



North Raleigh Model Railroad Club

Bylaws

Adopted May 5, 1999
Last change: September 7, 2010

ARTICLE 1: OFFICES

1.1 Principal Office. The principal office of the North Raleigh Model Railroad Club ("Association") shall initially be located at [address deleted for privacy].

1.2 Registered Agent and Office. The initial registered agent of the Association shall be John M. Wallis and the initial registered office of the Association shall be located at [address deleted for privacy]. The registered office may be, but need not be, identical with the principal office. [N.C.G.S. § 55A-5-1]

1.3 Other Offices. The Association may have offices at such other places, either within or without the State of North Carolina, as the Board of Directors may designate or as the affairs of the Association may require from time to time.

ARTICLE II: MEMBERS

2.1 Members. The Association shall have members. [N.C.G.S. § 55A-6-1]

2.2 Qualification. Any natural person, regardless of age, sex, race, religion or national origin may become a Member by payment of dues. In addition to Regular Members, the Association shall also offer Spouse Membership (available to the spouse of a Regular Member, no voting rights), Family Youth Membership (available to children of Regular Members under the age of eighteen, no voting rights), Youth Membership (available to children between 12 and 18 years sponsored by a Regular Member, no voting rights), Student Membership (available to full time students, ages 18 to 25, with voting rights), Associate Membership (available to persons residing more than 50 miles outside the City of Raleigh (no voting rights), and Honorary Membership (conferred on persons by a majority vote of the membership; exempt from dues and have no voting rights).

2.3 Revocation. Membership may be revoked for:

- failure to pay dues within 60 days of the published due date
- making material misrepresentations of fact or willful or reckless acts which jeopardize the continued lawful existence of the Association
- wrongful allocation of the Association's money, or
- continuing to engage in actions of an abusive or disruptive nature after receiving written warning from the Board, including violation of Association rules.

If the Board determines a Member has engaged in activity that warrants revocation, the Board shall vote to recommend revocation. A majority vote of the Board is required to recommend revocation. The Member's membership shall then be revoked upon the affirmative vote of two-thirds (2/3rds) of the membership at the next meeting. A revoked Member may only be re-admitted upon the same procedure. [N.C.G.S. § 55A-6-20]

2.4 Place of Meetings. All meetings of members shall be held at the principal office of the Association, or at such other place, either within or without the State of North Carolina, as shall in each case be (1) fixed by the President or the Board of Directors and designated in the notice of the meeting or (2) agreed upon by a majority of the members entitled to vote at the meeting.

2.5 Meetings. There shall be 3 types of normal meetings of the Association. At the annual meeting, the members shall conduct such proper business that is before them, including electing Officers and Directors. Annual meetings shall be held at the first regular meeting of the new fiscal year. The President and Secretary shall each make a detailed report of the business of the Association for the preceding period to be presented at the annual meeting. Regular meetings shall be held on a monthly basis. Initial regular meetings will be held on the first Wednesday of each calendar month at 7:30pm, or as otherwise advised per Section 2.8 of this Article. Work sessions on Association projects may be called from time to time as they are necessary.

2.6 Special Meetings. A special meeting of the members may be called at any time by the President, or by a majority of the Directors, or by a majority of members. Notice of such special meeting shall be the same as that required for regular meetings unless all the members waive notice of meeting. The object of file meeting shall be stated in the notice. [N.C.G.S. § 55A-7-2]

2.7 Order of Business. The order of business at the annual meeting, and so far as possible at all other meetings of the members, shall be as follows:

1. Call of Roll;
2. Proof of due notice of meeting;
3. Reading and disposal of any unapproved minutes;
4. Annual reports from the Officers;
5. Election of Directors;
6. Unfinished business;
7. New business;
8. Adjournment.

