

SUN N SAND MODEL RAILROAD CLUB

BY-LAWS

ARTICLE I

THE CORPORATION

SECTION 1. NAME. The corporation shall be known as the SUN N SAND MODEL RAILROAD CLUB, an Arizona non-profit, tax exempt corporation.

SECTION 2. OBJECTIVES. The primary purpose for which this Club is in existence is to promote and increase the pleasure and satisfaction of "N" scale model railroading by building and operating a club layout and to draw on the knowledge, talents, ideas, skills, and time of the membership.

SECTION 3. PRINCIPAL OFFICE. The place of Club business is Maricopa County, Arizona.

SECTION 4. GOVERNING BODY. The executive and administrative power of the corporation shall be vested in a Board of Directors composed of not less than five (5) and not more than eight (8) Directors elected by the membership.

SECTION 5. FISCAL YEAR. The fiscal year of this corporation is from July 1 to June 30.

SECTION 6. INSPECTION OF CORPORATE RECORDS. The books of account and minutes of proceedings of the members and Directors of the corporation shall be open to inspection upon the written demand to the Board of Directors by any member at any reasonable time and for a purpose reasonably related to his interest as a member, and shall be exhibited at any time when required by the demand of ten percent (10%) of the members or at any meeting of the members. Such inspection may be made in person or by an agent or attorney and shall include the right to make extracts. Demand for an inspection other than at a meeting of the members shall be made in writing to the Board of Directors.

SECTION 7. BY-LAWS. The Corporation shall keep in its principal location a copy of these By-Laws, as amended or otherwise altered to date, certified by the Secretary, which shall be open to all members. An original copy of these By-Laws shall be maintained by the Secretary.

SECTION 8. METHOD OF AMENDING BY-LAWS. These By-Laws may be amended by any of the following methods:

(1) By a two-thirds (2/3) majority vote of the Board of Directors, subject to the approval by a two-thirds (2/3) majority vote of the regular membership.

(2) By a two-thirds (2/3) majority vote of the regular members present at any regular or special meeting duly called for that purpose.

(3) By the written assent of a two-thirds (2/3) majority of the regular members, when a copy of the original By-Laws and the proposed By-Law change is mailed to all members entitled to vote, with a pre-addressed, prepaid return envelope. The lack of response within thirty (30) days from the mailing date shall be considered an affirmative vote.

ARTICLE II

THE CORPORATION

SECTION 1. MEMBERSHIP ELIGIBILITY.

(A) **REGULAR MEMBERSHIP.** Regular membership shall be open to any person, twenty-one (21) years of age or older, who is actively engaged in the hobby of model railroading or is desirous of becoming so engaged. A person between the ages of eighteen (18) and twenty (20) may petition the Club for admission as a Regular member if the prospective member can show a requisite level of maturity and responsibility and receives an approval of the request by a two-thirds (2/3) majority vote of the regular membership.

(B) **STUDENT MEMBERSHIP.** Student membership shall be open to any person between the ages of fourteen (14) and twenty (20) years of age who are enrolled in any public or private secondary or post-secondary (college) school on a full-time basis, and is sponsored by a regular member in good standing. Student membership enjoys the rights and privileges of regular membership excepting: (1) the right to vote, (2) the right to serve on the Board of Directors, (3) the right to retain club room keys, and (4) the right of membership for a household. Upon attaining the age of twenty-one (21), student members, if wishing to continue affiliation with the club, shall convert their membership to that of regular status. This may be done by paying the difference between student and regular membership admission fees, subject to the acceptance requirements as stated in Article II, Section 2, of these By-Laws. A Student member between the ages of eighteen (18) and twenty (20) may petition the Club for admission as a Regular member if that Student member can show a requisite level of maturity and respon-

sibility and receives an approval of the request by a two-thirds (2/3) majority vote of the regular membership.

(C) ASSOCIATE MEMBERSHIP. Associate membership shall be open to any person, group of persons or any legal entity who desires to provide monetary or other material support to the club. Associate membership carries no rights or privileges in the club. Any Associate Member in good standing, having first been a Regular Member in good standing for a period of not less than Twelve (12) consecutive months, may return to Regular member status upon written request to the Club without the assessment of the Admission Fee.

