

BYLAWS OF EMPIRE BUILDERS MODEL RAILROAD CLUB, INC.

Approved by membership February xx, 2007

A California Non-Profit Mutual Benefit Corporation

Article I: Name of the Corporation

The name of the Corporation is the EMPIRE BUILDERS MODEL RAILROAD CLUB, INC., and is referred to herein as the "Club."

Article II: Offices

The principal office of the Club shall be located at xxxx xxxxxxxx xxxxxxxx, California.

Other offices may be established by the Board of Directors of the Club ("Board") at any place or places where the Club is qualified to conduct its activities.

Article III: Purpose

The purpose of the Club is to construct and operate scale model railroad equipment, layouts and exhibits, to train and educate members and others in the skills involved in scale model railroading, promote general fellowship among and between all scale model railroaders and members of the Club and provide a forum for the exchange of ideas and techniques in connection with the hobby of scale model railroading.

No part of the net earnings of the Club shall inure to the benefit of any Member or individual.

Article IV: Members

Section 1 Classes and Scales The Club shall have five classes of members designated as follows: Senior Members, (2) Charter Members, (3) Junior Members, (4) Apprentice Members, and (5) Associate Members (collectively called "Members").

Section 2 Membership Class Qualifications; Term of Membership

- A. Senior Members A Senior Member shall be at least 18 years of age, at all times hold their membership in good standing in the Club, maintain current all dues, fees and assessments to the Club for this class of membership, be elected to such class of membership as below provided and prior to such election, have served at least a six consecutive months apprenticeship. Senior members have the privilege of obtaining a key to the facility and the access code to the security alarm This is issued by the treasurer of the Club. A fee (currently \$10) and a refundable deposit (currently \$20) are assessed for issuance of a key.
- B. Charter Members A Charter Member shall have all of the qualifications of a Senior Member and additionally shall have been a member of the previous club (Alameda Empire Builders) prior to January 2007.
- C. Junior Members A Junior Member shall be at least 12 but less than 18 years of age, have at least three Senior or Charter Member sponsors (who shall be mentors to the Junior Member responsible for his or her conduct), at all times hold a membership in good standing in the Club, maintain current all dues, fees and assessments to the Club for this class of membership, be elected to such class of membership as below

provided and, prior to such election, have served an apprenticeship at least six consecutive months satisfactory to the members of the Board.

- D. Apprentice Members An Apprentice Member shall be an applicant for Senior or Junior Membership whose application for Apprentice Membership has been accepted by the Board of the Club, at all times hold a membership in good standing in the Club, be sponsored by two Senior Members in the case of an applicant for Senior Membership or sponsored as required in subparagraph C. above in the case of an applicant for Junior Membership and who has paid all dues or fees in connection with this class of membership.
- E. Associate Members An Associate Member shall be at least 18 years of age, at all times hold a membership in good standing in the Club, maintain current all dues, fees and assessments to the Club for this class of membership, shall be sponsored by a Senior or Charter Member and shall enjoy such membership status in the class of membership at the pleasure of the Board, and be a member in good standing of another model railroad club. The requirement to be a member in good standing of another model railroad club may be waived at the discretion of the Board. This class of membership is to accommodate applicants who wish to support the Club but who only occasionally participate in its activities.
- F. Term of Membership All classes of membership shall have an indefinite term, subject to remaining in good standing and termination, except that the Board from time to time may establish a term limitation for Apprentice Members to assure that such Members are making satisfactory progress or continue to meet the qualifications for the membership being sought.

Section 3 Voting Members. Only Senior and Charter Members shall have the right to vote at meetings of the Club as set forth in these Bylaws. All other classes of Members may attend and participate in such meetings but may not vote.

