation participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of or in opposition to any candidate for public office.

(d) With respect to any taxable year or years of the Corporation during which it is a private foundation (as defined in Section 509 of the Code) it shall make distributions for such years at such time and in such manner as not to subject the Corporation to tax under Section 4942 of the Code, and the Corporation shall not (i) engage in any act of self-dealing, as defined in Section 4941 (d) of the Code, (ii) retain any excess business holdings, as fined in Section 4943(c) of the Code, (iii) make any investments in such manner as to subject the Corporation to tax under Section 4944 of the code, or (iv) make any taxable expenditures, as defined in Section 4945(d) of the Code.

ARTICLE VII

1. The Board of Directors of this Corporation will consist of not less than three (3) nor more than twenty (20) persons, as determined from time to time by the Board of Directors. The initial Board of Directors will be comprised of Melvin Dickerson, Clifford Buehrer and Robert MacDowell.
2. All Directors shall be Directors of this Corporation until his or her resignation or removal as provided in Bylaws. Vacancies shall be filled as provided in Bylaws.
3. Upon the death or resignation of the last surviving Director without having appointed a successor or successors, the Corporation will dissolve and the assets will be distributed in accordance with Article IX.
4. For each Supported Organization, each Director shall individually maintain the highest functional class of affiliation or membership with that organization, ignoring classes which differ only by cost or benefit to the member, which is a) intended for and commonly accepted by the general public, b) not requiring special approval, volunteer commitment or qualification, c) at reasonable cost, and d) available to the Director.
5. At least 63% of Directors shall be chosen from those a) active on the Board of Directors of a Supported Organization, b) who served at least two years on the Board of a Supported Organization, and such service ended within the last two years; c) are recommended by majority vote of the Board of a Supported Organization; or d) are recommended by majority vote of the voting membership of a Supported Organization. The Supported Organization(s) shall be notified of vacancies of Directors.
6. Since fiscal accountability is a strong objective of the Corporation, a strong criterion for selection of Directors shall be demonstrated performance in personal and corporate finances.

ARTICLE VIII

Except as otherwise provided by law, a volunteer Director or volunteer officer of the Corporation is not personally liable to the Corporation for monetary damages for a breach of the Director's or officer's fiduciary duty.

The Corporation assumes all liability to any person other than the Corporation for all acts or omissions of a volunteer Director incurred in the good faith performance of his or her duties as a Director other than liability for excise taxes imposed under chapter 42 of the Code and liability resulting from claims arising under state law for mismanagement of the Corporation's assets.

The Corporation assumes the liability for all acts or omissions of a volunteer officer, other than liability for excise taxes imposed under Chapter 42 of the Code, provided that:

- (a) the volunteer was acting or reasonably believed he or she was acting within the scope of his or her authority;
- (b) the volunteer was acting in good faith;
- (c) the volunteer's conduct did not amount to gross negligence or willful or wanton misconduct;
- (d) the volunteer's conduct was not an intentional tort; and
- (e) the volunteer's conduct was not a tort arising out of the ownership, maintenance or use of motor vehicle as described in Section 209(e)(v) of the Act.

ARTICLE IX

Upon termination, dissolution or winding up of the Corporation, the Board of Directors will distribute all remaining assets of the Corporation for a purpose or to an organization or organizations described in Section 501 (c)(3) of the Code and consistent with Article II.

ARTICLE X

These Articles may be amended or repealed by a majority vote of the Directors of this Corporation then in office at any regular or special meeting of the Board of Directors, provided that any statutory notice requirements are met.

I, the Incorporator, sign my name this 14 day of July, 2011

[Signature]

Name of person or organization remitting fees:

[Signature]
Robert MacDowell

Preparer's name and business telephone number.

Robert MacDowell
415-816-3509