

Administrative By-Laws of the Lionel Operating Train Society  
As Revised November, 2002

ABL #1. Organization

A. Legal Status of Club. The club shall remain an Ohio "not-for-profit" corporation.

B. Club Identity. The name, motto, emblems and logos of LOTS are the exclusive property of the club and may not be used or reproduced without the written consent of the Board of Directors.

C. Permanent Mailing Address. LOTS shall maintain a permanent mailing address for the receipt of mail from applicants. The current permanent mailing address is 6376 West Fork Rd., Cincinnati, OH 45247-5704.

D. Club Archives. The club shall maintain an archives which shall contain five (5) of each commemorative issue. The Archivist shall inspect and certify LOTS' archives annually.

E. Club Records. The Librarian shall be the custodian of the club records.

F. Use of Club Information. No club publication, printed correspondence or computer records may be used for personal solicitation by any individual or company unless specifically authorized by the Board of Directors.

ABL #2. Membership

A. Membership Requirements. Members of LOTS shall be "operators" of Lionel trains and accessories. The Board of Directors may require documented photographic proof that an applicant is a bona fide operator.

B. Membership Numbers. Membership numbers will not be reissued in the case of membership termination.

C. Membership of Spouses & Children. The spouse, child or step-child of a charter, regular, honorary charter or distinguished member is not restricted to a family membership. Any such spouse, or any such child or step-child, who meets the requirements of Article III, Section 1B, of the Constitution may apply for a regular membership or junior membership, respectively, if he so desires.

D. Voluntary Membership Conversion. A spouse, child or step-child of a charter, regular, honorary charter or distinguished member who is also a charter, regular or junior member of LOTS and who wishes to convert his membership to a family membership may do so at the next annual dues renewal provided he meets the requirements of Article III, Section 3D, of the Constitution. Any such conversion of membership category will require the issuance of a new membership card. The conversion shall be requested in writing, and the request shall be accompanied by payment of the annual dues for a family membership and the membership card replacement fee prescribed in ABL #2F. If any such membership has been converted to a family membership and the member wishes to revert back to his original membership category, he may do so at the next annual dues renewal, provided he meets the requirements of Article III, Sections 1B and 3, of the Constitution, by following the same conversion process and by tendering the correct annual dues for his original membership category plus the membership card replacement fee.

E. Involuntary Membership Conversion. Should any charter, regular, honorary charter or distinguished member cease to be a member of LOTS for any reason other than a termination of his membership pursuant to Article III, Section 6, of the Constitution, and should he have a spouse, child or step-child who is a family member at such time, such spouse, child or step-child may remain a member of LOTS, provided he meets the requirements of Article III, Sections 1B and 3, of the Constitution, by elevating his family membership to a regular or junior membership at the next annual dues renewal. Any such elevation of

membership category will require the issuance of a new membership card. The elevation shall be requested in writing and the request shall be accompanied by payment of the annual dues for the membership category sought and the membership card replacement fee prescribed in ABL #2F.

F. Membership Card. All LOTS members are required to have in their possession a current LOTS membership card, or proof of application for membership, to gain admission to club sponsored events. Any member whose membership card becomes lost or destroyed will be issued a replacement membership card upon request. New membership cards required as a result of membership conversions shall cost \$3.00.

### ABL #3. Dues, Fees and Other Charges

A. Membership Year. Any person applying for a regular, junior or family membership shall pay the full amount of the annual dues required for his membership class, whereupon his membership will be paid for one full year (twelve months).

Group A: LOTS membership year for all members who have been accepted into the club prior to July 2000 shall be July 1 - June 30.

Group B: LOTS membership year for all members who have been accepted into the club after July 2000 shall be one full year (twelve months) from the last day of the month in which their membership was accepted ("anniversary date").

