



BYLAWS OF
CLIPPER CITY MODEL RAILROAD CLUB, INC.

ARTICLE I
The Corporation

Section 1. Name. The name of this Corporation is **Clipper City Model Railroad Club, Inc.** (the Corporation) with its main office being located at **5201 Vista Drive Manitowoc, Wisconsin, 54220.**

Section 2. Mission. The mission of the Corporation is to **support the Clipper City Model Railroad Club Museum, Library and Educational Programs, and foster interest in railroad history and collection of model railroads and railroad related memorabilia. The corporation will promote public awareness and attention to the services, programs, educational needs, and maintenance of the museum maintained by the Clipper City Model Railroad Club, Inc. The corporation is intended to focus its efforts on campaigns that support projects or programs in the areas of public education and comprehensive strategies as they relate to these projects. Additional objectives include providing charitable services to the citizens of the City of Manitowoc and serving the needs and education of the citizens of Manitowoc County, including but not limited to groups such as Boy Scouts, Girl Scouts, senior citizens, and children, that fall within the scope of charitable, educational, religious, or scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code.**

Section 3. Not-For-Profit Status. The Corporation shall have and continue to have the status of a Corporation which is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and appropriate Wisconsin State Statutes. The Bylaws and the Articles of Incorporation of the organization shall be construed accordingly and all powers and activities shall be limited accordingly.

- (A) No substantial part of the activities of this Corporation shall be to attempt to influence legislation.
- (B) The Corporation shall in no way participate in, or intervene in, any political campaign on behalf of any candidate for public office.

- (C) The Corporation shall not engage in any activities that are unlawful under applicable federal, state or local laws.
- (D) The Corporation is organized exclusively for child welfare, educational purposes and activities that support these purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code. In furtherance of such purposes, the Corporation may:
 - (1) Solicit and receive financial support through gifts, contributions and grants.
 - (2) Hold, administer, convert, invest and reinvest and manage its funds.

Section 4. Fiscal Year. The fiscal year of the Corporation shall be January through December.

Section 5. Dissolution. Upon dissolution of the Corporation, the Board of Directors shall, after paying or making provision for the payment of all liabilities of the Corporation, shall allow all active members to remove personal property under board oversight, dispose of all the assets of the Corporation to or for the exclusive benefit of one or more similar child welfare organization or organizations qualified within section 501(c)(3) of the Internal Revenue Code. The selection of the organization or organizations receiving the assets must be approved by a 2/3 majority of the Board of Directors.

ARTICLE II Board of Directors

Section 1. General Powers. The Board of Directors shall oversee the affairs of the Corporation. The members of the Board and they alone shall have the right to vote at board meetings for the Corporation.

- (A) Each Director shall have one vote.
- (B) Voting by proxy will not be permitted.

Section 2. Number and Qualifications. The four officers shall comprise the board of directors. At the board meeting following the annual election the board may appoint one member from the “Active” class to serve as a fifth board member.

Section 3. Vacancies. The Board of Directors shall have the power to fill vacancies on the Board.

Section 4. Terminations. If any Director has more than three (3) unexcused absences from regular board meetings per year, he/she may be removed from the Board in the sole discretion of the Board and the vacancy may be filled as provided for in Article II, Section 3.

Section 5. Resignations. A Director may resign at any time by giving written notice to the Secretary of the Corporation. Such resignation shall take effect at the time specified in the notice. If no time is specified, then the resignation will be effective at the time it is received by the Secretary.

Section 6. Removal. A Director holding office as prescribed in this Article may be removed from office for cause and a 2/3 majority vote of the Directors. A Director may be removed for reasons other than cause by a 3/4 majority vote of the Directors.

Section 7. Conflict of Interest. A Director shall make known to the Corporation a potential conflict of interest. The Director with the conflict of interest will be disqualified from deliberation and vote upon any matter affected by such conflict.

- (A) Purpose. The purpose of this conflict of interest policy is to protect the tax-exempt organization’s interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, director or employee of the Organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

(B) Definitions.

1. Interested Person

Any director, officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

2. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement;
- b. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement; or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

(C) Procedures.

