

BYLAWS
OF
TRAIN MOUNTAIN RAILROAD

Adopted: _____
(Date)

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BYLAWS
OF
TRAIN MOUNTAIN RAILROAD

ARTICLE I. PURPOSE

Section 1. Purpose The purposes of Train Mountain Railroad are exclusively those allowed for organizations defined under §501(c)(7) of the Internal Revenue Code. Within these limits, the purposes of Train Mountain Railroad include the following:

This corporation is irrevocably dedicated to preservation, promotion and enjoyment of railroading.

ARTICLE II. VOTING MEMBERS

Section 1. Voting Members. Train Mountain Railroad shall have no members as that term is defined by Oregon Revised Statutes Chapter 65, but shall have members for other purposes. These members shall have none of the rights or duties described in ORS Chapter 65 (or any corresponding future statute.)

Section 2. Rights and Obligations of Members. The Board of Directors may by resolution establish categories of membership and determine the dues, obligations, and privileges of members in those categories. Any TMRR member considered 'active' at the time of elections may cast one vote for each position or question listed on the ballot submitted for the current election. 'Active' is defined as a Life Member or any other member that has paid their TMRR membership dues for the current year and that voting rights is a privilege included in their level of membership.

ARTICLE III. BOARD OF DIRECTORS

Section 1. Duties of the Board. The Board of Directors must establish the corporation's policies and review and change them as necessary, oversee its programs and activities, appoint or employ and supervise its staff director, authorize its expenditures, oversee its financial affairs, and ensure the proper management and use of its assets and property. The Board must also ensure that the corporation properly employs the necessary corporate formalities to make its decisions, that it prepares and submits all required state and federal reports, and that it operates in compliance with relevant state and federal laws. Board members must diligently prepare for, attend, and participate in the meetings of the Board of Directors and any Board committees as needed, in order to carry out these tasks. The role of the Board may include direct management or conduct of the daily operations of the organization, or the supervision of staff members.

Section 2. Qualifications of Directors. Nominees for positions on the Board of Directors must have exhibited an interest in and commitment to the purposes of Train Mountain, Railroad and must have expertise in areas relevant to the needs of the organization.

Section 3. Number of Directors. The Board of Directors will consist of no fewer than three and no more than nine members. The specific number of directors within this range must be set and may be changed by resolutions of the directors in office. The Board may in this way increase the size of the Board and then may elect new directors to fill the newly created director positions.

Section 4. Initial Directors. The initial board of directors shall be :

Dennis Ward serving a term expiring September 1, 2017
Jim Armstrong serving a term expiring September 1, 2016
Jerry Crane serving a term expiring September 1, 2016
Chuck Barnes serving a term expiring September 1, 2015
Tom Watson serving a term expiring September 1, 2015

Section 5. Directors.

A) Directors will serve three year terms.

B) No Director will serve for more than three successive terms, except that the board may vote to authorize the Treasurer to serve more than 3 successive terms.

C) Nominations for the Board of Directors shall be made by the Board. The Board may prepare and adopt by resolution, a formal written policy regarding the details of the membership election process, including requirements for the announcement of elections and the solicitations of nominations, the role of a nominating committee, and the schedule and procedures that must be used to hold elections at least two weeks prior to the election. Email voting shall be allowed.

D) Board of Directors shall be elected by the voting membership.

E) Paid employees shall not be eligible to be on the Board of Directors.

F) Directors shall be elected by the voting membership between May 15th and Sept 30th. Voting by email will be allowed. The exact time and location (at or in the vicinity of Train Mountain) of the election meeting will be set by resolution of the Board at least two weeks prior to the election.

G) Directors shall be members of TMRR.

Section 6. Filling Vacancies. The Board of Directors may elect new directors to fill any vacancies on the Board, including vacancies created by the passage of a resolution increasing the total number of Board member positions. A director elected to fill a vacancy will serve only until the next regular election of directors, at which time she or he must be elected by the voting membership in order to remain a director.

Section 7. Removal of Directors. A director may be removed for the causes stated in these bylaws by a majority of the directors in office not counting the director to be removed. A director may be removed without cause by a two-thirds vote of the directors in office, excluding the director to be removed. The person being considered for removal has no vote in the process of removal. Notice of the meeting must be given that states that the removal of a director is to be considered at that meeting. A director may be removed for the following causes: repeated failures to attend Board meetings, failing to fulfill the duties required of directors, or intentional acts or omissions, that a prudent person could reasonably have foreseen would seriously damage the reputation or interests of the corporation.