2.8 Notice of Meetings. Written notice stating the date, time and place of the meeting shall be given not less than seven (7) nor more than sixty (60) days before the date of any members' meeting, either by personal delivery, or by telegraph, teletype, or other form of wire or wireless communication, or by facsimile transmission or by mail or private carrier, by or at the direction of the Board of Directors, the President, the Secretary, or other person calling the meeting, to each member entitled to vote at such meeting. If mailed, such notice shall be deemed to be effective when deposited in the United States mail, correctly addressed to the member at the member's address as it appears on the current record of members of the Association, with postage thereon prepaid. [N.C.G.S. § 55A-7-5]

In the case of a special meeting, the notice of meeting shall include a description of the purpose or purposes for which the meeting is called; but, in the case of an annual or substitute annual meeting, the notice of meeting need not include a description of the purpose or purposes for which the meeting is called unless such a description is required by the provisions of the North Carolina Nonprofit Corporation Act.

When a meeting is adjourned to a different date, time or place, notice need not be given of the new date, time or place if the new date, time or place is announced at the meeting before adjournment and if a new record date is not fixed for the adjourned meeting; but if a new record date is fixed for the adjourned meeting (which must be done if the new date is more than one hundred twenty (120) days after the date of the original meeting), notice of the adjourned meeting must be given as provided in this section to persons who are members as of the new record date.

2.9 Waiver of Notice. Any member may waive notice of any meeting before or after the meeting. The waiver must be in writing, signed by the member and delivered to the Association for inclusion in the minutes or filing with the Corporate records. A member's attendance, in person or by proxy, at a meeting (1) waives objection to lack of notice or defective notice of the meeting, unless the member or his proxy at the beginning of the meeting objects to holding the meeting or transacting business at the meeting; and (2) waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the member or his proxy objects to considering the matter before it is voted upon. [N.C.G.S. § 55A-7-6]

2.10 Action by Members without a Meeting. Any action permitted to be taken at a members' meeting may be taken without a meeting if one or more written consents, setting forth the action so taken, are dated and signed by the Members entitled to vote thereon. Any such action taken shall be effective when all such consents have been delivered to the Association, unless the consent specifies a later effective date. [N.C.G.S. § 55A-7-4]

The use of electronic means of communications, including telephone, facsimile and/or Email, is expressly authorized, including, but not limited to, the use of Email polling methods to record member votes.

2.11 Record Date. For the purpose of determining members entitled to notice of or to vote at any meeting of members or any adjournment thereof, or members entitled to receive payment of any distribution, or in order to make a determination of members for any other proper purpose, the Board of Directors of the Association may provide that the membership books shall be closed for a stated period, but not to exceed a period of seventy (70) days. If the membership books shall be closed for the purpose of determining members entitled to notice of or to vote at a meeting of members, such books shall be closed for at least ten (10) days immediately preceding such meeting. *In lieu* of closing the membership books, the Board of Directors may fix in advance a date as the record date for any such determination of members, such date in any case to be not more than seventy (70) days and, in case of a meeting of members, not less than ten (10) days prior to the date on which the particular action requiring such determination of members is to be taken. In the case of a member action without a meeting, the record date shall be the date that the first member signs such consent. If the membership books are not closed and no record date is fixed for the determination of members entitled to notice of or to vote at a meeting of members, or members entitled to receive payment of a distribution, the date on which notice of the meeting is sent or the date on which the resolution of the Board of Directors declaring such distribution is adopted, as the case may be, shall be the record date for such determination of members. When a determination of members entitled to vote at any meeting of members has been made as provided in this section, such determination shall apply to any adjournment thereof unless the Board of Directors fixes a new record date, which it must do if the meeting is adjourned to a date more than one hundred twenty (120) days after the date fixed for the original meeting. [N.C.G.S. § 55A-7-7]

2.12 Members' List for Meeting. After fixing a record date for a meeting, the Association shall prepare an alphabetical list of the names of all members on the record date who are entitled to notice of the members' meeting. The list shall show the address of each member.