1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest

- a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation he/she shall leave the meeting during the discussion of, and the

vote on, the transaction or arrangement involving the possible conflict of interest.

b. The Chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

c. After exercising due diligence, the governing board or committee shall determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest. d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

4. Violations of the Conflict of Interest Policy

a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or potential conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

(D) Records of Proceedings. The minutes of the governing board and all committees with board delegated powers shall contain:

a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or potential conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.

b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

- (E) Policy. Any duality of interest or possible conflict of interest on the part of any member of the Board of Directors, Officer, administrative staff members, or volunteer associated with this Corporation shall be disclosed and made a matter of record and before the transaction in question is consummated. Any Director having a duality of interest or a possible conflict of interest on any matter shall not vote or use his/her personal influence on the matter and he/she shall not be counted in determining the quorum for voting on any such transactions. The minutes of the meeting shall reflect that the disclosure was made and the abstention from voting in the quorum situation. This duality of interest shall not be construed as preventing the Director from briefly stating his/her position in the matter or from answering pertinent questions of other Directors if his/her knowledge can be of assistance. Other procedures designed to ensure disclosure may be developed by the Board of Directors from time to time and carried out.
- (F) Transactions with the Corporation. The Board of Directors may from time to time authorize transactions by Officers or Directors with the Corporation when it is in the best interest of the Corporation to do so. Any such transaction between the Corporation and one or more of its Officers or Directors or any entity in which they have a direct or indirect interest shall be valid for all purposes, so long as such interest is known to all members of the Board of Directors approving said transaction. It shall be the duty of the interested Officer, Director or employee to fully disclose to the Board of Directors, prior to its deliberations, the full nature and extent of his/her interest in the transaction being considered, and any significant facts known to him/her which would indicate that the transaction under consideration might not be in the best interest of the Corporation. After said disclosure is made and the interested party answers all questions directed to him/her regarding the subject, he/she shall depart from that portion of the meeting in which the transaction is being considered and shall not participate in the further discussion of or vote on the transaction. Such transaction must be valid under the common and statutory law applicable thereto.
- (C) Good Faith Standard. The Board of Directors, committee members, Officers, administrative staff members and volunteers shall exercise the utmost good faith in all transactions involving their duties with this Corporation and its operation. In their dealings with and on behalf of this Corporation, they shall be held to a strict rule of honesty and fair dealing.

All acts of such persons shall be for the best interest of the Corporation. Such persons shall not accept any material gifts, favors, or hospitality that might influence their decision-making or actions affecting the institution or create the appearance of the same. They shall not use their positions, or knowledge gained there from, so that a conflict might arise between the interest of this Corporation and that individual.

Any new Director, Officer, administrative staff member, volunteer, or other employee shall be informed of this policy and shall execute the Conflict of Interest Statement concurrent with the assumption of responsibilities.

(D) Violations of the Conflict of Interest Policy.

a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or potential conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Section 8. Remuneration. Directors and members of the committees shall be classed as volunteers and shall not receive any salary or fees for their services. Volunteers may be reimbursed for authorized expenses incurred in fulfilling their duties as long as they seek approval for reimbursement prior to incurring said expense.

Section 9. Cause. The definition of cause shall include but not be limited to anything which violates the laws of the State of Wisconsin pertaining to theft, embezzlement, fraud, misdemeanor and felony crimes; disrespect to patrons, employees, supervisors, Executive Director or members of the Board of Directors; committing any act which injures another; or any other act by anyone which is contrary to the mission of the organization. The Board of Directors shall have the complete and unfettered discretion to terminate a member, affiliate, volunteer or Board Member for these or any other infractions which the Board of Directors deems

Section 10. Majority Vote. All votes of the Board of Directors shall be simple majority of a quorum of the Board of Directors unless otherwise indicated in the Bylaws.

ARTICLE III Officers

Section 1. Number, Title and Terms. The Officers of this Corporation shall be President, Vice-President, Secretary and Treasurer.

Section 2. Vacancies. The Board of Directors shall have the power to fill vacancies for the portion of any Officer's term that has not yet expired.

Section 3. Removal. Any Officer may be removed from office according to the Bylaw regarding "Removal" set forth in Article II, Section 6.

Section 4. President. The President shall preside over meetings and act as the official spokesperson for the Corporation.

Section 5. Vice-President. The Vice-President shall, in the absence or disability of the President, perform duties of President and act in his/her stead.

Section 6. Treasurer. The Treasurer shall report the Corporation's current financial status at each meeting.

Section 7. Secretary. The Secretary shall take and preserve minutes of all meetings, shall notify members of regular and special meetings and shall perform other duties assigned by the Board of Directors. The secretary shall maintain all official club documents.

ARTICLE IV Members of the Corporation

Application for membership can be made to any member of the club using the membership application form furnished by the club. Applicant's membership shall become valid when:

- The applicant has attended three member meetings or a Board approved alternative.
- An approval vote is received by 2/3 of voting members present.
- The applicant has made payment for three months dues.