Section 4 Dues, Fees and Assessments

- A. Dues Members of all classes of membership, within the time and on the conditions set by the Board from time to time, dues, assessments and other amounts to be fixed from time to time by the Board. The Board, in its discretion, may establish different dues, assessments and fees for each class of Members. All decisions by the Board with respect to dues and assessments are subject to approval by the Members upon the request of any Member at any meeting where a quorum of Members are present. The dues schedule, per annum, until changed, shall be: Senior members, Charter members, and Associate Members \$120. Junior members shall pay dues at the rate of one half of Senior Membership dues. Apprentice members shall pay dues at the same rate as their class of membership, prorated for the duration of their apprenticeship. Dues for Student Members shall be \$40 per annum payable in one lump sum on application for conversion of the current membership, or debited against any positive dollar balance in the member's dues account, and thereafter due annually on the anniversary of the date of conversion to the Senior class of membership. At the election of the member, dues can be paid monthly.
- B. Fees The Board, in its discretion, subject to approval by the Membership, may establish fees applicable to any class of membership for specific acts or omissions in conjunction with the activities of the Club or use of its property or facilities.
- C. Assessments It is the policy of the Club that general assessments shall be levied only for good cause in special or extraordinary situations, are restricted to Senior and Charter Members and may be levied only by the Membership at any duly called

meeting upon the affirmative recommendation of the Board, provided that additional contributions to the Club may be made voluntarily by any Member at any time.

- D. Payments by Membership Applicants All applications for new membership shall be accompanied by payment of the appropriate amount of dues for the current calendar year for the class of membership sought, or as otherwise from time to time determined by the Board.

Section 5 Good Standing Those Members who have paid their required dues and fees in accordance with these Bylaws and who are not suspended shall be Members in good standing.

Section 6 Termination of Membership A membership of any class shall terminate without further corporate action on occurrence of any of the following events:

- A. Resignation Resignation of a Member on written notice to the Club;
- B. Expiration of Term Expiration of the term of membership, unless the membership is renewed on such renewal terms as is fixed by the Board from time to time;
- C. Payment Deficiencies Unless excused by the Board for good cause, failure of a Member to pay dues, fees or assessments, as set by the Board, within three calendar months after they become due and payable and failure to cure such deficiency within thirty days of the mailing of written notice to the delinquent Member by the Treasurer or other officer of the Club.
- D. Lack of Qualifications Occurrence of any event which renders a Member ineligible for membership, or failure to satisfy membership qualifications upon a finding of such by the Board; and, with respect to an Apprentice the Board may at any time find that the Apprentice Member does not have the requisite qualifications for membership or is guilty of misconduct as described in Section 7 below and terminate the membership of any such Apprentice without the need to utilize the expulsion procedures provided in Section 7 below.

Section 7 Expulsion of a Member On the good faith determination by the Board that a Member other than an Apprentice or Student Member has failed in a material and serious degree to observe the rules of conduct of the Club, or has engaged in conduct materially and seriously prejudicial to the purposes and interest of the Club, the Board shall give the Member who is the subject of the proposed action 30 days prior written notice of the proposed expulsion and the reasons therefore. The Member may submit a written statement to the Board regarding the proposed action not less than five days before the effective date of the proposed expulsion. Prior to the effective date of the proposed expulsion, the Board shall review any such statements submitted and shall determine the mitigating effect, if any, of the information contained therein on the proposed expulsion. The Board shall thereafter decide whether to recommend that the Member should be expelled by a vote of the Members, and if the decision is in the affirmative the matter shall be placed on the agenda for the next regular meeting of Members. Any action challenging the expulsion of a Member, including a claim alleging defective notice must be commenced within 90 days after the date of expulsion.

Section 8 Leaves of Absence In the event a Charter or Senior Member in good standing is unable to continue active participation in the Club, the Board shall have the discretion to grant such member a leave of absence for a fixed term determined by the Board and subject to extension at the discretion of the Board. The Member must request

the leave of absence in writing and the request must be accompanied by the Member's keys and other Club property in such Member's custody. If the Board determines to grant the leave, the Secretary will so notify the Member, who will place the Member's name on the Extra Board. While a Member is on a leave of absence all dues, fees and assessments of the Club are suspended. A Member on leave may regain active status by written notice of such intention and the effective date thereof delivered to the Secretary after which the Member will again become liable for dues, fees and assessments in accordance with his or her membership class.

Article V: Meetings of Members

Section 1 Place of Meetings Meetings of Members shall be held at such place from time to time designated in advance by the Board, or by written consent of all persons entitled to vote at the meeting, which consent may be given before or after the meeting.

Section 2 Annual Meetings The Annual Meeting of the Club shall be held in conjunction with the regular business meeting of the Club in December of each year, or on the second Tuesday of December of each year at 8 pm in the event no regular meeting is scheduled, unless the Board fixes another date or time and so notifies members as otherwise is provided in these Bylaws. At the annual meeting directors and officers shall be elected and any other proper business may be transacted.

