

T/A NJ Hi-Railers Train Club

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1) Article I – Name, Purpose and Offices

The name of the corporation is Northwest NJ Hi Railers Inc. T/A NJ Hi-Railers Train Club. Corporate office located at 185 6th avenue, Paterson, New Jersey 07524.

For ease of reading it will be listed as NJHR in this publication. The organization has been formed for the following purposes:

1. To operate a historical model railroad museum and to stimulate interest and provide education in both model railroading and full scale operational railroading both past and present. The operating model train layout that is maintained by the organization accurately portrays local railroading. Planned exhibits will be open to the public at set intervals and model trains will be run at these events. Events will also include showings of films relating to the history of railroading.
2. To maintain an educational organization for the study of American railroading, past and present; providing an organization where members and the general public can learn modeling and other related skills both from fellow members and from outside speakers.
3. We will be providing access to history of railroading in the United States to school groups and the public at large. We will be providing exhibits and models of steam, electric and diesel trains. A library of material pertaining to model railroading will be maintained.
4. To maintain a web site where model railroading can be discussed. Operational web cams for viewing of the layout are provided.

2) Article II – Objectives

The objectives of this Club shall be

- a. The promotion of knowledge on all matters related to the construction, maintenance, operation, and management of a 3 Rail O Gauge model railroad.
- b. To help members become familiar with the associated tools, materials, services, and equipment necessary to accomplish these functions.
- c. For members to be involved with consideration and discussion for these functions.
- d. To encourage social interchange among its members.
- e. To enhance family member relationships.

3) Article III – Membership

Membership is open to any member of the public over the age of 18 interested in model railroading. A membership includes all immediate family members including persons under the age of 18. Membership can be rescinded at any time at the discretion of three quarters of the Board of Directors for any activity that is deemed detrimental to the club or its reputation. There will be three levels of Membership of the club.

- **Probationary Member**

- New members will be classified as probationary for a period of six months.
- The probationary member will have full use of club facilities.
- The probationary member is expected to involve him/her self in a project.
- The probationary member will not receive any access codes to club entrance door.
- The probationary member will receive and a main door key.
- The probationary member will not have any voting rights in club business but is encouraged to express ideas and recommendations at club meetings.
- At the end of probationary period (Six Months from their date of joining) the full membership will vote on acceptance or rejection of the probationary member, based on performance during the probationary period.
- If a probationary member displays exemplary skills, work ethic or devotion to the club the Board of Directors can request a membership vote on the probationary member's status to bring them to a full member before the required six months of probation.
- The probationary member will not receive any amount of refund for the full year's dues if he/she either leaves the club or is not accepted as a full member.
- A Probationary member will be assigned a mentor from the Committee that he signs up for.
- All new members are required to read the By-Laws.

- **Full Member**

- A full member is one who has completed his/her probation.

- A full member will be assessed the current dues per year. Dues are to be paid no later than September 30. A penalty will be charged for late payments.
- A full member will have the privilege of storing his/her trains on assigned tracks or in an assigned storage area at the club.
- A full member will have the privilege of renting a display cabinet on the floor of the club if one is available.
- A full member will have full use of all club facilities; including codes to all access doors and keys to all clubrooms.
- A full member will have voting rights on all club business and officer elections.
- A full member is expected to devote a significant amount of time working on the layout, shows or special events.
- A full member's status can be rescinded by the Board of Directors for activity deemed detrimental to the club.

- **Associate Member**

- An Associate member is a person who would like to be involved in the club but is challenged to participate in club activities.
- An Associate membership is not meant to circumvent paying full member fees. Attendance should be kept within reason.
- An associate member will be assessed a fee of at least 50% of the regular annual dues. It is up to the associate member to donate any fees above 50% of the annual fee.
- An associate member will be added to the club's distribution list.
- An associate member will be able to operate trains on the layout as long as they are accompanied by a full member.
- An associate member can store one bin or box of their trains at the club in an available assigned storage area if they are labeled and inventoried (Inventory to be provided to the treasurer. This storage is at the associate members own risk and will not be insured under the club's plan.
- An associate member cannot store trains on the layout at any time.
- An associate member cannot vote on club matters at business meetings but are encouraged to voice their opinions and recommendations at them.
- An associate member will have free access to all club open houses and shows along with their family.