The members' list must be available for inspection by any member, beginning two (2) business days after notice of the meeting is given for which the list is prepared, and continuing through the meeting, at the Association's principal office or at the place identified in the meeting notice in the city where the meeting will be held. Subject to applicable law, a member, the member's agent, or the member's attorney is entitled to inspect the list during business hours at the members' expense at any time during the period it is available for inspection. [N.C.G.S. § 55-7A-20]

2.13 Proxies. Each Member may vote in person or by proxy. A Member may appoint a proxy to vote or otherwise act for the member by signing an appointment form, either personally or by the member's attorney-in-fact or agent. The appointment of a proxy is effective when received by the Secretary or other

Officer or agent authorized to tabulate votes. An appointment is valid for eleven (11) months unless a longer period is expressly provided in the appointment forms. An appointment of a proxy is revocable by the member unless the appointment form conspicuously states that it is irrevocable and the appointment is coupled with an interest. No proxy may be effectively revoked until notice in writing of such revocation has been given to the Secretary or other Officer or agent authorized to tabulate votes. [N.C.G.S. § 55A-7-24]

2.14 Quorum. Quorum shall be defined as 20% of the Members in good standing. Once a member is represented for any purpose at a meeting, it is deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting unless a new record date is or must be set for that adjourned meeting.

In the absence of a quorum at the opening of any meeting of members, such meeting may be adjourned; and, subject to the provisions of Section 2.8 of this Article, at any adjourned meeting any business may be transacted that might have been transacted at the original meeting if a quorum exists with respect to the matter proposed.

2.15 Voting. Subject to the provisions of the articles of incorporation, each outstanding member shall be entitled to one (1) vote on each matter voted on whether at a meeting of members or through the use of electronic means as provided in Article II, Clause 2.10. [N.C.G.S. § 55A-7-21]

2.16 Adjournment. A majority of the members present, whether or not constituting a quorum, may adjourn any meeting to another time and place.

ARTICLE III: BOARD OF DIRECTORS

3.1 General Powers. All Corporate powers shall be exercised by or under the authority of, and the business and affairs of the Association shall be managed under the direction of, the Board of Directors. Notwithstanding anything else in these bylaws, any expenditure of club funds in excess of \$50 must be approved by a majority of the members. [N.C.G.S. §§ 55A-3-2, 55A-8-1]

3.2 Number, Term, and Qualifications. The number of Directors constituting the Board of Directors shall be seven (7), consisting of the four (4) elected Officers and three (3) others. Each Director shall hold office until the earlier of the end of his term as an officer, three (3) years, or his death, resignation or removal. Directors need not be residents of the State of North Carolina or members of the Association. The Board of Directors may elect to increase the number of Directors. Any such increase by the Board of Directors must be unanimous and by written resolution and shall last for a minimum period of 3 years. [N.C.G.S. §§ 55A-8-2, 55A-8-3, 55A-8-5]

3.3 Standard of Conduct. Directors shall act in accordance with the standards set out in the North Carolina Nonprofit Corporation Act. [N.C.G.S. § 55A-8-30, 55A-8-31]

3.4 Meetings of Directors. A regular meeting of the Board of Directors shall be held immediately after, and at the same place as, the annual meeting of members. In addition, the Board of Directors may provide, by resolution, the time and place, either within or without the State of North Carolina, for the holding of additional regular meetings. [N.C.G.S. § 55A-8-20]

Except for the meeting of the Board of Directors held immediately after the annual meeting, the use of electronic means of communications, including telephone, facsimile and/or Email, is expressly authorized, including, but not limited to, the use of Email polling methods to record votes.

3.5 Notice. Written notice of the date, time, and place of a special meeting of the Board of Directors shall be given at least five (5) days prior to the date set for such meeting. Such notice shall be given in one of the following manners: personally, by mail, by private carrier, by telephone, by teletype, by telephone facsimile,

by other form of wire or wireless communication, or by such other manner as then permitted by the North Carolina Nonprofit Corporation Act. Such notice shall be given by the Secretary or by the person or persons authorized to call Directors' meetings. If such notice is in written form, it is deemed effective upon the earliest date of the following:

1. when received;
2. if mailed post prepaid by United States mail and correctly addressed, then five (5) days after it is deposited in the mail, as evidenced by the postmark;
3. if sent by registered or certified mail, return receipt requested, and file receipt is signed by or on behalf of the addressee, on the date shown on the return receipt.