A director may be removed when sufficient cause exists for such removal. The Board of Directors may entertain charges against any director. The Board of Directors shall adopt such rules for this hearing as it may in its discretion consider necessary for the best interests of the organization.

Section 8. Resignation of Directors. A director may resign at any time. The resignation of a director must be in writing and be delivered to the Board of Directors, its presiding officer, the president, or the secretary. Once delivered, a notice of resignation is irrevocable.

Section 9. Election of Chair and Officers. As soon as possible following each annual election of directors, the Board of Directors must elect new officers of the corporation.

Section 10. Conduct of Directors. Directors must discharge their duty of loyalty and their duty of diligence in good faith with the care an ordinarily prudent person in a like position would exercise under similar circumstances and in a manner the director reasonably believes to be in the best interest of the corporation.

Section 11. Quorum. At all meetings of the Board of Directors, the presence or participation by phone of a quorum, which is at least a two-thirds of the number of Directors in office immediately before the meeting begins, is necessary to allow the transaction of corporate business or the making of corporate decisions.

Section 12. Decision-Making and Voting. The directors must diligently and conscientiously attempt to make decisions by consensus. They must employ all standard consensus practices and techniques including the expression and careful consideration of minority views. When a consensus apparently cannot be achieved, any director may request and require that a vote be taken instead. The affirmative vote of at

least a majority of the Directors at any properly called meeting at which a quorum is present, is necessary and sufficient to make a decision of the Board of Directors of Train Mountain Railroad unless a greater proportion is required by law or by these bylaws.

All decisions require a clearly stated motion, a second, and a vote that must be recorded in the written minutes. Each member of the Board of Directors will have one vote. At the request of any director, the names will be recorded in the minutes of each director who voted for, voted against, or abstained on a particular motion.

Section 13. No Proxy Voting. No voting by proxy is allowed at any meeting of the Board of Directors or as part of reaching any decision of the Board.

Section 14. Meetings. Regular meetings of the Board of Directors shall be held at the time and place to be determined by the Board of Directors. No other notice of the date, time, place, or purpose of these meetings is required. Meetings of the Board of Directors may be called by the president, the chair of the Board, or 50% of the directors in office.

Section 15. Telephonic Meetings. Meetings may be held by telephone or other method, as long as all participating directors may simultaneously hear and speak with each other. A director participating in such a meeting is deemed present for purposes of a quorum.

Section 16. Decisions By Mail or Email. The Board may use mail, fax or email to make any decision or take any action that is within its power, without a real-time meeting, through the use of an "Email Resolution." A clearly stated motion must be sent or presented to all of the directors on the Board, along with clear instructions that this process requires a vote of "yes, no, or abstain" in response. Each director must send their vote in an emailed reply that copies all members of the board, and in that case no signature is necessary. The motion will be adopted and effective on the date that required majority of directors in office have responded with an affirmative "yes" vote. A printed record of each directors' vote should be stored with the corporate records.

Section 17. Notice of Meetings. Special meetings of the Board of Directors shall be held at the time and place to be determined by the Board of Directors. Notice of such meetings, describing the date, time, place, and purpose of the meeting, shall be delivered to each Director personally or by telephone or by mail not less than two days prior to the special meeting.

Regular meetings: After the initial notice is given of the schedule for a series of regular meetings, which will occur at a fixed time and place, no further separate notice is required for each of those regular meetings. Notice must state the time, date, and location of the meeting. The Board may by resolution establish or change the dates of regularly scheduled meetings, with proper notice given to all directors.

Section 18. Waiver of Notice. Any director may waive the right to receive full advance notice of any meeting. Waivers of notice must be in writing, signed by the person entitled to notice, and given to the secretary to be placed in the corporate records. Waivers may be signed before or after the meeting has taken place. The attendance of a director at any meeting without specific objection to the notice constitutes a waiver of the right to receive full notice of that meeting.

Section 19. Authority of Directors. No director may speak or act on behalf of the corporation without specific authorization by the Board to do so.

ARTICLE IV. OFFICERS, CHAIRPERSON, AND STAFF

Section 1. Officers. The officers of Train Mountain Railroad must carry out the policies and decisions of the Board of Directors as directed by the Board. Officers must include a president, secretary, and treasurer, and may include vice-presidents. The president shall also be the chair.

Section 2. Election and Term of Office. The officers of Train Mountain Railroad will be members of the Board of Directors elected for a one year term by the Board of Directors. Election of officers must be done as soon as possible following the election of directors. Officers will serve one year terms. However, unless they formally resign or are removed from office, directors will remain in office until their successors are properly elected, designated or appointed. There is no limit to the number of terms, successive or otherwise, an officer may serve.