4) Article IV – Board of Directors, Trustees and Officers

Only full members in good standing (Dues paid in full) shall be eligible to serve as appointed or elected officials. The Board of Directors of the club is composed of the elected officials plus three permanent Trustees. The permanent Trustees are Bernie Callen, Dennis Callen and Mat Horning. The Officers and their duties are;

1. President - The President shall preside over all business and other meetings of the Club, shall act as a liaison in the external affairs of the Club, shall provide general direction for all Club projects and activities, and shall appoint the chairpersons of the Club's committees, subject to the approval of the Active Membership of the Club.
2. Vice President - The Vice President shall assist the President in preparing for the Business Meetings, and shall preside at Business Meetings in the absence of the President. The Vice President or his assigned designee shall also take minutes in the absence of the Secretary.
3. Secretary - The Secretary shall be responsible for all official correspondence, and shall be responsible for taking the minutes at all business and special meetings of the club. The Secretary records business/meeting minutes on the club website tabbed by date so that they will be available for future reference.
4. Treasurer - The Treasurer shall be responsible for all matters involving the financial transactions of the Club. The Treasurer will maintain a record of monthly revenue and expense, as well as a treasurer's report linked to each month's bank statements. Financial records are to be kept so that a yearend audit report can be prepared.
5. All paper checks shall require two signatures and the only electronic payment permitted shall be for utilities.

5) Article V – Meetings

Regular club meetings will be held on the first Wednesday of every month at 6:30 PM at 185 6th Avenue, Paterson, NJ 07524. The annual meeting will be held on the first Wednesday in October. These meetings will be used to discuss and vote on topics related to the club. The following rules will be expected;

- 1) Special meetings can be called by the President to discuss and vote upon a specific topic. Special meetings must be announced 7 days prior to the meeting by the President via email to the membership.

- 2) When a member has the floor other members should respect his time and opinion and should not have separate conversations until that member has completed his statements.
- 3) Participation by all members regardless of membership level is encouraged. All opinions and recommendations are important to the club.
- 4) All participants in club meetings are expected to conduct themselves in a professional manner and respect his fellow members and silence all electronic devices.
- 5) Club Meetings shall consist of a reading of the minutes, a financial report, and Committee reports.

6) Article VI – Elections and Voting

Only full members in good standing are allowed to nominate or vote in any matter of club business or officer elections. Fifty-one Percent of the full members will be considered a majority and validation of any vote. The following rules will pertain to voting and elections;

- 1) Full members' dues have to be paid by Sept 30 of every year to be able to cast votes.
- 2) Nominations for Officer elections will need to be made at the September Business meeting by full members only.
- 3) All Officer elections will be by secret ballot or emails.
- 4) Voting on elections and By-Laws can be made in person or by email to the list of the three past Presidents prior to the vote. (Bob Feneran, Merrill Tucker, and Jim DiMeo) A copy of all written votes will be retained for validity for a period of one year.
- 5) The past Presidents are responsible for tabulating all votes unless they have been nominated for a position.
- 6) Elections for Club Officers shall be made at the October Annual Business meeting.
- 7) If a majority vote cannot be obtained, the candidate with the lowest number of votes shall be dropped from consideration, and the full members shall cast their votes again.
- 8) In the event of a tie, the ballot will be recast.
- 9) A majority of the full memberships votes will be considered final.

7) Article VII – Amendments to the By-Laws

The following rules apply to the By-Laws

- 1) Any full member may propose an amendment to the By-Laws at any regular Business meeting. The passing must be by a simple majority vote one month after it is proposed and email voting is possible.
- 2) These By-Laws are to be reviewed by the Club on a periodic basis, as needed.
- 3) If any portion of the By-Laws is found to be invalid, only that portion or portions found to be invalid shall be struck from this Document, the remainder of the By-Laws shall remain unaffected.
- 4) From time to time, the Club may deem it necessary to override portions of the By-Laws. This may be done by a three-fourths affirmative vote at a regularly scheduled business meeting. This is on a case by case basis, and must be repeated for multiple items.

8) Article VIII – Assets and Financials.