Section 3 Regular Meetings There shall be a regular business meeting of the Club on the second Tuesday of each month at such place from time to time designated in advance by the Board. No matter other than items of a general business nature and routine membership matters may be considered at such meetings in the absence of proper notice as provided for in Section 4 below with respect to Special Meetings.

Section 4 Special Meetings Special meetings of Members may be called at any time by the Board, the President, or not less than five percent (5%) of the voting Members. Any special meeting called at the written request of the Members shall be held at a time fixed by the Board not less than thirty five (35) nor more than ninety (90) days after the receipt of the request. Any call of a special meeting shall specify the general nature of the business proposed to be transacted at such meeting. Any call of a special meeting of Members by written request of the Members shall be delivered to the President, or any Vice President or the Secretary of the Club. The officer receiving the request shall cause notice to be given promptly to the Members entitled to vote in accordance with these Bylaws, stating that a meeting will be held at a specified time and date fixed by the Board. If the notice is not given within 20 days after receipt of the request, the person or persons requesting the meeting may give the notice. Nothing in this section shall be construed as limiting, fixing or affecting the time at which a meeting of Members may be held when the meeting is called by the Board.

Section 5 Notice of Annual or Special Meetings Written notice of each annual or special meeting of Members shall be given not less than ten (10) nor more than ninety (90) days before the date of the meeting to all Members of the Club; provided, however, that if notice is given by mail and the notice is not mailed by first class, registered, or certified mail, the notice shall be given not less than twenty (20) days before the meeting. Any notice shall be deemed given on the date that it is postmarked if transmitted by mail or on the date transmitted if given by electronic means. Such notice shall state the place, date and hour of the meeting and (a) in the case of a special meeting, the general nature of the business to be transacted, and no other business may be transacted, or (b) in the case of an annual meeting, those matters which the Board, at the time the notice is given, intends to present for action by the Members, but, subject to the provisions of applicable law, any proper matter may be

presented at the meeting for such action. The notice of any meeting of Members at which directors are to be elected shall include the names of all those who are nominees at the time the notice is given to Members.

Section 6 Eligibility to Vote Subject to the provisions of the California Nonprofit Mutual Benefit Corporation Law, Members entitled to vote at any meeting of Members shall be Senior Members, Charter Members in good standing on the date of any meeting or continuation thereof. All other classes of membership are non-voting classes.

Section 7 Quorum and Voting Twenty percent (20%) of the Members of record entitled to vote, represented in person, shall constitute a quorum at any meeting of Members. If a quorum is present, the affirmative vote of the majority of the voting power represented at the meeting, entitled to vote, and voting on any matter shall be the act of the Members, unless the vote of a greater number or voting by classes is required by law, by the Articles or by these Bylaws. Each Member entitled to vote shall be entitled to cast one vote on each matter submitted to a vote of the Members. Voting shall be by voice vote or count of hands except as otherwise provided in these Bylaws. Voting shall be as above unless the presiding officer or any voting Member requests a vote by secret ballot. The following matters shall require the affirmative vote of the indicated percentage of the voting power represented at the meeting, entitled to vote and voting on such matters.

- A. Seventy Five Percent - Election of Senior and Junior Members, expulsion of Members.

Section 8 Presiding Officer The President shall preside at all meetings of Members and in his absence a Vice President shall preside. In the absence of both, the Members shall select a presiding officer, pro tempore.

Section 9 Action Without Meetings Any action, including the election of directors, which may be taken at any regular or special meeting of Members, may be taken without a meeting if the written ballot of every voting Member is solicited; the required number of signed approvals in writing, setting forth the action so taken, is received; if the number of ballots cast within the time period specified equals or exceeds the quorum required to be present at a meeting authorizing the action; and, the number of approvals equals or exceeds the number of votes that would be required to approve the action at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. All such solicitations shall indicate the number of responses needed to meet the quorum requirement, the time by which the ballots must be received in order to be counted, and with respect to ballots other than for election of directors, the percentage of approvals necessary to pass the measure submitted.