The time period from first meeting to membership approval shall not exceed six months. The new member becomes a "Participating Member" as defined in these By-laws.

New members are required to perform at least 20 hours of work in support of the club during their first year as a participating member. The work shall be approved, coordinated and documented by any "Active" member. Failure to provide the required work will result in a review for "Active" membership, by the board of directors, at the end of the first year.

There are four (6) classes of membership; ACTIVE; PARTICIPATING; ASSOCIATE; HONORARY; CONTRIBUTING; AND AFFILIATE.

A: ACTIVE

The active members of the club are the voting members provided they are members in "Good Standing". They may hold office and may have a key to the building (upon payment of a deposit). They will participate in the work on the club railroads. They will assist in maintaining the building. They will lead or assist in club money raising functions. They will be available to assist at any open house or to set up and operate the club railroads at any outside display. Immediate members of ACTIVE member families will be admitted free to all club shows.

B: PARTICIPATING

Participating members will have all the rights and duties of the active members except that they may not hold office, they may not vote, and they will not have a key to the building unless authorized by a board member, and the work they do must be under the supervision of an "ACTIVE" member. Immediate members of "PARTICIPATING" families will be admitted free to all club shows.

After one year in this class the member must request "ACTIVE MEMBER" status to the Board. Active Member status should be awarded provided the member is up to date on all dues.

C: ASSOCIATE

This class is Open to members between the ages of 14 to 18 years. Upon reaching 18 years old, the member may remain as an associate member provided the member is pursuing a higher education, has requested the extended membership, and the board of directors approves the extension. Members in this class may attend meetings but will have no vote, they may not hold office; they will not have keys to the building. They may attend club shows without payment. They may work on the club railroads and club projects under supervision only. Members in this class will move up to "PARTICIPATING" upon reaching the age of 18 years. Associate members must be sponsored by an active ACTIVE member.

D: HONORARY

Honorary membership may be bestowed upon any person or company as a reward for outstanding service to the club. Such honor may be granted by the board of directors with such time limits and privileges as the Board may authorize.

E: CONTRIBUTING

A contributing member must contribute at least \$50.00 per year and will receive free admission to any open house and a copy of the Club newsletter. They may not hold an office or have rights to vote.

F: AFFILIATE

An affiliate member must pay \$15.00 per year and will receive free admission to any open house and a copy of the newsletter. They may not hold an office or have the right to vote.

G: VISITORS

Uninvited guests may attend on club meeting nights only. Guests may come to the club building at other times only at the invitation of an active member.

H: DUES

Dues, special assessments, and any specific fees shall be recommended by the Board and approved by general membership for active members, participating members, and associates. Dues are payable monthly, quarterly or yearly but shall not exceed 120 days in arrears. The treasurer shall keep a record of dues collected.

When a member is 60 days in arrears the treasurer should send a reminder to the member. Any member who is 120 days or more in arrears shall automatically be considered a member NOT in "Good Standing". The member should be notified by letter from the treasurer when in arrears 120 days. If the dues are not paid before the next regular member meeting, the member's name will be dropped from the active rolls.

To be reinstated, an inactive member must

- Pay their past dues, or
- Attend a member meeting and request re-instatement. An approval vote by 2/3rds of the members present shall be required to reinstate membership. If approved the applicant must pay three months of back dues
- If the inactive member has been inactive for two years or more the member is dropped from the membership and must request membership using the new member process.

Termination / Suspension of Membership. Any member may be expelled or suspended from the club for non-payment of dues as listed above by Board of Directors action. Any member may also be expelled or suspended for willfully damaging club property, or for any action hostile to the intent of the club or to the membership. In such event a complaint must be made to the directors. If the complaint is warranted the directors shall present the complaint to the membership at a regular meeting. A vote of two thirds of the members present shall be necessary to expel the member. Suspension is at the discretion of the board. No re-instatement is allowed for "expelled members". Re-instatement of suspended members is at conditions set forth by the board of directors.

ARTICLE V Meetings

Section 1. Regular Meetings. Regular meetings of the membership of the Corporation should be held monthly as called by the President or by the majority of the Board of Directors.

Section 2. Special Meetings. A special meeting of the membership of the Corporation may be called by the President or by a majority of the Members of the Board of Directors. Notice of special meetings shall state the purpose of the meeting and no other business may be transacted at that meeting.