B. Dues, Initiation Fees & Reinstatement Fees. Effective January 1, 2003, dues, initiation fees and reinstatement fees shall be as follows:

- 1) Charter Members \$25.00 N/A \$6.00
- 2) Regular Members \$29.00 \$6.00 \$6.00
- 3) Junior Members \$16.00 \$3.00 \$6.00
- 4) Family Members \$10.00 \$3.00 \$6.00
- 5) Honorary Charter Members none none N/A
- 6) Distinguished Members none none N/A
- 7) Honorary Members none none N/A

C. Dues Refunds. Should any charter, regular, junior or family member die on or before June 30 (or before the applicable "anniversary date" for members signing up after July 2000), after having paid his dues for the next membership year, the club shall refund the dues paid by such member upon the written request of his personal representative. Should any such member die on or after July 1 (or after the applicable "anniversary date" for members signing up after July 2000), the dues paid by such member shall not be refunded.

#### D. Postal Surcharges.

1) Non-US Member Mailings (mandatory). Because the club must incur substantial additional costs to mail club correspondence, materials and publications to members who reside outside the United States of America (US), all members with non-US mailing addresses are required to pay an annual postal surcharge as follows:

Canadian & Mexican members \$15.00/year  
All other non-US members \$25.00/year

2) Non-Continental US Member Convention Car Shipments (mandatory). Because the club also must incur substantial additional costs to mail club convention cars to members who reside outside the continental United States of America (US), all members with non-continental US mailing addresses are required to pay a postal surcharge, for each car to be shipped, as follows:

Alaskan & Hawaiian members \$8.00/car  
Canadian & Mexican members \$5.00/car  
All other non-continental US members \$10.00/car

3) First-Class Switcher Mailing (optional, US mailing addresses only). Any charter, regular, junior, honorary charter, distinguished or honorary member may have the Switcher sent to a US mailing address by first-class mail upon the payment of an annual postal surcharge of \$15.00.

E. Other Charges

- 1) Bad Check Fee: \$30.00
- 2) Convention Car Forwarding Fee:  
(if returned due to wrong address) \$7.50
- 3) Membership Badge: \$8.00
- 4) Bars for Membership Badge: \$3.00
- 5) Lost Video Replacement Fee: \$30.00

ABL #4. Club Activities

A. Annual Convention. LOTS' annual convention shall be scheduled in a different part of the country each year. Ideally, annual conventions should feature operating layouts, toy train videos, modeling contests, clinics, table sales of Lionel trains, member layout tours, a Lionel Trains seminar and display of new product, and special excursion trips. Convention sites shall be approved by the Board of Directors. The Convention Host shall appoint one or more Sergeant-at-Arms for the annual convention.

B. Meets. The club shall strive to hold regional train meets each year in addition to the annual convention. Ideally, regional LOTS meets should feature operating layouts, table sales of Lionel trains, toy train videos, modeling contests and clinics. Club meets shall be open to the public to ensure broad exposure to the pleasure of operating toy trains. Each Meet Host will appoint a Sergeant-at-Arms for his meet.

C. Local Operating Groups. Although LOTS shall remain a national club and shall not be subdivided into formal divisions or chapters (see Article II, Section 3, of the Constitution), LOTS members are encouraged to develop informal local operating groups to promote the enjoyment of operating and collecting Lionel and compatible trains and accessories. Such operating groups may, for example, build and operate modular layouts; run trains on each other's layouts; or meet periodically to share their knowledge regarding any aspect of operating Lionel and compatible trains and accessories. Local operating groups are encouraged to submit periodic reports to the Switcher Editor in the interest of sharing their knowledge, experience and layout construction tips with all LOTS members. Local operating groups also are encouraged to sponsor regional LOTS train meets.

ABL #5. Club Publications

A. Authorized Publications. The officers and Board of Directors have authorized two club publications, the Switcher and the Membership Roster.

1) Switcher. The Switcher is published bimonthly, in February, April, June, August, October and December. The Switcher typically shall feature operating tips and techniques, methods for layout construction and maintenance, building and modification projects, photographs, new product reports and reviews, articles related to past and present prototype railroads, and club information and news.