Section 10 Written Ballots

- A. Procedure The Club shall distribute one written ballot to each Member entitled to vote on the matter. Such ballots shall be mailed or delivered in the manner described above in Section 5 of this Article. All solicitation of votes by written ballot shall (1) indicate the number of responses needed to meet the quorum requirement, (2) with respect to ballots other than for election of directors, state the percentage of approvals necessary to pass the measure or measures, and (3) specify the time by which the ballot must be received in order to be counted. Each ballot so distributed shall (1) set forth the proposed action, (2) provide the Members an opportunity to specify approval or disapproval of each proposal, and (3) provide a reasonable time in which to return the ballot to the Club. In any election of directors, a written ballot that a Member marks "withhold" or otherwise marks in a manner indicating that

authority to vote is withheld, shall not be voted either for or against the election of a director.

- B. Number of Votes and Approvals Required. Approval by written ballot shall be valid only when (1) the number of votes cast by ballot (including those ballots that are marked "withhold" or otherwise indicate that the authority to vote is withheld) within the time specified equal to or exceeds the quorum required to be present at a meeting authorizing the action, and (2) the number of approvals equals or exceeds the number of votes that would be required for approval at a meeting at which the total number cast was the same as the number of votes cast by written ballot without a meeting.
- C. Revocation A written ballot may not be revoked.
- D. Filing and Retention All written ballots shall be filed with the Secretary of the Club and maintained in the corporate records for at least 180 days following any election or other action taken by written ballot.

Section 11 Record Date For Voting For purposes of determining the Members entitled to notice of any meeting, entitled to vote at any meeting, entitled to vote by written ballot, or entitled to exercise rights with respect to any lawful action, the record date shall be the date of such action or of transmitting such notice, ballot or other document, with respect to voting Members in good standing according to the membership records kept by the Secretary.

Section 12 Proxies No proxies shall be allowed unless specifically provided for in advance by the Board in the notice of any meeting or action to be taken by written ballot.

Article VI: Directors

Section 1 Number and Qualifications. The authorized number of Directors of this Club shall be not less than seven (7) nor more than eleven (11), until changed by an amendment to this Section approved by the Club's Members entitled to vote. The exact number of Directors shall be fixed at nine (9), until changed, within the limits specified above, by an amendment of this Section 1 adopted by the Board or by a majority of the Club's Members entitled to vote. The exact number of Directors, until changed in accordance with this Section 1, six (6) Directors at Large for a term of two years each, three (3) of which shall be elected each year at the Annual Meeting of Members to create staggered terms. The qualifications for elected directors are that they shall be Charter or Senior Members in good standing of the Club. For the year 2007, three directors shall be elected for a term of one year and three directors for a term of two years.

Section 2 Powers

- A. A General Corporate Powers Subject to the provisions and limitations of the California Non-Profit Mutual Benefit Corporation Law and any other applicable laws, and subject to any limitations in the Articles of Incorporation and Bylaws regarding actions that require the approval of the Members, the Club's activities and affairs shall be managed, and all corporate power shall be exercised, by or under the Board's direction.
- B. Specific Powers Without prejudice to the general powers set forth above, but subject to the same limitation, the directors shall specifically have the power to:

(1) In the event of the resignation or incapacity of any Officer of the Club to appoint a qualified replacement to the position for the remainder of the term of office for which the vacancy exists, or call for an election to fill the vacancy for the remaining term.

(2) Change the principal office or the principal business office in California from one location to another; to cause the corporation to be qualified to conduct these activities in any other state, territory, dependency, or country; and, to designate any place within 20 miles of Oakland, California for holding any meeting of Members.

(3) Adopt and use a corporate seal as desired; and

(4) Borrow money and incur indebtedness on behalf of the Club and cause to be executed and deliver for the Club's purposes, in the Club's name, promissory notes, deeds of trust, mortgages, pledges, hypothecations and other evidences of debt.

(5) Do any other act or have any other power specified in these Bylaws.

Section 3. Election of Directors. The procedure for election of directors shall be as follows until the Board shall, from time to time, determine and announce a different procedure.

- A. Nomination of Elected Directors. No later than October 15 of each year, the President, or the Board if the President fails to act, will appoint a nominating committee of three persons, each of whom shall be a Senior, or Charter Member. The Nominating Committee shall nominate persons for election as Elected Directors of the Club, as appropriate, and shall report their findings at the business meeting next preceding the Annual Meeting, ordinarily in November of each year. Additional nominations for Directors to be elected may be made by any voting Member from the floor at either the November meeting or prior to the election of Directors at the Annual Meeting.
- B. Manner of Election. Directors shall be elected by the Members at the Annual Meeting of Members pursuant to a secret ballot. Members shall vote as provided above in Article V. Section 7. If directors are not elected at an Annual Meeting they may be elected at a special meeting of Members for that purpose or by written ballot as provided in these Bylaws.