If such notice is oral, such notice is effective when communicated, if communicated directly to the person to be notified in a comprehensible manner.

Notice of any Directors' meeting may be waived by any Director before or after the date and time of the meeting. Such waiver must be in writing, must be signed by the Director, and must be delivered to the Association for inclusion in the minutes or filing with the Corporate records. The attendance of a Director at a meeting of the Board of Directors shall constitute a waiver of notice of such meeting except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully convened. [N.C.G.S. §§ 55A-1-41, 55A-8-22, 55A-8-23]

3.6 Quorum. A majority of the number of Directors fixed by these bylaws shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. [N.C.G.S. § 55A-8-24]

3.7 Order of Business. The order of business at any regular or special meeting of the Board of Directors, unless otherwise prescribed for any meeting by the Board, shall be as follows:

1. Reading and disposal of any unapproved minutes;
2. Reports of Officers and committees;
3. Unfinished business;
4. New business;
5. Adjournment.

3.8 Manner of Acting. Except as otherwise provided in the articles of incorporation or these bylaws, the affirmative vote of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

3.9 Presumption of Assent. A Director who is present at a meeting of the Board of Directors or a committee of the Board of Directors when Corporate action is taken is deemed to have assented to the action taken unless:

1. he objects at the beginning of the meeting, or promptly upon his arrival, to holding it or to transacting business at the meeting or,
2. his dissent or abstention from the action taken is entered in the minutes of the meeting or,
3. he files written notice of his dissent or abstention with the presiding Officer of the meeting before its adjournment or with the Association immediately after the adjournment of the meeting. Such right of dissent or abstention is not available to a Director who votes in favor of the action taken.

3.10 Adjournment. A majority of the Directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place.

3.11 Informal Action by Directors. Action taken by the majority of the Directors without a meeting is nevertheless Board action if written consent to the action in question is signed by all the Directors and filed with the minutes of the proceedings of the Board, whether done before or after the action so taken.

3.12 Action Without Meeting. Action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if the action is taken by all members of the Board. The action must be evidenced by one or more written consents signed by each Director before or after such action, describing the action taken, and included in the minutes or filed with the Corporate records. [N.C.G.S. § 55A-8-21]

3.13 Telephone Meetings. Any Director may participate in a meeting of the Directors by means of communication by which all persons participating in the meeting can hear each other during the meeting. A Director participating in a meeting by this means is deemed to be present in person at the meeting.

3.14 Resignation. A Director may resign at any time by communicating his resignation to the Association, orally or in writing. A resignation is effective when communicated unless it specifies in writing a later effective date. An Officer's resignation does not affect the Association's contract rights, if any, with the Officer. [N.C.G.S. § 55A-8-7]

3.15 Removal. Any Director may be removed at any time with or without cause by a vote of the members if the number of votes cast to remove such Director exceeds the number of votes cast not to remove him. If a Director is elected by a voting group of members, only the members within that group may participate in the vote to remove him. A Director may not be removed by the members at a meeting unless the notice of the meeting states the purpose, or one of the purposes, of the meeting is the removal of the Director. If any Directors are so removed, new Directors may be elected at the same meeting. [N.C.G.S. § 55A-8-8-10]

3.16 Vacancies. Any vacancy occurring in the Board of Directors, including without limitation a vacancy resulting from an increase in the number of Directors or from the failure of the members to elect the full authorized number of Directors, may be filled by the members or by the Board of Directors, whichever group shall act first. If the Directors remaining in office do not constitute a quorum, the Directors fill the vacancy by an affirmative vote of the majority of the remaining Directors. [N.C.G.S. § 55A-8-11]

3.17 Compensation. The Board of Directors may provide for the compensation of Directors for their services as such for the payment or reimbursement of any and all expenses incurred by them in connection with such services. [N.C.G.S. § 55A-8-12]

3.18 Chairman of the Board. There may be a Chairman of the Board of Directors elected by the Directors from their number at any meeting of the Board. The Chairman of the Board of Directors shall preside at all meeting of the Board of Directors and perform other such duties as may be directed by the Board.