(D) HONORARY MEMBERSHIP. Honorary membership may be given to any person the regular club membership believes has provided the club exceptional service and or credit. Such membership shall be free of the requirement to pay dues. An honorary membership has the rights and privileges of regular membership within the club except: there is no right to vote, no key to the club room, no right to serve on the Board of Directors, and no right to membership in other organizations whose dues are paid for by the club, unless these specific rights or privileges are authorized as specified in Article II Section 2 paragraph (C).

SECTION 2. APPLICATION FOR MEMBERSHIP.

(A) REGULAR OR STUDENT MEMBERSHIP. Application for membership shall be made in writing to the club and shall be accompanied by the admission fee and at least one (1) month's dues and assessments. Application must be preceded by attendance at a minimum of three (3) regular meetings within a six (6) month period. Acceptance into the club shall be by a two-thirds (2/3) majority vote of the regular members constituting a quorum at a regularly scheduled business meeting. The vote shall be taken by secret ballot or by a show of hands with the prospective member not present. Criteria for judging a prospective member are:

- (1) Attendance of business meetings
- (2) Attendance of work sessions (a minimum of three (3) in a six (6) month period).
- (3) Cooperation with others.
- (4) Attitude and interest.
- (5) Honesty and integrity.
- (6) Proven competency in operating the club layout.
- (7) Proven knowledge of the Club's Exhibit Operating Guidelines and the Maintenance of Way Standards and Procedures.

(B) ASSOCIATE MEMBERSHIP. Application for associate membership shall be made in writing to the club and shall be accompanied by payment of annual dues. Acceptance shall be by a vote of 100% of the Board of Directors.

(C) HONORARY MEMBERSHIP. As stated in Article II Section 1 paragraph (D), proposed honorary membership requires approval by a two-thirds (2/3) majority vote of the Board of Directors, prior to submission to the regular membership for approval. At the next regular meeting following approval by the Board of Directors, the proposed honorary membership shall be presented to the regular membership for initial review. At the second regular meeting following approval by the Board of Directors, the regular membership shall vote to approve the proposed honorary membership. Voting for honorary membership by the regular membership shall be by secret ballot. Honorary membership requires approval by a two-thirds (2/3) majority vote of the regular members. Following approval of honorary membership, the regular members may grant honorary members specific rights and privileges by a two-thirds (2/3) majority vote of the regular members. Any rights and privileges granted to an honorary member can be removed by a majority vote of the regular members.

(D) MEMBERSHIP PACKET. The club shall provide a membership packet to all prospective Regular, Student, and Associate members. The packet shall consist of the following: (1) one copy of the Club By-Laws; (2) one copy of the Club Exhibit Operating Guidelines; (3) one copy of the Club Maintenance of Way Standards and Procedures; and (4) an annual schedule of Club events.

SECTION 3. MEMBERSHIP--REGULAR

(A) BENEFITS AND RESPONSIBILITIES. A regular membership in the Club includes membership for the household and is provided for by the admission fee and yearly dues. The member named on the application is considered to be the active member and as such shall be the person who is entitled to all the benefits the club provides. The named member shall be responsible for payment of all dues and special assessments and assumes full responsibility for conduct and behavior of any other guests or members of the household while they are present on club premises and/or participating in any club affiliated activity. A regular member may also have a portion of the yearly dues applied to the payment of membership dues in an affiliated organization that has been approved by a majority of the Board of Directors or by a majority of the regular membership.

(B) TRANSFER OF REGULAR MEMBERSHIP. A regular member in good standing may request membership be transferred to another member of the household. The following conditions shall be met for the transfer to be valid:

(1) the request must be written, name the recipient, and be signed; (2) the recipient must be known to the club to the extent they would qualify, by past activities, for membership under the regular application process; (3) approval of the request shall be by majority vote of the regular membership at a scheduled meeting; (4) transfer of organizational memberships supported by the club will occur at the next normal renewal time.

SECTION 4. MEMBERSHIP—INACTIVE.

(A) A regular member in good standing who wishes to go inactive may do so without forfeiting his membership, providing he notifies the secretary of his intentions. There will be no refund of the admission fee for members on inactive status. If dues have been paid in advance, a member going inactive may, if he so desires, have a refund of the unused portion of his dues. Reinstatement of regular membership is achieved by notifying the secretary of this desire and by payment of current dues plus two dollars (\$2.00) for each month the member was inactive. A member desiring reinstatement after a period of one (1) year shall apply for membership as a new member.

(B) Student members may elect inactive status and may be reinstated without penalty upon approval of two-thirds (2/3) majority vote of the regular members constituting a quorum at any regularly scheduled business meeting.

