

PENNSYLVANIA NORTHEAST REGIONAL RAILROAD AUTHORITY
BYLAWS

ARTICLE I. THE AUTHORITY

SECTION 1. Name of the Authority. The name of the Authority shall be as specified in its Articles of Amendment, to wit: PENNSYLVANIA NORTHEAST REGIONAL RAILROAD AUTHORITY. The seal of the Authority shall contain the name and shall be in the form of the seal impressed in the margin hereof opposite this section.

ARTICLE II. OFFICERS

SECTION 1. Officers. The officers of the Authority shall be Chairman, Vice Chairman, Secretary and Treasurer and as many Assistant Secretary/Treasurers as the board deems necessary to be elected from the members of the Board of the Authority.

SECTION 2. Chairman. The Chairman shall preside at all meetings of the Board of the Authority. Except as otherwise authorized by resolution of the Board of the Authority, the Chairman shall sign all contracts, deeds and other instruments made by the Authority. At each meeting the Chairman shall submit such recommendations and information as he or she may consider proper concerning the business affairs and policies of the Authority.

SECTION 3. Vice Chairman. The Vice Chairman shall perform the duties of the Chairman in the absence or incapacity of the Chairman and in case of the resignation or death of the Chairman the Vice Chairman, until the Board elects a new Chairman, shall perform such duties as these By-Laws require of the Chairman.

SECTION 4. Secretary. The Secretary shall keep the records of the Authority, shall act as Secretary of the meetings of the Board of the Authority and record all votes and shall keep a record of proceedings of the Board of the Authority in a

journal of proceedings to be kept for such purpose and shall perform all duties incident to his or her office. He or she shall keep in safe custody the seal of the Authority and shall have the power to affix such seal to all proceedings and resolutions of the Board of the Authority and to all contracts and instruments authorized to be executed by the Authority.

SECTION 5. Treasurer. The Treasurer shall have the care and custody of all funds of the Authority and shall deposit the same in the name of the Authority in such bank or banks as the Board of the Authority may select. The Treasurer shall sign all orders and checks for the payment of money and shall pay out and disburse such monies under the direction of the Board of the Authority. Except as otherwise authorized by resolution of the Board of the Authority all such orders and checks shall be countersigned by the Chairman or Vice Chairman. He or she shall keep regular books of accounts showing receipts and expenditures and shall render to the Board of the Authority at each regular meeting (or more often when requested) an account of his or her transactions and also of the financial condition of the Authority. He or she shall give such bond for the faithful performance of his or her duties as the Board of the Authority may determine.

SECTION 6. Assistant Secretary/Treasurers. The Assistant Secretary/Treasurers shall perform all the duties of either the Secretary or Treasurer in the absence or incapacity of the Secretary or Treasurer; and in the case of the resignation or death of the Secretary or Treasurer, the Assistant shall perform such duties as are imposed upon such deceased or resigning Secretary or Treasurer until such time as the Board of the Authority shall appoint a new Secretary or Treasurer.

SECTION 7. Additional Duties. The officers of the Authority shall perform such other duties and functions as may from time to time be required by the Board of the Authority or by the By-Laws or Rules and Regulations of the Authority as they presently exist or may from time to time be amended.

SECTION 8. Committees. The Board may from time to time create such committees as may be useful to assist the Board

in the performance of its duties. The Chairman shall appoint the Chairperson and the members of each committee from among the members of the Board. The Chairman shall be an ex-officio member of all committees.

SECTION 9. Election of Officers. The Chairman, Vice Chairman, Secretary and Treasurer shall be elected at the reorganization meeting of the Board of the Authority from the members of the Board of the Authority and shall hold office for a year or until their successors are elected and qualified. However, Robert C. Hay shall serve as the initial Chairman of the Authority and, shall be elected for five (5) consecutive one year terms unless he dies, resigns or is removed from office under these Bylaws. Should any of these events happen before January 2012, the members of the board of the Authority from Monroe County shall appoint a Board member from Monroe County to fill his unexpired term. The office of Chairman and Vice Chairman shall rotate between Lackawanna County and Monroe County so that upon the completion of a term of office by a Chairman from Monroe County the next Chairman shall be from Lackawanna County and the Vice Chairman shall be from the County other than the County of the Chairman.