ARTICLE IV: OFFICERS

4.1 Officers of the Association. The Officers of the Association shall consist of a President, a Vice-President, a Secretary, a Treasurer, and such Officers as may from time to time be appointed by or under the authority of the Board of Directors. No Officer may act in more than one capacity at the same time. [N.C.G.S. § 55A-8-40]

4.2 Election of Officers. During an annual meeting of the Association, the members shall meet and elect the Officers. Said Officers shall hold office until their successors are elected and qualified; provided, however, that the Board of Directors shall at all times have and retain the right to declare any office vacant and elect a successor to hold office until the next annual meeting and thereafter until his successor is elected and qualified. The Board of Directors shall also at all times have the right to fill, for the unexpired term, any vacancy on their own Board.

4.3 President. The President shall be the principal executive officer of the Association and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the Association. When present, the President shall preside at all meetings of the members in the absence of the chair of the Board. The President is the only Officer of the Association authorized by the Board of Directors to make commitments for the Association. The President is an ex-officio member of all committees except the nominating committee. In general, the President shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time. The President shall present a general report at each meeting of the members and shall author a column in the monthly newsletter.

4.4 Vice-President. In the absence of the President or in the event of the President's death, inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President; and shall perform such other duties as from time to time may be assigned to the Vice-President by the President or by the Board of Directors. The Vice-President is the President-elect for the following year. The Vice-President shall author a column in the monthly newsletter.

4.5 The Secretary. The Secretary shall:

1. prepare the minutes of the members' and Board of Directors' meetings and keep them in one or more books provided for that purpose;
2. be responsible for the monthly newsletter and other publications of the Association;
3. be responsible for the Association's site on the World Wide Web and for the Association's email list(s).
4. see that all notices are duly given in accordance with file provisions of these bylaws or as required by law;
5. be custodian of the Corporate records and of the seal of the Association, if any, and see that the seal of the Association, if any, is affixed to all documents the execution of which on behalf of the Association under its seal is duly authorized;
6. keep a register of the address of each member; and
7. in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to the Secretary by the President or the Board of Directors.

4.6 The Treasurer. The Treasurer shall have charge and custody of and be responsible for all funds of the Association and in general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to the Treasurer by the President or the Board of Directors. Specifically the Treasurer shall:

1. receive and give receipts for money due and payable to the Association from any source whatsoever (including dues), and deposit all such money in the name of the Association in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of these bylaws and
2. be responsible for paying the bills of the Association, as approved by the President or the Board of Directors

The Treasurer shall present a financial report at each meeting of the members.

4.6.1 Assistant Treasurer The Board of Directors will appoint an Assistant Treasurer from among the non-Officer Directors to assume the role of the Treasurer on a temporary basis should the Treasurer be absent, incapacitated or otherwise not be available to conduct the functions of the office of Treasurer.

4.7 Standard of Conduct. Officers shall act in accordance with the standards set out in the North Carolina Business Corporation Act. [N.C.G.S. § 55A-8-42]

4.8 Resignation. An Officer may resign at any time by communicating his resignation to the Association, orally or in writing. A resignation is effective when communicated unless it specifies in writing a later effective date. If a resignation is made effective at a later date that is accepted by the Association, the Board of Directors may fill the vacancy before the effective date if the Board provides that such successor does not take office until such effective date. An Officer's resignation does not affect the Association's contract rights, if any, with the Officer. [N.C.G.S. § 55A-8-43]

4.9 Removal. Any Officer may be removed at any time with or without cause by a vote of the Directors if the number of votes cast to remove such Officer exceeds the number of votes cast not to remove him. If an Officer is removed, a new Officer may be elected immediately at the same meeting. [N.C.G.S. § 55A-8-43]