Section 4. Term of Office. Each Elected Director shall be elected to fill a term commencing on January 1 of the calendar year succeeding his or her election until two years in the future, except that directors appointed by the Board to fill a vacancy shall hold office from such appointment until expiration of the term for which elected. *Ex Officio* Directors shall serve as directors so long as they hold the requisite office. All directors shall hold office until a successor has been elected and qualified.

Section 5. Resignations, Vacancies.

- A. Creation of Vacancies A vacancy on the Board shall exist on the occurrence of any of the following: (1) the death or resignation of any director, (2) the declaration by resolution of the Board of a vacancy in the office of the director who has been of unsound mind by an order of court or convicted of a felony, (3) the vote of the Members removing a director, (4) an increase of the authorized number of directors; or, (5) the failure of the Members to elect a sufficient number of directors pursuant to any written ballot.
- B. Resignations. Except as provided below, any director may resign by giving written notice to the President or Secretary of the Club. The resignation shall be effective

when the notice is given unless it specifies a later time for the resignation to become effective. If a director's resignation is effective at a later time, the Board may elect a successor to take office when the resignation becomes effective.

- C. Filling Vacancies. Vacancies on the Board may be filled by a majority of the directors then in office, whether or not less than quorum or may refer the vacancy to the Members for an election. The Members may fill any vacancy or vacancies not filled by the directors. The Board may similarly fill vacancies created by removal of a director by Members. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

Section 6. Meetings. Meetings of the Board may be held at any place within California that has been designated by resolution of the Board or in the notice of meeting or, if not so designated, at the principal office of the Club.

- A. Annual Meeting. Promptly after the election of directors by written ballot each year, the Board shall on or after January 1 of the succeeding year hold a regular meeting for the purposes of organization and the transaction of other business.
- B. Regular Meetings. Other regular meetings of the Board may be held without notice at such time and place as the Board in advance may fix from time to time.
- C. Special Meetings. Special meetings of the Board for any purpose may be called at any time by the President, the Vice President, the Secretary or any two directors.
- D. Notice of Meetings. Notice of the time and place of special meetings shall be given to each director by personal delivery of written notice, by first-class mail postage pre-paid or by facsimile or other electronic means either directly to the director or to a person at the director's office who would reasonably be expected to communicate that notice promptly to the director. All such notices shall be given or sent to the director's mail or electronic address as shown on the records of the Club. Notices sent by first-class mail shall be deposited in the United States Mail at least four days before the time set for any meeting. Notices given otherwise shall be delivered or sent at least 48 hours prior to the time set for the meeting. The notice shall state the time of the meeting and the place if other than the principal office of the corporation. The notice need not specify the purpose of the meeting.
- E. Waiver of Notice. Notice of the meeting need not be given to any director who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting, or an approval of the minutes of the meeting. Waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of a meeting need not be given to any director who attends the meeting and does not protest, before or at the commencement of the meeting, the lack of notice to him or her.
- F. Quorum. A quorum at any meeting shall consist of five (5) directors. Every action taken or decision made by a majority of the directors present at a duly held meeting at which a quorum is present shall be the act of the Board, subject to any more stringent provisions of applicable law. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of directors, if any action or decision made is approved by at least a majority of the required quorum for that meeting.

- G. Adjournment. A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place.
- H. Meetings By Telephone. Any meeting may be held by conference telephone or similar communication equipment as long as all directors participating in the meeting can hear one another. All such directors shall be deemed to be present in person at such a meeting.
- I. Action Without a Meeting. Any action that the Board is required or permitted to take may be taken without a meeting if all Members of the Board consent in writing to that action. Such action by written consent shall have the same force and effect as any other validly approved action of the Board. All such consents shall be filed with the minutes of the proceeding of the Board.
- J. Conduct of Meetings. The President shall preside at all meetings of the Board and, if absent, the Vice President, if a member of the Board, shall preside. In the absence of these officers, the Members of the Board present shall select a presiding officer, pro tempore. The Secretary shall ordinarily serve as secretary of Board meetings but, if absent, any director present may act as secretary.