2) Membership Roster. The Membership Roster is published biennially. Typically it shall feature an "Alphabetical Listing of Members", giving each member's name, membership number, address and telephone number; a "Geographical Listing of Members", listing members alphabetically first by state and then by cities; a designation of those members having an operating train layout and who welcome visitors provided satisfactory prior arrangements are made; a history and photos of club convention cars; a summary of "LOTS Meet Guidelines"; a listing of videotapes and reference books in the club library; and the current Constitution and Administrative By-Laws of the club. At intervals designated by the Board of Directors, the Membership Roster also shall feature an updated Index of Switcher articles. The purpose of the Membership Roster is to provide members with a publication which answers virtually every question a member might have about the club.

3) Track Changes. This publication is a buy-sell-trade magazine which affords members the ability to place ads for train-related items for sale to or purchase by other club members. It will also serve to permit club announcements and information which may not have been included in the Switcher. Target frequency of publications for Track Changes is quarterly, subject to sufficient quantity of ads to warrant publication. The club may, at the direction of the Board, also include a buy-sell-trade segment on its web site as a similar service.

B. Entitlement to Publications. All members except family members shall receive club publications.

C. Content of Publications. Club publications shall contain only club and train related information and shall be free of all commercial advertising. Members are encouraged to use the Switcher to share train related information with other members.

#### ABL #6. Other Membership Services

##### A. Commemorative Issues.

1) Maximum Number. The Board of Directors shall establish the maximum number of each commemorative that members may purchase.

2) Priority of Sales. Commemorative issues shall be offered to LOTS members first, and may be sold to non-members thereafter under such terms and conditions as the Board of Directors deems appropriate. All LOTS members shall be entitled to purchase LOTS commemorative issues.

3) Convention Cars. The annual convention car shall be produced and decorated to LOTS' specifications by Lionel L.L.C., or its successor in interest, if possible. Convention cars shall be decorated as prototypically as possible for a past or present railroad or company seen in the convention city. All elected officers, directors, and individuals holding the appointed offices specified in ABL #7E shall be entitled to a free convention car under the following conditions: a) The individual shall hold the office on the date the convention car orders are due; b) The individual shall hold the office on the date the next convention commences or the cars are shipped, whichever shall first occur; c) No person shall receive more than one car regardless of the number of positions held; and d) Convention host(s) shall be entitled to a car only in the year they host the Convention.

4) Convention Souvenirs. Any convention souvenir selected by a Convention Host shall be submitted to the officers and the Board of Directors for final approval.

B. LOTS Library. The Librarian or his Assistant shall be the custodian of all LOTS reference books, video tapes and back issues of Switcher, and may make such items available to the members of LOTS in accordance with policies established by the Board of Directors.

## ABL #7. Officers, Directors & Appointed Officials

A. Reports. The club's Vice-President, Secretary-Treasurer, Chairman of the Board of Directors and all appointed officials shall submit, to the President, written reports on their activities as follows: quarterly reports on or about October 15, January 15 and April 15; and an annual report on or about June 10. The President shall submit, to all elected and appointed officials, his written report on the activities of the club as follows: quarterly reports on or about November 1, February 1 and May 1; and an annual report on or about June 20. The President shall attach to his quarterly and annual reports copies of all written quarterly and annual reports received by him. The purpose of these reports is to share operational and policy issues and concerns, to facilitate the efficient operation of the club and to enhance the services provided to LOTS members.

B. Attendance at Annual Meetings & Convention. The club's officers and directors shall attend the officers and Board of Director meetings, respectively, at the annual convention to resolve matters pertaining to operational and policy issues of the club. The officers and directors, and any appointed officials ordered to attend the convention, shall participate in all officially scheduled convention activities, including the Annual Business Meeting, to maximize opportunities for contact with club members. The Convention Host for the next year's convention shall be invited to the annual convention to present a full report on his

convention facilities, activities and budget, and to observe first-hand how to successfully host a LOTS convention. His expenses shall be reimbursed in accordance with ABL #8G.