ARTICLE V: COMMITTEES

5.1 Appointment. The Board of Directors, by resolution adopted by a majority of the full Board, may designate one or more of its members to constitute an executive committee or any other committee. Each committee shall have two or more members, who serve at the pleasure of the Board of Directors. The designation of such a committee and the delegation to it of authority shall not operate to relieve the Board of Directors, or any member of it, of any responsibility imposed by law. [N.C.G.S. § 55A-8-25]

5.2 Limits on Authority of Committees. No committee, including the executive committee, may do any of the following:

1. Authorize distributions;
2. Approve or propose to members action required by law to be approved by members;
3. Fill vacancies on the Board of Directors or on any of its committees;
4. Amend articles of incorporation pursuant to N.C.G.S. §§ 55A-10-2;
5. Adopt, amend, or repeal bylaws;
6. Approve a plan of merger not requiring member approval;
7. Authorize or approve reacquisition of shares (membership interests), except according to a formula or method prescribed by the Board of Directors; or
8. Authorize or approve the issuance or sale or contract for sale of shares, or determine the designation and relative rights, preferences, and limitations of a class or series of shares, except that the Board of Directors may authorize a committee (or a senior executive Officer of the Association) to do so within limits specifically prescribed by the Board of Directors.

ARTICLE VI: CONTRACTS, LOANS, CHECKS, DEPOSITS

6.1 Contracts. The Board of Directors may authorize any Officer or Officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

A Director or Officer of the Association shall not be disqualified by his office from dealing or contracting with the Association either as a vendor, purchaser, or otherwise. The fact that any Director or Officer, or any firm of which any Director or Officer of the Association is a member, Director or Officer, is in any way interested in any transaction of the Association shall not make such transaction void or voidable, or require

such Director or Officer of the Association to account to the Association for any profits therefrom, provided that (1) the material facts of such transaction and the Director's interest are disclosed to or known by the Board of Directors or committee of the Board of Directors at the time that the Board of Directors or committee authorizes, ratifies, or approves the transaction; (2) the material facts of such transaction and the Director's interest are disclosed to or known by the members entitled to vote and they authorize, ratify, or approve the transaction; or (3) the transaction is fair to the Association. [N.C.G.S. § 55A-8-31]

6.2 Loans. No loans shall be made, or accepted, on behalf of the Association, and no evidences of indebtedness shall be issued in the Association's name, unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances. [N.C.G.S. § 55A-8-33]

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

6.4 Deposits. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies, or other depositories as the Board of Directors may select.

6.5 Loans to Directors. The Association may not directly or indirectly lend money to or guarantee the obligation of a Director of the Association unless:

1. The particular loan or guarantee is approved by a majority of the Members; or
2. The Association's Board of Directors determines that the loan or guarantee benefits the Association and either approves the specific loan or guarantee or a general plan authorizing loans or guarantees. [N.C.G.S. § 55A-8-32]

6.6 Bank Accounts. The signing of checks, drafts, and orders for the payment of money shall be performed by an Officer of the Association or such other person or persons singularly or collectively as may from time to time be designated and appointed by the President of the Association.

ARTICLE VII: INDEMNIFICATION

7.1 Indemnification. Any person who at any time serves or has served as a Director of the Association, or who, while serving as Director of the Association, serves or has served at the request of the Association, as a Director, Officer, partner, trustee, employee, shall have the right to be indemnified by the Association to the fullest extent permitted by law against (1) reasonable expenses, including attorneys fees, incurred in connection with any threatened, pending or completed civil, criminal, administrative, investigative, or arbitral action, suit, or proceeding (and any appeal therein), whether or not brought by or on behalf of the Association, seeking to hold him liable by reason of the fact that he is or was acting in such a capacity, and (2) reasonable payments made by him in satisfaction of any judgment, money decree, fine (including all excise tax assessed in accordance with an employee benefit plan), penalty, or settlement for which he may have become liable in any such action, suit or proceeding.