(C) Inactive members retain the right to attend meetings but forfeit the following rights; (1) to vote, (2) to attend work sessions, (3) to run trains, unless attending as a guest and, (4) to retain club property.

SECTION 5. VOTING ELIGIBILITY. Each active regular member in good standing, whose dues are paid through the month in which the voting takes place, as certified by the Secretary of the Corporation prior to the taking of any vote, is entitled to one (1) vote.

SECTION 6. PROXY VOTING. Proxy voting by regular members may be conducted by phone. Proxy voting shall be authorized for votes which require a two-thirds (2/3) majority vote of the regular membership when that number of members is not present at a regular business meeting. Proxy voting by phone shall be conducted by the Board of Directors. The President shall assign each member of the board an equal number of regular members to be contacted by phone. Each director shall call the members on his list and record those members' votes. Each director shall report the total votes, yes or no, to the Secretary who shall tally the votes reported by each director and present a cumulative total to the President for review and certification. The President shall report the results of the proxy vote to the club membership at the next regular business meeting.

SECTION 7. MEETINGS.

(A) **ANNUAL MEETINGS.** The annual meeting of the Corporation shall be held on the second Wednesday of April of each year. At that time, the Board of Directors shall be elected as prescribed in Article 3, Section 1.

(B) **REGULAR MEETINGS.** Regular business meetings of the Club shall be held on the second Wednesday of each month at 7:30 p.m. in the evening, such meetings to be primarily for the transaction of Club business and such other matters as may properly come before it.

(C) **SPECIAL MEETINGS.** Special meetings of the members, for any purpose whatsoever, may be called at any time by the President or by the Board of Directors or by written petition signed by not less than fifty-one percent (51%) of the members entitled to vote. Except in special cases where other express provision is made by statute, notice of such special meetings shall be given in the same manner as for annual meetings of the members. Notices of special meetings shall specify, in addition to the place, day, and hour of such meetings, the specific purpose of the business to be transacted. Notices of special meetings called for the purpose of amending the Articles of the By-Laws of the Corporation shall set forth the proposed amendment or amendments. (See Article 1, Section 8)

SECTION 8. QUORUM. The members present at any duly called meeting shall constitute a quorum for the transaction of business at that meeting.

SECTION 9. ADJOURNMENT. Any meeting of the members, regular or special, may be adjourned and reconvened in less than thirty (30) days. It shall not be necessary to give any notice of the time and place of the reconvened meeting or of the business to be transacted other than the announcement at the meeting at which such adjournment is taken.

SECTION 10. WRITTEN CONSENT. Any action, which under any provision of the Arizona Non-Profit Corporation Law may be taken at a meeting of members, may be taken without a meeting if authorized in writing and signed by all of the persons who would be entitled to vote upon such action at a meeting. The results of such action shall be filed with the Secretary of the Corporation.

SECTION 11. DUES AND ASSESSMENTS.

(A) An admission fee for regular membership shall be applied to the cost of establishing the new member. The admission fee for regular members shall be set by the Board based on prevailing costs. The admission fee for student membership shall be set by the Board based on prevailing cost. There is no admission fee for associate membership.

(B) A one-time key deposit shall be required to be paid by all new regular members. This key deposit is refundable upon resignation of membership and return of the member's key.

(C) Annual dues shall be paid by all regular, associate, and student members. The annual dues shall be set by the membership at the annual meeting for the coming year. The Board or Directors shall, prior to the annual meeting, make a projection of anticipated income and expenditures and make recommendation to the membership as to the coming year's dues. Dues are delinquent if not paid by the fifteenth (15th) of the month in which they are due, and shall be paid to the club and presented to the Secretary or Treasurer.

(D) The Club may, by a two-thirds (2/3) vote of all regular members constituting a quorum, call for a special assessment when required. The membership will be given written notice of this vote thirty (30) days prior to its occurrence.

(E) The Club may, by a two-thirds (2/3) vote of the regular members constituting a quorum, designate that a member may voluntarily elect that a portion of his or her annual dues may be paid for membership in an affiliated organization that promotes the development and enjoyment of the hobby of N scale model railroading.

(F) The Board of Directors may, by a two-thirds (2/3) vote, designate that the club as a corporation may pay dues for a corporate membership in an affiliated organization that promotes the development and enjoyment of the hobby of N scale model railroading, subject to the approval of a two-thirds (2/3) majority vote of the regular membership.