SECTION 10. Vacancies. Should the office of Chairman, Vice Chairman, Secretary or Treasurer become vacant, the Board of the Authority shall, subject to the provisions of Section 9 of this Article II, elect a successor from its membership at the next regular meeting or at a special meeting called for such purpose and such election shall be for the unexpired term of said office.

SECTION 11. Right of Authority to Declare a Member of the Board of the Authority Vacant for Failure to Attend Meetings.

If any person having qualified as a member of the Board of the Authority shall neglect or refuse to attend three (3) successive regular meetings unless prevented by sickness or emergency or given an excused absence by the Board or if in attendance at any meetings shall neglect or refuse to act in his or her official capacity as a member of the Authority, the Authority, acting without such person, may declare his or her seat on the Board of

the Authority vacant. Notice of such vacancy will be promptly given to the Commissioners of both Lackawanna County and Monroe County. If the member of the Board whose seat is declared vacant is from Lackawanna County the Commissioners of Lackawanna County may promptly name the replacement and if the member of the Board whose seat is declared vacant is from Monroe County then the Commissioners of Monroe County may promptly name the replacement who shall then fill the unexpired term of the Board member removed pursuant to this Section.

SECTION 12. Additional Personnel. The Authority may from time to time employ such personnel as it deems necessary to exercise its powers, duties and functions as prescribed by the Municipality Authorities Act of 1945 as from time to time amended, all other laws of the Commonwealth of Pennsylvania applicable thereto and the Articles of Incorporation of the Authority. The selection and compensation of such personnel shall be determined by the Board of the Authority subject to the laws of the Commonwealth of Pennsylvania.

SECTION 13. Ad-Hoc Membership. The Authority may from time to time have Ad-Hoc members for technical and advisory purposes. Said Ad Hoc members will be without voting power.

ARTICLE III. MEETINGS

SECTION 1. Reorganization Meeting. The Reorganization Meeting of the Board of the Authority shall be held in conjunction with the regular meeting of the Board held in January of each year at the regular meeting place of the Board of the Authority. In the event that such date falls on a legal holiday, the Annual Meeting shall be held on the next succeeding business day.

SECTION 2. Regular Meetings. Regular meetings shall be held, when duly advertised, at such times and places as may from time to time be determined by resolution of the Board of the Authority. Meetings shall rotate between locations in Lackawanna County and Monroe County and shall be at such locations and at such time as shall be designated by the Chairman in the notice of any such meeting. It shall be

permissible to advertise in both Monroe County and Lackawanna County the schedule, location and time of the regular meetings for the entire year.

SECTION 3. Special Meetings. The Chairman of the Board of the Authority may when he or she deems it desirable and shall upon the written request of two (2) members of the Board of the Authority call a special meeting of the Board of the Authority for the purpose of transacting the business designated in the call. Notice of the special meeting may be given by telephone call or in writing to each member at least 24 hours prior to the meeting together with such public notice as is required by law. Such notice shall include a description of the business to be discussed and acted upon at the special meeting. Notwithstanding this provision, no such meeting nor any action taken thereat shall be invalid provided that a quorum is present even if any member does not receive actual notice of the meeting. At such special meeting no business shall be considered except for that designated in the call unless all members of the Board of the Authority are present.

SECTION 4. Quorum. At all meetings of the Board of the Authority a majority of the presently existing members of the Board of the Authority shall constitute a quorum. A quorum must be present for the purpose of transacting business provided, however, that a smaller number may meet and adjourn to some other time or until a quorum is obtained.

SECTION 5. Order of Business. Unless waived by a majority of those members present, the following shall be the order of business at regular meetings of the Authority:

1. Flag Salute
2. Roll Call
3. Reading and Approval of Previous Meeting Minutes
4. Public Participation
5. Reports
6. Old Business
7. New Business
8. Other Business
9. Adjournment

All resolutions shall be in writing or if offered orally by a Board member of the Authority shall be accurately recorded in the minutes of the meeting.