On written request to the Board of Directors by any person seeking indemnification, the Board of Directors shall promptly determine whether such person is entitled to indemnification, and if so, the Board of Directors shall authorize indemnification. The Board of Directors shall take all such action as may be necessary and appropriate to authorize the Association to pay the indemnification required by this bylaw, including, without limitation making a determination that the indemnification is permissible in the circumstances and a good faith evaluation of the manner in which the claimant for indemnity acted and of the reasonable amount of indemnity due him. The Board of Directors may appoint a committee or special counsel to make such

determination and evaluation. To the extent needed, the Board shall give notice to and obtain approval by the members of the Association for any decision to indemnify.

Any person who at any time after the adoption of this bylaw served or has served in the aforesaid capacity for or on behalf of the Association shall be deemed to be doing or to have done so in reliance upon, and as consideration for, the right of indemnification as provided herein. Such right shall inure to the benefit of the legal representatives of any such person and shall not be exclusive of any other rights to which such person may be entitled apart from the provision of this bylaw.

To the fullest extent permitted by law, and except where otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under these bylaws in defending any legal proceeding shall be advanced by the Association before final disposition of the legal proceeding, on receipt by the Association of an undertaking or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the Association for those expenses.

The Association shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its current and former Officers, Directors, employees and other agents, against any liability asserted against or incurred by any such person arising out of the person's status or out of the performance of the person's Corporate duties. [N.C.G.S. § 55A-8-50 *et seq.*]

ARTICLE VIII: NON-PROFIT STATUS

The Association is organized exclusively for charitable, religious, educational, and/or scientific 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 of 1986 (or the corresponding provision of any future United States Internal Revenue Law).

No part of the net earnings of the Association shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that the Association 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 hereafter. No substantial part of the activities of the Association shall be the carrying on of propaganda, or otherwise attempting to intervene in (including the publishing and distribution of statements) any political campaign on behalf of any candidate for political office. Notwithstanding any other provision herein, the Association shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law) or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law).

Upon the dissolution of the Association, the Board of Directors shall, after paying or making provision for the payment of all liabilities of the Association, dispose of all of the assets of the Association exclusively for the purposes of the Association in such manner, or to such organization or organizations organized and operated exclusively for charitable, religious, educational, and/or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law), as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by the Court in the county in which the principal office of the Association is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE IX: GENERAL PROVISIONS

9.1 Governing Authority. The Association is governed and operated in accordance with the laws of the State of North Carolina, the Certificate of Incorporation, these bylaws, and the instructions of the Board of Directors and any Officers so authorized. [N.C.G.S. § 55A-2-6]

9.2 Purpose. The purposes of the Association shall be:

1. to promote greater fellowship between those persons interested in railroads, railroading, and modeling of the same;
2. to provide opportunities for the interchange of information about railroads and their practices;
3. to inform and educate the general public of the value of railroads and the hobby of model railroading
4. to provide opportunities for development of leadership through active participation in organizational activities
5. to promote the practice of the hobby of N scale model railroading; and
6. to provide for the construction and operation of a model railroad layout.

Such purposes shall not be construed as a limitation; the Association retains the power to engage in any lawful activity as long as such activity does not affect the Association's Exempt Status. [N.C.G.S. § 55A-3-1]

9.3 Parliamentary Rules. Except as may be modified by Board resolution, Robert's Rules of Order (current edition) shall govern the conduct of the Association proceedings when not in conflict with North Carolina law, the Articles of Incorporation, or these by-laws.

9.4 Definitions. Unless the context otherwise requires, terms used in these bylaws shall have the meanings assigned to them in the North Carolina Business Corporation Act to the extent defined therein. To the extent terms are not defined in the North Carolina Nonprofit Corporation Act, they shall have their ordinary meaning. [N.C.G.S. § 55A-1-40]

9.5 Seal. The Corporate seal of the Association shall consist of two concentric circles between which is the name of the Association and in the center of which is inscribed SEAL; and such seal, as impressed or affixed on the margin hereof; is hereby adopted as the Corporate seal of the Association.