Article VII: Officers

Section 1. Officers of the Corporation. There shall be a President, a Vice President, a Secretary, and a Chief Financial Officer (Treasurer). and such other officers as the Members may determine from time to time. Except as stated in these Bylaws, the Board shall prescribe the duties of the Officers and fix their compensation, if any. Any number of offices may be held by the same person except the office of President and Secretary or Treasurer.

Section 2. Election and Term of Office.

- A. The officers of the Club, shall be elected annually by the Board of Directors and shall serve for a term of one year, commencing on January 1 of the calendar year following their election. All officers shall serve until removed or until their successors are elected.
- B. The President shall be elected from the membership of the Board of Directors but it shall not be a requirement that any other Officer shall be a member of the Board.

Section 3. Other Officers. At the discretion of the Board, the Club may also have additional Vice Presidents, one or more assistant Secretaries, one or more assistant Treasurers or any other officer as may be determined and elected or appointed. The Board, in its discretion, may authorize the President to appoint specified officers of this category.

Section 4. Removal; Resignation, Filling Vacancies.

- A. An officer may be removed with or without cause by the Members, and also if the officer is not chosen by the Members, by the Board or by any officer on whom the Board may confer that power of removal.
- B. Any officer may resign at any time by giving written notice to the Club. Resignation shall take effect as of the date the notice is received or at any later specified in the notice and, unless otherwise specified in the notice, the resignation need not be accepted by the Board to be effective. Any resignation shall be without prejudice to the rights, if any, of the corporation under any contract which the officer is a party.

- C. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner provided in these Bylaws.

Section 5. Responsibilities of Officers. The officers of the Club shall have the following authority and responsibilities.

- A. President. The President is the chief executive officer of the corporation and has, subject to the control of the Board, general supervision, direction, and control of the business and officers of the corporation. The President shall preside at all meetings of the Members and at all meetings of the Board. The President has the general powers and duties of management usually vested in the office of president and general manager of a corporation and such other powers and duties as may be prescribed by the Board.
- B. Vice Presidents. In the absence or disability of the President, the Vice President, or if additional vice presidents are appointed, in order of their rank as fixed by the Board, shall perform all 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. The Vice President(s) shall have such other powers and perform such other duties as from time to time may be prescribed by the Board.
- C. Secretary. The Secretary shall keep or cause to be kept, at the principal office or such other place as the Board may order, a book of minutes of all meetings of Members, the Board, and its committees, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at Board and committee meetings, the number of Members present or represented at Members' meetings, and the proceedings thereof. The Secretary shall keep, or cause to be kept, at the principal office in the State of California the original or a copy of the Club's Articles and Bylaws, as amended to date. The Secretary shall give, or cause to be given, notice of all meetings of the Board and any committees thereof required by these Bylaws or by law to be given, shall keep any seal of the Club in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board.
- D. Chief Financial Officer. The Chief Financial Officer shall be known as the Treasurer and shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Club, and shall send or cause to be sent to the Members of the Club such financial statements and reports as are by law or these Bylaws required to be sent to them. The books of account shall at all times be open to inspection by any director. The Treasurer shall deposit all moneys and other valuables in the name and to the credit of the Club with such depositories as may be designated by the Board. The Treasurer shall disburse the funds of the Club as may be ordered by the Board, shall render to the President and the directors, whenever they request it, an account of all transactions as Treasurer and of the financial condition of the Club, and shall have such other powers and perform such other duties as may be prescribed by the Board.

Article VIII: Indemnification

To the fullest extent permitted by law, this Club shall indemnify its directors, officers, employees, and other persons described in Section 7237(a) of the California Corporations Code, including persons formerly occupying any such position. On written request to the Board by any person seeking indemnification in accordance with applicable law, the Board shall promptly determine whether indemnification is warranted and, if so, the Board shall authorize such indemnification. All meetings determining indemnification shall be conducted in accordance with California Corporations Code Section 7237.

Article IX: Insurance

The Club shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, directors, employees and other agents, against any liability asserted against them in such capacity or arising out their service to the Club within the scope of their authority or employment and for the purpose of protecting the assets of the Club and its Member's assets and property in the custody of the Club.

Article X: Committees

There may be an Executive Committee and such other Committees of the Board as the Board may from time to time establish. The duties and terms of office of all Board Committees shall be fixed by the Board. The President may appoint such other committees as from time to time the President determines, with or without Board approval. The President shall appoint all committee members; provided, however, that if an Executive Committee is appointed and is authorized to exercise the power of the Board, the members of such Committee shall be appointed by a majority vote of the Directors then in office.