SECTION 12. SUSPENSION FOR NON-PAYMENT OF DUES. All members in arrears in payment of dues for three (3) months shall be suspended automatically. Members suspended for non-payment of fees may be restored to membership by the Board of Directors upon such terms and conditions as the board may determine.

SECTION 13. DISCIPLINARY ACTION.

(A) Any member may be suspended, expelled, or censured by action of two-thirds (2/3) of the Board of Directors at any regular or special meeting duly noticed and called at which a quorum is present, for conduct which, in the sole judgment of the Board of Directors is injurious to the interest and welfare of this Corporation or violates this Corporation's By-Laws or rules; provided that no member shall be suspended, expelled, or censured for any such cause until at least thirty (30) days after written notice that charges have been preferred against him. The Board of Directors shall afford each member against whom charges are preferred a reasonable opportunity to be heard before the Board of

Directors prior to the effective date of suspension, expulsion, or censorship

(B) Any member suspended, expelled or censured by the Board of Directors shall have the right to appeal that decision to the general membership. Request for appeal shall be made in writing to the Board of Directors.

(C) Any member suspended by the Board of Directors shall be considered an inactive member subject to the provision of Article 2, Section 4.

SECTION 14. RESIGNATION. Resignation of members shall be presented to the Corporation in writing and no such resignation shall be accepted unless and until the accrued dues are paid up to the date of resignation, a condition which may for good and sufficient reasons be waived by the Board of Directors.

SECTION 15. RESPONSIBILITY FOR PROPERTY.

(A) The Club shall not be responsible for the rolling stock or other equipment or property of members or visitors brought to or loaned to the Club. Members or visitors bringing or leaving such property at the Club shall do so at their own risk.

(B) Any damage done to a member's or visitor's equipment or to the Club Right-of-Way or other property shall be subject to review by the Board of Directors.

(C) Any Club member desiring to permanently donate structures or any other personal property may do so by giving notice to the Secretary, subject to acceptance by the Board of Directors.

SECTION 16. DISSOLUTION. Dissolution of this Club shall be made only upon the affirmative vote of two-thirds (2/3) of the entire regular membership in good standing at a special meeting called for the purpose of considering such dissolution and all other related matters. The dissolution shall be conducted in accordance with the provisions of the Arizona Non-Profit Corporation Laws. In the event of the dissolution of this Club, disposition of the assets, equipment, supplies and such other property as the Club may own, shall be made by the Board of Directors, which shall take into consideration the rights of all members of the Club in good standing and the requirements of the Arizona Non-Profit Corporation Laws pertaining to dissolution, and shall be considered final.

ARTICLE III

THE BOARD OF DIRECTORS

SECTION 1. ELECTED DIRECTORS. The board of Directors of the Corporation shall be composed of not less than

five (5) and not more than eight (8) Directors. The Board of Directors shall be elected according to procedures in Article 2, Section 6, Paragraph A; and shall serve as Directors for a term of two (2) years, or until their successors are elected commencing at the annual meeting each year. At the February business meeting a nominating committee will be appointed, composed of three (3) members from the floor. This committee will offer its slate of nominees at the March business meeting at which time further nominations from the floor will be in order. Election will be at the annual meeting in April. No person shall be nominated for office without his consent and knowledge that the member be obligated to serve as an officer of the club if so requested.

SECTION 2. POWERS. Subject to limitations of the Articles of Incorporation, of the By-Laws, and of the Arizona Non-Profit Corporation Law, as to actions to be authorized or approved by the members and subject to the duties of Directors as prescribed in these By-Laws, all corporate powers shall be exercised by or under the authority of, and the business and the affairs of the Corporation shall be controlled by the Board of Directors. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the Directors shall have the following powers: (a) to conduct, manage, and control the affairs and business of the Corporation; (b) to make such rules and regulations not inconsistent with law or with the Articles or Incorporation or with the By-Laws, as they deem proper. All actions of the Board of Directors are subject to the approval or rejection of the membership, by the approval or challenge of the minutes of the Board of Directors meeting, to be read at the next regularly scheduled meeting following the Board of Directors meeting.

SECTION 3. ANNUAL BUDGET MEETING. The Board of Directors shall meet in February of each year to make an income estimate and budget projection for presentation at the March General Business Meeting. All meetings other than the annual budget meeting shall be special meetings.