Section 3. Removal. Any officer elected by the Board of Directors may be removed by the Board of Directors whenever, in its judgment, the interests of the corporation would be best served by such removal. The person being considered for removal has no vote in the process of removal.

Section 4. Vacancies. If any office of the corporation becomes vacant by death, resignation, retirement, removal, disqualification, or any other cause, the directors in office, although less than a quorum, may elect or appoint an officer to fill such a vacancy. The elected officer will hold office for the unexpired portion of the term of that office.

Section 5. President. The president is the principal officer of the corporation and will, in general, supervise or oversee the supervision of all of the affairs of the corporation. The president generally will preside at all meetings of the Board of Directors unless the Board selects another person to preside. The president must also perform other duties as may be assigned by the Board of Directors. The president may serve as an ex-officio member of any committee.

Section 6. Vice-President. In the absence of the president or in the event of the president's inability to act, the vice-president performs the duties of the president. The vice-president, when acting as president, has all the powers of and is subject to all the restrictions on the president. The vice-president must also perform other duties assigned by the Board of Directors. More than one position of vice-president may be created and their duties clarified in an ordinary resolution of the Board.

Section 7. Secretary. The secretary must perform or oversee the performance of the following duties: a) record and keep the minutes of the meetings of the members and of the Board of Directors or any Board committees, b) see that all notices are duly given in accordance with the provisions of these bylaws or as required by law; c) be custodian of the corporate records; d) keep a register of each member's mailing address provided by such member; e) ensure that all required state and federal reports are prepared and filed in a timely fashion; and f) perform or oversee all duties incident to the office of secretary and such other duties as from time to time may be assigned by the president or by the Board of Directors. The Secretary may delegate some or all of these tasks but remains responsible for their proper completion.

Section 8. Treasurer. The treasurer must perform or oversee the performance of the following duties: a) be responsible for the proper management and control of all funds of the corporation; b) prepare full and accurate financial records on a timely basis of all of the income, expenses, and assets of the corporation; c) present reports at every Board meeting on the financial affairs of the corporation; and d) provide financial information necessary to prepare and file the required reports to state and federal government agencies, showing the income, disbursements, and assets of the corporation. The Treasurer may delegate some or all of these tasks but remains responsible for their proper completion.

Section 9. Chair. The Board may elect a chair and determine his or her duties.

Section 10. Executive Director and Staff. The Board may appoint or employ an executive director or other staff, whether paid or unpaid, to perform and conduct the programs and activities of the organization. The Board of Directors shall evaluate the performance of the Executive Director on an annual basis. Unless the Board determines otherwise, the executive director will have the power, subject to the approval of the Board of Directors, to hire staff, establish staff duties and performance standards, evaluate the performance of staff, and when necessary terminate the employment of staff of the corporation.

ARTICLE V. COMMITTEES

Section 1. Establishment. The Board may establish any committee, including standing committees or temporary committees, by a resolution of the Board. Such resolutions must name the committee and the purpose of the committee, must state whether it is a "Board" committee or a "non-Board" committee, and must state what powers, authority, and duties have been delegated to the committee, how the chair of the committee is appointed, how the members of the committee may be appointed, and what procedures, if any, the committee must use in carrying out its work.

The Board of Directors will always have the power to amend, alter, or repeal the decisions of its committees, subject to limitations on the unilateral amending of contracts, interference with third-party rights, and other legal limitations.

Section 2. Board Committees.

A. The Board may establish "Board" committees to which are delegated part of the power of the whole Board to authorize expenditures and craft budgets, policies, and programs to be approved by the full Board. Such committees must be established by the affirmative vote of a majority of all directors then in office. Board Committees must consist of two or more directors, and must not have any members who are not members of the Board of Directors.

B. Executive Committee: The Board may elect an executive committee. The Executive Committee will have the power to make decisions between Board meetings, including financial and budgetary decisions. The Executive Committee must comply with the provisions of the bylaws concerning the full Board as far as those are reasonably applicable to the Executive Committee. All Executive Committee decisions must be recorded in official minutes, which must be submitted to the full Board. Unless the Board of Directors decides otherwise, the Executive Committee will consist of the president, secretary, and treasurer of the organization, so long as they are simultaneously members of the Board of Directors. The Executive Committee must make reasonable efforts to contact all Board members first, to discuss the issues to be dealt with at an Executive Committee meeting.