Article XI: Records and Reports

The Club shall maintain at least the following records and reports, which may be modified by the Board from time to time.

Section 1. General Records.

- A. Adequate and correct books and records of accounts;
- B. Written minutes of the proceedings of its Members, Board, and committees of the Board; and,
- C. A record of each member's name, address, telephone or other contact numbers, class of membership and good standing status.

Section 2. Inspection Rights. Members may inspect the membership records of the Club, at the principal office of the Club at such reasonable time and date as agreed by the Secretary of the Club. A similar demand may be made by a Member with respect to the accounts, records and minutes of the Club for any reasonable purpose related to the Member's interest as Member.

Section 3. Maintenance and Inspections of Articles and Bylaws. The Club shall keep at its principal office the originals or a copy of the Article of Incorporation and Bylaws as amended to date which shall be open to inspection by the Members at all reasonable times.

Section 4. Inspection By Directors. Every director shall have the absolute right at any reasonable time to inspect the Club's books, records, documents of every kind, physical properties, and the record of each of its subsidiaries, if any. Inspection may be made in person or by the directors agent of attorney. The right of inspection includes the right to copy and make extracts of documents.

Section 5. Annual Reports. An Annual Financial Report shall be prepared by the Treasurer for approval by the Board within 120 days after the Club's fiscal year. At a minimum the report shall contain a balance sheet as of the end of the fiscal year, and income statement and a statement of changes in financial position for the fiscal year. In the discretion of the Board, such report may be audited by independent accountants, or

certified either by independent accountants or an Internal Audit Committee, appointed in accordance with Article X of the Bylaws. In the absence of an audit, the report shall be accompanied by a certificate of accuracy, indicating that such report was prepared without audit from the books and records of the corporation, signed by the Audit Committee unless the report is certified by accountants, in which case the certificate shall be signed by them. If certification is done by independent accountants,, but is not an audit, it may be made pursuant to procedures agreed to by the Club, in accordance with a procedure to be determined by the Board from time to time, and the independent accountants.

The President shall report orally at the Annual Meeting on the State of the Club.

Article XII: Construction and Definitions

Unless the context requires otherwise, the general provisions, rules of construction and definitions in the California Non-Profit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes the feminine and neuter, the singular includes the plural and the plural includes the singular, and term "person" includes both a legal entity and a natural person.

Article XIII: Amendments

Section 1. Amendments By Board. Subject to applicable law and any rights of Members provided in these Bylaws, the Board may adopt, amend, or repeal Bylaws in their sole discretion. If any provision of these Bylaws require the vote of a larger proportion of the Board than otherwise required by law, such provision may not be altered, amended, or repealed except by that greater vote. Modifications, amendment or repeal of the Bylaws shall be done only upon a two-thirds vote of the directors present at any regular or special meeting called for that purpose, providing a quorum is present.

Section 2. Amendment By Members. Bylaws may be adopted or these Bylaws may be amended or repealed by approval of the Members by the affirmative vote of a majority of the voting Members present at a meeting called for that purpose at which a quorum is present or by written ballot pursuant to ballot.

Section 3. Members' Approval Required. Amendments to these Bylaw may be made only by a vote of Members in the following respects:

- A. Membership. Authorizing new classes of Members or eliminating classes of Members or the qualifications of Membership classes.
- B. Voting. Changing the voting percentages required to take any action by the Members or the Board.
- C. Directors. Allow any director to hold office by designation or selection, except as provided herein or increasing or extending the term of office of directors.
- D. Quorum. Increasing the quorum requirements for meetings of Members or decreasing the quorum requirements for meetings of directors.

CERTIFICATE OF SECRETARY

OF

EMPIRE BUILDERS MODEL RAILROAD CLUB, INC.

The undersigned hereby certifies that he is the duly elected, qualified, and acting Secretary of the Empire Builders Model Railroad Club, Inc., a California nonprofit public benefit corporation (the "Club"), and that the foregoing Bylaws, comprising twelve (13) pages, are a true and correct copy of the Bylaws of the Club, as revised, adopted, amended and restated on February xx, 2007.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 13th day of March, 2007

Bob Parr, Secretary.