- 1) All assets of the club should be clearly labeled as such. This includes train cars and structures on the layout.
- 2) Members that leave their equipment on the layout should either clearly mark them as their property or supply a complete inventory of that equipment to the treasurer. This includes train cars and structures on the layout.
- 3) Any member that abandons their equipment at the club for a period of one year after their dues have lapsed will forfeit that equipment and the equipment will become the property of the club. The disposition of that equipment will be decided by the Board of Directors.
- 4) Items purchased for club business shall be submitted for reimbursement with a purchase requisition form and receipts within 60 days of the purchase.
- 5) Items purchased in excess of \$100.00 will have to have 2 members of the Board of Directors prior approval.
- 6) Items purchased in excess of \$500.00 will have to have a majority vote of full members at a club meeting.
- 7) Full members that are renting display cabinets are required to have their name on the case and supply a written inventory of that cabinet's contents for insurance purposes. Additions or removals of this inventory must be reported to the Club periodically to ensure accuracy. If an inventory is not supplied that member shall forfeit the privilege of using that cabinet and will not be reimbursed for it. (This includes privately owned cabinets) and the cabinet can be reassigned at the discretion of the Board of Directors.

- 8) Display cabinets that are privately purchased and placed at the club still require the member to pay the yearly rental and insurance fees for them.
- 9) Display cabinets that are privately purchased may be removed by the owner if they leave the club.
- 10) Membership dues need to be paid by the October business meeting. A penalty will be assessed if paid after that. The clubs calendar year runs from Oct 1 to Sept 30 of the following year.
- 11) The rate of membership dues will be decided at the May business meeting by the full members.
- 12) Current dues rates for 2016 are \$175.00 yearly membership fee, \$35.00 display case rental, and \$65.00 display case insurance (Insurance is mandatory unless a member can prove he is providing his own insurance the \$65.00 fee will be waived).
- 13) New members joining the Club after 31st March any given year will pay one-half of current dues.

9) Article IX – Operations

- 1) Full members can operate their trains on the layout at any time without restrictions as long as an open house or special event is not occurring.
- 2) Associate members can operate their trains on the layout at any time without restrictions as long as an open house or special event is not occurring and they are accompanied by a full member.
- 3) During shows, open houses and special events all members wishing to participate will need to reserve run time using the online reservation form on the NJHR website. If a member does not have a computer or is unable to use a computer a run time request should be placed using a club officer or website manager as a proxy to fill out the reservation form.
- 4) During shows, open houses and special events all members wishing to participate will need to adhere to the assigned addressing scheme published on the NJHR website for Command Control trains.
- 5) During shows, open houses and special events all members wishing to participate will need to be available at all times during their reserved run times. If a member needs a break he should ask another member to monitor his RUNNING trains during that time. There should

not be any idle train on the layout during any of these events. Lunch and meal breaks should be planned around the reserved run time.

- 6) During shows, open houses and special events there should be an assigned Main Line Dispatcher and two Yardmasters. One Yardmaster should be in the North Yard control area and the other Yardmaster should be in the upper level control area.
- 7) During shows, open houses and special events all members should request any switching moves to the Main Line Dispatcher who will in turn contact one of the Yardmasters if needed. No member should attempt to adjust any switch or power input, only the Main Line dispatcher or Yardmasters have the authority to do so.
- 8) All members should respect the personal property of other members. Nobody should operate other member's equipment without the expressed authority to do so by the owner. There are club cars that can be used for operations without any permission needed. Any member that continually abuses other member's property will be expelled from the club.
- 9) During shows, open houses and special events all members should present themselves to the public in a positive manner and have the best interest of the club in mind.
- 10) Problems that arise during any operating session should be reported to the problem management system.

10) Article X – Work Assignments

- 1) All members are required to have an assigned work assignment or area of responsibility.
- 2) All members should try to complete their work assignments to the best of their ability.
- 3) Members that are part of a Committee should get work direction from the Committee leader.
- 4) Any member that would like to change his work assignment can do so by making a request to his committee leader or a member of the Board of Directors.
- 5) All members are required to sign up and participate in one or more of the following club Committees:
 - a. Electrical
 - b. Construction
 - c. Scenery
 - d. Administration
 - e. Kitchen
 - f. Track-work

11) Article XI – Grievances and Complaints

All members are encouraged to understand that we are all involved in the same hobby and may have differences of opinion. We should act with courtesy to all other members and refrain from disparaging remarks. We come together with a common interest and we promote that interest best when we act with civility to one another. Any member who has disagreements or complaints with another member should keep it between himself or herself and the other member. If a club referendum is needed the following rules will apply.