Section 3. Non-Board Committees. The Board may establish "non-board" committees, including working committees or advisory committees, which do not have the power to authorize expenditures, adopt budgets, set policy, establish programs, or make decisions for the corporation. Such committees are established through a resolution adopted by the directors present at a properly called meeting. Any person may be a member of such a committee, whether or not that person is a member of the Board of Directors.

Section 4. Committee Members. The Board must appoint the members of every Board committee. The Board, the President or the Committee Chair may appoint the members of Non-Board Committees. The term of office of a member of a committee will continue until his or her successor is appointed unless the committee is terminated, the member

resigns or is removed from the committee, or the member ceases to qualify as a member of the committee.

Section 5. Chair. One member of each committee will be selected or appointed chair by the Board, or if the Board wishes, it may delegate that power to the president or the members of the committee.

Section 6. Committee Procedures. Unless otherwise specified, Board Committee meetings will operate with the same quorum and voting requirements as the full Board, and as far as possible will operate according to the procedures of the Board as stated in these bylaws. If any formal decisions or resolutions are voted on at a committee meeting, then the votes and the resolutions so adopted must be recorded in the form of corporate minutes and filed with the secretary.

Section 7. Limitation on Powers. No committee may a) elect, appoint, or remove any officer, member of the Board of Directors, or member of a Board committee; b) authorize the sale, lease, exchange, or mortgage of all or substantially all of the property and assets of the corporation; c) authorize the dissolution of the corporation or revoke proceedings therefore; d) amend, alter, or repeal the Articles, the bylaws, or any resolution of the Board of Directors; or e) authorize the payment of a dividend or any part of the income or profit of the corporation to its directors or officers.

ARTICLE VI. MISCELLANEOUS PROVISIONS

Section 1. Compensation of Officers and Directors. No officer or member of the Board of Directors will receive any compensation for fulfilling the responsibilities of a member of the Board or of an officer as defined in these bylaws. Board members and their relatives who receive regular compensation from the corporation must always constitute less than a majority of the Board. Officers and members of the Board of Directors may receive reimbursement for actual expenses they incur in the course of fulfilling their responsibilities.

Section 2. Conflicts of Interest. A conflict of interest is always present whenever the corporation pays money or other compensation, or provides any tangible benefits, to an officer or member of the Board or to a member of a director's or officer's family. All transactions involving conflicts of interest must be approved using the following procedures: 1) Conflict of interest transactions must be approved by the full Board of Directors; they cannot be approved by staff, the executive director, or by a committee. 2) Directors and officers who have a conflict of interest in any matter must a) declare the existence of any direct or indirect conflict of interest, b) disclose its nature on the record, and c) abstain from voting on that matter. The minutes must record this to show that it was done. 3) The rest of the Board must analyze the transaction and sufficient information to ensure that all transactions involving a conflict of interest are fair to the corporation and that no special benefits are being given to any person. The information relied upon by the Board, and its source, must be recorded in the minutes. 4) All

conflict-of-interest transactions must be approved by the affirmative vote of a majority of all of the members of the Board of Directors who do not have a conflict of interest involved in that issue, as long as no less than two disinterested directors vote to approve the transaction.

Section 3. Tax Year. The tax year of the corporation is the calendar year.

Section 4. No Discrimination. In the delivery of its services to the public, Train Mountain Railroad does not discriminate for or against any person on the basis of ethnicity, nationality, place of origin, religion, gender, sexual orientation, marital status, familial status, economic status, age, or mental or physical disability.

Section 5. Annual Financial Review. The Board must require the performance of an annual financial review which must involve the services of some trusted person with bookkeeping and accounting skills and knowledge, and which does not rely on the services of the person who does the financial bookkeeping for the organization , or the person(s) who signs the checks for the organization. This audit need not be formal, but must at least review and reconcile the checkbook entries, bank statements, deposit slips, receipts and expense documentation. The Board of Directors may authorize a full formal audit as necessary.

ARTICLE VII. AMENDMENTS

Section 1. Articles of Incorporation and Bylaws. The affirmative vote of at least two-thirds of all the Directors in office, at a properly called meeting, at which a quorum is present, is necessary and sufficient, to make, alter, amend, or repeal the bylaws or the Articles of Incorporation of Train Mountain Railroad, except as otherwise provided by law. Proper written notice must be given in advance, including either a written copy of the proposed amendments or a written summary of those amendments.

CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify that the foregoing bylaws constitute the bylaws of Train Mountain Railroad, as duly adopted by the Board of Directors on the _____ day of _____, _____.

Signed this ____ day of _____, _____.

Chuck Barnes
Secretary of Train Mountain Railroad