SECTION 6. Manner of Voting. The voting on all questions coming before the Board of the Authority shall be by roll call and the "ayes" and "nays" shall be recorded in the minutes of such meeting unless the vote is the unanimous vote of members present and, in that case, the minutes shall so indicate.

ARTICLE IV. AMENDMENTS TO THE BY-LAWS

The By-Laws of the Authority shall be amended only with the approval of at least a quorum plus one of the members of the Board of the Authority at a regular or special meeting. The text of the proposed amendments shall be mailed to the Board members at least five (5) days prior to the meeting at which those amendments are to be considered.

ARTICLE V. INDEMNIFICATION/LIABILITY

The Board of the Authority shall obtain an Errors and Omissions Insurance Policy that will protect the Board Members against claims made as a result of the Board of the Authority's actions or inaction. The Authority shall pay any deductible amount incurred under the policy upon payment of any claim against the policy.

To the extent that any insurance then in effect may be applicable and to the extent permitted by law each person now or hereafter a member of the Board and/or officer or employee of the Authority shall be indemnified and reimbursed by the Authority against the costs (including, but without being limited to, court costs and the amount of judgment) and expenses (including, but without being limited to, counsel fees) reasonably paid or incurred by or imposed upon him or her in connection with any civil or criminal action, suit or proceeding instituted or threatened to which he or she may be made a party or perspective party by reason of his or her being or having

been such a member of the Board and/or officer or employee of the Authority or by reason of any act or thing alleged to have been done or omitted by him or her, either alone or with others as such member of the Board and/or officer or employee provided, however, that no such member and/or officer or employee shall be indemnified against or reimbursed for costs or expenses paid or incurred by or imposed upon him in regard to matters as to which he shall have been finally adjudged guilty in any criminal proceeding and by reason thereof a final judgment, decree or order shall have been entered against him, either alone or with others, for a fine or penalty. The right to indemnification and reimbursement hereby granted shall extend also to amounts paid or agreed to be paid by each person now or hereafter such a member and/or officer or employee in settlement of any such civil action, suit or proceeding instituted or threatened provided, however, that if such action, suit or proceeding shall be settled or otherwise terminated as against final determination thereof, the Authority shall not indemnify or reimburse such member and/or officer or employee with respect thereto unless a majority (whether or not such majority constitutes a quorum) of the remaining members of the Board of the Authority after excluding all members disqualified to vote by personal interest shall have approved said settlement determined either before or after its consummation and shall have determined that said member and/or officer or employee did not act negligently or in bad faith in respect of such action, suit or proceeding. The right to indemnification and reimbursement hereby granted shall not be exclusive of but shall be in addition to the rights of members and/or officers and employees of compensation for services performed and all their rights to which such member and/or officer or employees shall be entitled as a matter of law or equity or otherwise howsoever. In any case in which liability for such acts or omissions of any such member and/or officer or employees is imposed or sought to be imposed upon the estate of such member and/or officer the right to indemnification and reimbursement herein conferred on members and/or officers or employees shall extend to the heirs, executors and/or administrators of any such member and/or officer or employee or any of them.

ARTICLE VI. REPEAL

These By-Laws supercede and annul all previous By-Laws and amendments thereto of the Pennsylvania Northeast Regional Railroad Authority or its predecessors and the same are hereby repealed.

APPROVED AND ADOPTED this 2nd day of June, 2006.

ATTEST

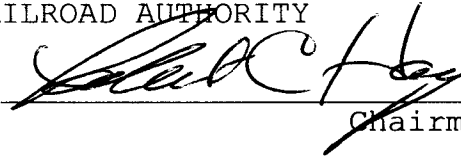
PENNSYLVANIA NORTHEAST REGIONAL
RAILROAD AUTHORITY

BY



Secretary

BY



Chairman