- 1) All members have the right to raise a grievance or complaint to the Board of Directors or while they have the floor at a business meeting.
- 2) If a member raising a grievance or complaint at a business meeting is disrupting the harmony of that meeting, he will be considered out of order. The member will be asked to desist or leave.
- 3) Any member having charges to prefer against a member or Officer of the club shall submit a verified complaint in writing to the President or the Secretary of the club, who shall promptly notify the Board of Directors of such a complaint. The Board of Directors shall give notice of a hearing on all such complaints to all parties interested, shall take all testimony and shall submit their findings, together with their recommendations for disposition of the charges, to the membership for final action. A two-thirds majority of those present and voting shall be required to expel or suspend a member or Officer.

12) Article XII – Donations

- 1) Donations from the public of equipment, scenery, track, wiring etc. will be considered the property of the NJ Hi-Railers on receipt of such at the club house.
- 2) Donations from club members of permanently installed items such as scenery, track, wiring, bridges, turn table or buildings that are necessary to the operation of the layout will become property of the NJ Hi-Railers.

- 3) Donations from club members such as buildings, vehicles, railroad cars, figures or items not necessary to the operation can be removed by the owner when they leave the Club if they so desire if it was “so stated” when it was installed on the layout by the owner.
- 4) A record of the “so stated items” will be kept by the Vice President.

13) Article XIII – Indemnification

Section 1. General

To the full extent authorized under the laws of the New Jersey, the corporation shall indemnify any current or former trustee, officer, or agent of the corporation, or any person who may have served at the corporation’s request as a trustee or officer or agent (each of the foregoing trustee, officers, or agent, is referred to in this Article individually as an “indemnitee”), against expenses actually and necessarily incurred by such indemnitee in connection with the defense of any action, suit, or proceeding in which that indemnitee is made a party by reason of being or having been such trustee, officer, or agent, except in relation to matters as to which that indemnitee shall have been adjudged in such action, suit, or proceeding to be liable for gross negligence or misconduct in the performance of a duty. The foregoing indemnification shall not be deemed exclusive of any other rights to which an indemnitee may be entitled under any bylaw, agreement, resolution of the Board of Directors, or otherwise.

Section 2. Expenses

Expenses (including reasonable attorneys’ fees) incurred in defending a civil or criminal action, suit, or proceeding may be paid by the corporation in advance of the final disposition of such action, suit, or proceeding, if authorized by the Board of Directors, upon receipt of an undertaking by or on behalf of the indemnitee to repay such amount if it shall ultimately be determined that such indemnitee is not entitled to be indemnified hereunder.

Section 3. Insurance

The corporation may purchase and maintain insurance on behalf of any person who is or was a member, director, officer, employee, or agent against any liability asserted against such person

and incurred by such person in any such capacity or arising out of such person's status as such, whether or not the corporation would have the power or obligation to indemnify such person against such liability under this Article.

14) Article IX – Conflict of Interest Policy

Purpose

To assure any transaction by the club is consummated at arm's length, that is to assure no member has a personal interest in the transaction or, if they do, that such an interest is disclosed.

• Definitions

1. Interested Person

Any member who has a direct or indirect financial interest, as defined below is an interested person.

2. Financial Interest

As used in this section, 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 Club has a transaction or arrangement.
- b. A compensation arrangement with the Organization or with any entity or individual with which the Club 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 Club is negotiating a transaction or arrangement.

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

- a. A voting member of the governing board who receives compensation, directly or indirectly from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.

- c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

- **Procedures**

1. **Duty to Disclose**

In connection with any actual or possible conflict of interest, interested person must disclose the existence of a financial interest and be given the opportunity to disclose all material facts to the directors and members of the 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, the Board or committee board or committee members, without the interested party present, shall decide if a conflict of interest exists.

3. **Procedures for Addressing the Conflict of Interest.**

- a. The chairperson of the Board or committee shall if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- b. After exercising due diligence, the Board or committee shall determine whether the Club 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.
- c.. If a more advantageous transaction or arrangement is not reasonably possible under the circumstances not producing a conflict of interest, the Board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Club'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**

- a. If the Board or committee has reasonable cause to believe a member has failed to disclose actual or possible 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 investigations as warranted by the circumstances, the 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.

Annual Statements

Each trustee, officer and member of a committee with the governing board delegated powers shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflicts of interest policy.
- b. Has read and understands the policy
- c. Has agreed to comply with the policy, and
- d. Understands the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Periodic Reviews

To insure the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on the competent survey of information, and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments of goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Records of Proceedings

A record of the above considerations and determinations shall be maintained by the Secretary.