9.6 Herald and Colors. The Association's Herald shall consist of a circle centered on a horizontal bar. The background color of both shall be yellow. The circle shall consist of a surrounding dark blue border approximately 1/8 of the radius of the circle. The words "North Raleigh" and "Model Railroad Club" in white upper and lower case sans-serif font, shall be centered in the upper and lower portions of the dark blue border, respectively. The blue border itself shall be bordered on both the inside and outside by a thin black line. The letter "N" in bold upper case sans serif italic font, dark blue with black shadows, shall be inside the circle's blue border. The length of the horizontal bar shall be approximately 2.15 times the diameter of the circle, and the horizontal bar is bordered by a thin black line. The word "North" and "Raleigh" in black, bold upper and lower case sans serif font are centered in the horizontal bar to the left and right of the dark blue circle, respectively. The word "TRAK", dark blue with black shadows, in bold upper case italic sans-serif font, shall be located below the horizontal bar to the right of the circle. Three dark blue horizontal lines of equal thickness are located below and equal in length to the word "TRAK".

When reproduced in gray scale or black-and-white, the letter "N" and the word "TRAK" should not have black shadows.

An example of the Herald, in both color and black-and-white, is shown below:



Primary colors of the Association are Dark blue on yellow.

9.7 Corporate Records. The Association shall maintain records in accordance with the Article 16 of the North Carolina Nonprofit Corporation Act. [N.C.G.S. § 55A-16-1 *et seq.*]

9.8 Fiscal Year. The fiscal year of the Association shall be the calendar year, unless otherwise fixed by the Board of Directors.

9.9 Annual Report. An annual report shall be prepared within sixty (60) days of the end of the Association's fiscal year and placed in the corporate record book. The annual report shall contain the following information in reasonable detail:

1. A balance sheet as of the end of the fiscal year;
2. A statement of revenues and expenses and statement of changes in financial position for the fiscal year, accompanied by any report on them by independent accounts, or if there is no such report, by the certificate of the Treasurer that they were prepared without audit from the books and records of the Association. The Association shall also file an annual report with the Secretary of State with the North Carolina Business Corporation Act. [N.C.G.S. § 55A-16-22]

9.10 Distributions. The Board of Directors may from time to time authorize, and the Association may grant distributions pursuant to law and subject to the provisions of its articles of incorporation. [N.C.G.S. § 55A-13-1, 2]

9.11 Mergers. Mergers of this Association shall be performed in accordance with the Article 11 of the North Carolina Nonprofit Corporation Act. [N.C.G.S. §§ 55A-11-1 *et seq.*]

9.12 Dissolution. Dissolution of this Association shall be performed in accordance with the Article 14 of the North Carolina Nonprofit Corporation Act. [N.C.G.S. § 55A-14-1 *et seq.*]

9.13 Amendments. Except as otherwise provided by the articles of incorporation or by law, these bylaws may be amended or repealed and new bylaws may be adopted by a majority vote (51%) of the Members of the Association.

No bylaw adopted, amended or repealed by the members shall be re-adopted, amended or repealed by the Board of Directors, unless the articles of incorporation or a bylaw adopted by the members authorizes the Board of Directors to adopt, amend or repeal that particular bylaw or the bylaws generally.

9.14 Statutes. The statutes referred to in these bylaws are incorporated to the extent that they are in harmony with the terms and purposes of these bylaws.

9.15 Accounting. Accounting and controls should conform to generally accepted accounting principals.

9.16 Conflicts. If there are conflicts between North Carolina law, the Articles of Incorporation, and these by-laws, the provisions of North Carolina law, the Articles of Incorporation, and these by-laws (in that order) shall

prevail. For purposes of this paragraph, a conflict does not exist where a statute allows a corporation to determine an issue but provides a default rule.

I, as Secretary of the Association, hereby certify that the foregoing constitute the bylaws of this Association as adopted and in full force and effect on this fifth day of May, 1999.

Original signed by: Jan-Michel Poff
Secretary