C. Officers' Annual Objectives. The officers shall prepare, for submission to the Board of Directors, any club objectives they have for the current membership year and any policy recommendations they wish the Board of Directors to consider at its regular Board meeting.

D. Directors' Policy Book. A Policy Book shall be maintained by the Chairman of the Board of Directors. In it shall be entered all policy decisions made by the Board which are not required to be adopted as Administrative By-Laws.

E. Appointed Officials. The appointed officials of the club shall be as follows: Archivist; Assistant Secretary; Badge Agent; Business Manager; Convention Hosts; Librarian and Video Librarian; Meet Hosts; Nominating Committee Chairman and members; Roster Editor; Statutory Agent/Club Counsel; Switcher Editor-in-Chief and Editors; and Web Site Co-managers. Any appointed official may resign at any time by giving at least thirty (30) days written notice to the President. The President, in his initial appointment letter, may, at his discretion, establish a longer notice provision for any appointed official whose position warrants same. The President shall be empowered to create other Appointed Official positions as needed to conduct the business of the Club.

F. Committees. In addition to the Nominating Committee, LOTS shall have such other committees as the Board of Directors deems necessary and appropriate to carry out the purposes and objectives of the organization. The purpose, rules and budget for LOTS committees shall be proposed by the officers and approved by the Board of Directors.

## ABL #8. Budget & Expenses

A. Payments to LOTS. All printed material requesting the payment of money to LOTS shall state that the payment is to be made by a negotiable instrument (i.e. a check or money order in the case of US members) payable

to "LOTS". All payments remitted to LOTS by non-US members must be made by a bank draft drawn on a US bank or an international postal money order payable in US dollars to "LOTS". Should any officer, director or appointed official receive a negotiable instrument made payable to him, he shall immediately endorse such negotiable instrument "Pay to the order of LOTS" and then sign his name below the restrictive endorsement. Any cash payment received by any officer, director or appointed official shall be promptly remitted to LOTS by a check or money order payable to "LOTS".

B. Annual Budget. All club operations shall be budgeted. Prior to the regular Board of Directors meeting at each annual convention, the officers shall prepare, for submission to the Board of Directors, a budget for the club for the next calendar year. The budget shall show all anticipated income and expenses. A proposed schedule of dues, initiation fees, reinstatement fees, postal surcharges and other assessments for the next membership year shall accompany the budget. At its regular Board meeting, the Board of Directors shall approve or modify the proposed budget and the proposed schedule of dues, fees, surcharges and assessments. In considering the proposed budget and the proposed schedule of dues, fees, surcharges and assessments submitted by the officers, the Board of Directors shall take into consideration the actual income and expenditures of the club for the prior calendar year, the club's objectives for the next calendar year and the recommendations of the officers.

C. Unbudgeted Expenses. If any officer, director or appointed official believes that an unbudgeted expenditure is required or desirable, such expenditure must first be approved by the President and the Chairman of the Board of Directors who shall also determine that there are sufficient operating funds to cover the expenditure requested.

D. Responsibility for Receipts & Expenditures. Each Secretary-Treasurer shall be responsible for all receipts and expenditures of the club during his term of office. In any even-numbered year, an outgoing Secretary-Treasurer shall make no deposits or disbursements subsequent to the close of the Annual Business Meeting, these being the responsibility of the incoming Secretary-Treasurer.

E. Financial Reports. The Secretary-Treasurer, and/or other appropriately appointed official shall cause the monthly and annual financial reports to be prepared.