SECTION 4. SPECIAL MEETINGS. Such meetings may be held upon the call of the President or of two (2) directors by either telephoning or by mailing written notice addressed to each Board member at his place of residence, as shown by the books of the Corporation, at least five (5) days prior to the date of the proposed meeting. The notice shall indicate the place, date and hour of meeting and the nature of the business to be transacted.

SECTION 5. QUORUM. A quorum for the transaction of business shall be composed of more than fifty percent (50%) of those members presently serving on the Board of Directors.

SECTION 6. ADJOURNMENT. Any meeting of the Board may be adjourned and reconvened in less than thirty (30) days. It shall not be necessary to give any notice of the time and place of the reconvened meeting or of the business to be transacted other than the announcement at the meeting at which such adjournment is taken.

SECTION 7. WAIVER OF NOTICE. The business transacted at any meeting of the Board of Directors at which a quorum is present, but which was not duly noticed shall be valid as though said business had been transacted at a meeting duly held after regular call and notice, if either before or after such meeting, each of the members not present then signs a written waiver of notice and a consent to holding such meeting or an approval of the minutes thereof. All such waivers, consents and approvals shall be filed with corporate records and made part of the minutes of the meeting.

SECTION 8. VACANCY OF DIRECTORS.

(A) Vacancies on the Board of Directors as a result of death, removal from office, or resignation of a director, shall be filled by the election of a member following nominations from the floor at the next business meeting of the general membership. Voting shall be by secret ballot.

(B) If a Director gives notification of resignation for a future date, a Director may be nominated and elected to take office on the effective date of resignation.

(C) All vacancies filled from the general membership shall be for the unexpired term of office of the Director being replaced.

SECTION 9. REMOVAL FROM OFFICE. If a Director fails to attend three (3) consecutive meetings without valid cause, he is subject to removal from office at the discretion of the Board of Directors.

SECTION 10. PROXY VOTE. Directors may not vote by proxy at Board Meetings.

ARTICLE IV

THE EXECUTIVE OFFICERS

SECTION 1. OFFICERS. Officers of this Club shall consist of a President, Vice President, Secretary and Treasurer. The offices of the Secretary and the Treasurer may be combined into one (1) office.

SECTION 2. ELECTION OF OFFICERS. The term of office for Club officers shall be for a period of one (1) year. Club officers shall be elected by and from the Board of Directors. Any Board member in good standing shall be considered as eligible and obligated to hold any of the elective offices in the Club.

SECTION 3. VACANCIES. Vacancies in Club offices shall be filled by a vote of a quorum of the Board of Directors. All vacancies filled for any reason, other than annual elections, shall be for the unexpired term of office.

SECTION 4. PRESIDENT. The President shall preside at all business meetings and perform such other duties as are required by his office. In event of his inability to serve, for whatever reason, his duties shall devolve upon the Vice President. The President shall appoint all committees except the nominating committee, and shall be a member ex-officio of all committees he appoints.

SECTION 5. VICE PRESIDENT. The Vice President shall aid and assist the President and shall assume the office of the President during his absence or at the President's request.

SECTION 6. SECRETARY. The Secretary shall take the minutes of all meetings of the Club and the Board of Directors and shall retain and maintain a permanent file of pertinent records.

SECTION 7. TREASURER. The Treasurer shall have custody of all club monies and as required by the Board of Directors or the membership at a regular meeting, present a current financial statement. Permanent records shall be maintained and available for audit by the Board of Directors at their request.

SECTION 8. RESPONSIBILITY OF TERMINATING OFFICERS. It shall be the obligation of each officer, either elected or appointed, at the expiration of his term of office to turn over to his successor all monies, records or other articles belonging to the Club or necessary for the conduct of Club business.

ARTICLE V

PROCEDURE

SECTION 1. RULES OF ORDER. In the absence of any provision in these By-Laws to the contrary, ROBERT'S RULES OF ORDER MODERN EDITION, Berkley, 1989, shall govern the meetings of this corporation and its Board of Directors.

ARTICLE VI

EXECUTIVE COMMITTEE

SECTION 1. ORGANIZATION. The executive committee of the Corporation shall consist of officers of the Club and such other persons as designated or appointed by the President and approved by the Board of Directors.

SECTION 2. DUTIES. Executive committees shall be responsible for but not limited to such duties as drafting new By-Laws, nominating candidates for election to the Board of Directors, organizing participation in model railroad meets and conventions and such other duties as shall be designated by the Board of Directors.

*Sun N Sand Model Railroad Club By-Laws
Revised September 13, 2006*

Approved and Adopted September 13, 2006