Section 3. Notice of Meetings. Each member shall receive notice of all regular and special meetings specifying place, date and time.

- (A) Notice may be given by telephone, fax, electronic mail or postal service.
- (B) Notice must be provided at least three (3) days in advance of time and date set for such meeting.

Section 4. Quorum. At all regular or special meetings of the membership a quorum shall consist of 25 percent of those active members in good standing present.

The board of directors should meet prior to any general meeting. Three of the directors shall constitute a quorum.

ARTICLE VI Committees

Section 1. Committees. Committees shall be created and disbanded as deemed necessary by the Board. The Board shall provide a mission and provide adequate guidance for the committee to perform its function.

ARTICLE VII Duties of Officers

Section 1. Duties of Officers

(A) President

The President or designee shall preside at all regular or special meetings of the club and at all the meetings of the board of directors.

(B) Vice President

The Vice President should assume the president's duties in the absence of the President. Should the office of President be vacated for any reason the Vice President shall assume the position until the next scheduled election for the office of President or upon special action by the board.

(C) Secretary

1. The Secretary shall keep the minutes of all general meetings and the meetings of the board of directors; Update the constitution, by-laws and standing rules adding any changes or amendments to the above and have these records available at all meetings.
2. The Secretary shall inform all members of special meetings with a reason for the meeting and also conduct the general correspondence of the organization.
3. The Secretary shall post and maintain a calendar of meetings, special events and other information of interest to the members. Prior to any business meeting he/she shall prepare an order of business for the use of the presiding officer.

D. TREASURER

The treasurer shall maintain the organization's membership roll; Collect and record dues payments; Hold all funds of the organization; Record all income and make necessary payments upon authorization. The Treasurer shall present a report of the financial standing of the club at every general meeting of the membership.

E. VACATION OF OFFICE

Should any of the general offices except PRESIDENT be permanently vacated for any reason the office may be filled until the next election for that office by an appointee of the board of directors.

ARTICLE VIII Expenditures

Section 1. Any active member in "Good Standing" can spend up to \$50.00 on club related supplies provided the member receives a verbal okay from any club board member prior to the purchase. The treasurer shall verify and document the verbal approval for the club financial books.

Expenditures greater than \$50.00 require board of director's authorization.

Specific projects that have been approved with a budget ceiling do not require additional approvals unless the total project cost is going to exceed the approved dollar amount. In the case of extended funding for a project, the project lead shall make the request to the board of directors.

ARTICLE IX Miscellaneous

Section 1. Rules, Policies and Guidelines. The club shall have the right to maintain a set of Rules and Polices. Rules and polices are an extension to these bylaws and are voted on by the board of directors or membership as determined by the board. Rules and Polices cannot violate the constitution or bylaws but are intended to add clarification to said constitution and bylaws. Violations to Rules and Policies are governed by the bylaw section on Expulsion / Suspension.

Guidelines are not governed by the bylaws and are intended to add guidance where needed.

Rules and Polices shall be documented and maintained by the Secretary.

Section 2. Rules. Any question concerning Parliamentary Procedures at meetings of this Corporation should be determined by reference to Robert's Rules of Order, latest edition.

Section 3. Amendments. The articles of the by-laws may be changed or amended by presenting the proposed change or amendment in writing to the Board of Directors. The Board shall present the proposed change or amendment along with their recommendation to the membership at the next regularly scheduled meeting. The procedure for making the change is a three meeting process. At the first meeting the directors shall present the proposed change or amendment, along with their recommendation, to the membership. At the next regularly scheduled meeting a discussion of the proposed changes shall take place. Any change that is challenged will be resolved by a motion and member vote. The third meeting shall be a voting meeting. A yes vote by two thirds of the active members in good standing present at the general membership meeting shall be required to make the change.

Section 4. Indemnification. The Corporation shall indemnify all Directors and Officers to the full extent permitted in accordance with Chapter 181 of the Wisconsin Statutes as may be amended from time to time. The Board of Directors may afford additional rights to indemnification or allowance of expenses than afforded by law and such additional rights, if provided, shall be set forth in a resolution of the Board of Directors or in written agreement authorized by the Board to be entered into between the Officer or Director and the Corporation.

Section 5. Effective Date. These Bylaws shall become effective upon their adoption by the membership of this Corporation and shall be noted as such in the minutes of the meeting at the time of adoption.

End of Document

Membership Meeting Approval Date
December 6th, 2012

Board Member Signature: _____

Board Member Signature: _____

Board Member Signature: _____

Board Member Signature: _____

Board Member Signature: _____