1) Monthly Reports. The Secretary-Treasurer (and/or other appointed official) shall prepare monthly financial reports showing the income and expenses for the current month and the year-to-date, and the income and expenses budgeted for the year, and shall submit copies thereof to the Club Counsel (or other appointed official designated by the President) for his review and approval. Upon approval by the Club Counsel (or other official), the preparer shall submit copies thereof to each of the other officers and to all Directors.

2) Annual Report. The Secretary-Treasurer or other appointed official shall cause an annual financial report to be created for each calendar year, and shall submit copies thereof to all officers and directors on or before the following March 1. The Board of Directors shall then appoint a qualified individual who will audit or cause to be audited the books and records of the club, and render a written report to the Board of Directors. Once the Board of Directors has approved the audit, the annual financial report shall be published in the Switcher.

F. Authorized Signatories. The authorized signatories who shall be primarily responsible for signing club checks are the Secretary-Treasurer, President, Vice-President, and Business Manager.

G. Meeting Expenses. The expenses of the officers and directors to attend the annual convention and any other authorized club meetings, and the

expenses of any other persons ordered to attend such meetings pursuant to Article IV, Section 2, and Article V, Sections 2B and 2C, of the Constitution, shall be limited to the most economical round-trip transportation, single room lodging and any per diem allowance established by the Board of Directors. Round-trip transportation shall be the actual cost of coach air fare if travelling by air, the actual cost of commercial ground transportation if travelling by train or bus, or reimbursement at the rate of \$0.365 per mile via the most direct route if travelling by a privately owned motor vehicle. Such expense reimbursements shall be authorized only to the extent that the club has sufficient operating funds.

H. Out-of-Pocket Expenses. All officers, directors and appointed officials shall promptly file claims for reimbursement for expenses incurred by them on behalf of the club. If an official receives a standard advance, the claim shall be filed not later than 30 days of the date the advance has been completely expended. If an official does not receive a standard advance, a claim shall be filed as soon as the expenses incurred equal or exceed \$100. However, in no event shall claims be filed less frequently than quarterly. All claims for reimbursement must be submitted on a LOTS Form T-1 to which must be attached a LOTS Form T-2 and proper receipts for all expenditures. Any claim for reimbursement which is not received by the Secretary-Treasurer within 30 days of the date the claim is required to be filed will not be reimbursed.

#### ABL #9. Elections

A. Secretary-Treasurer Qualifications. All candidates for Secretary-Treasurer must be familiar with generally acceptable bookkeeping principles as a minimum qualification for office, and must agree to maintain the club's financial records strictly in accordance with all LOTS Treasurer report forms.

B. Nominating Committee. In slating candidates, the Nominating Committee must determine not only that each candidate meets the eligibility and qualification requirements of Article IV, Sections 1 and 2, respectively, of the Constitution, but also that each candidate is capable of performing the duties required of the position which he is seeking.

C. Recount of Ballots. If less than 10 votes separate an elected candidate from a non-elected candidate, the ballots shall be recounted.

D. Notification of Election Results.

1) Recount Unnecessary. If a recount is not necessary, on June 1, the Nominating Committee Chairman shall notify, by telephone or telefax, the following persons of the election results: every candidate; the President; the Secretary-Treasurer; the Chairman of the Board of Directors; and the Switcher Editor.

2) Recount Necessary. If a recount is necessary, on June 1, the Nominating Committee Chairman shall notify, by telephone or telefax, the above-named persons of the necessity for a recount and that the election results will be reported to said persons by the Nominating Committee Chairman by telephone or telefax on or before June 7.

E. Announcement & Publication of Election Results. The Secretary-Treasurer shall announce the election results at the Annual Business Meeting at the annual convention. The Switcher Editor shall publish the election results in the August Switcher.

F. Retention of Ballots. All ballots cast in each election shall be delivered to the Secretary-Treasurer who shall retain them until the following September 1.

ABL #10.

Gender. The use of a masculine pronoun in either the Constitution or these Administrative By-Laws to refer to a member shall be deemed a proper reference even though such member may be female.

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