

**The Calgary Model Railway Society**  
**By-Laws**

Revision 10 Oct 2014

Corrected 11 Sep 2015

**1. INTERPRETATION**

- 1.1. Except where the context requires otherwise, the following terms shall have the following meanings:
- (a) "Act" means the Societies Act (Alberta) and the regulations thereunder, as amended from time to time;
  - (b) "Board" means the Board of Directors of the Society;
  - (c) "Club" means a group of individuals (whether or not formally organized as a society or other legal organization), which is involved in the hobby of model railroading, has a group name, meets periodically (at least annually) in Calgary and has a minimum of five members who are Members in Good Standing;
  - (d) "Club Director" means a member of the Society nominated to become, or to continue as, a Director by a Participating Club as its representative and either ratified as a Director by resolution at a meeting of the members of the Society or appointed by the Board to fill a vacancy;
  - (e) "Director" means either a Club Director or a Director-at-Large;
  - (f) "Director-at-Large" means a Director who is not a Club Director;
  - (g) "Meeting Rules" means Robert's Rules in Brief (2004 edition);
  - (h) "Member in Good Standing" means an individual who is a member of the Society, has paid all of his or her membership fees and dues (including dues for the current fiscal year) to the Society, has not resigned from the Society and is not currently suspended or expelled from the Society;
  - (i) "Participating Club" means a Club which has been approved as a Participating Club by the Board and ratified as a Participating Club by resolution at a meeting of the members of the Society, and for greater certainty includes (subject to section 4.2 below) each of the four Clubs entitled as of the date these by-laws are approved by special resolution of the members of the Society to one director's seat on the Board pursuant to the by-laws of the Society in force prior to these by-laws;
  - (j) "sent", "send", "sending" and similar terms includes mailed, delivered, sent by facsimile transmission and sent by e-mail or other electronic communication; and
  - (k) "Society" means The Calgary Model Railway Society.
- 1.2. In these by-laws, except where the context requires otherwise, words importing the singular number only include the plural and vice versa, words importing the masculine gender include the feminine gender and vice versa, and words importing persons include firms, companies and corporations and vice versa.

**2. MEMBERSHIP AND DUES**

- 2.1. Only individuals shall be eligible for membership in the Society. All Members in Good Standing at the time of approval of these by-laws by special resolution of the members of the Society shall remain members of the Society. Any application for membership shall be sent to the Board and must be accompanied by the applicable fees and annual dues in effect at the time of application. The Board may review any application for membership in the Society and shall have the power to accept or reject such application. If the application is rejected the applicant must be notified forthwith and the reason for the rejection must be stated in the notification.
- 2.2. The Society shall have only one class of membership. Each Member in Good Standing shall be entitled to attend any meeting of the members of the Society and shall be entitled to speak at and to one vote on any motion validly brought before any meeting at which he/she is in attendance.
- 2.3. The annual dues for each fiscal year of the Society and any other fees for membership shall be approved from time to time by resolution at a meeting of the members of the Society. Notwithstanding the foregoing, the Board has the power, in its discretion, to reduce or waive fees from specified members where it considers it appropriate.
- 2.4. The annual dues for each fiscal year of the Society shall be due and payable by the 1st day of such fiscal year. A member may pay annual dues for more than one consecutive fiscal year at a time if such payment method is approved by the Board. Any other fees for membership shall be due and payable as determined by the Board.

- 2.5. All fees, dues and other monies due or payable to the Society shall be paid to the Society and the payment shall be recorded by the Treasurer of the Society.
- 2.6. No member shall be entitled to the privileges or powers of a member of the Society or to attend, vote or take part in any meeting or proceedings of the Society who is in default of any monies (including fees and dues) due, owing and payable to the Society; provided that the Society shall continue to send to any such member notices of meetings of the members and other membership communications until the earlier of the next Annual General Meeting of the members of the Society after such default and six (6) months after such default, after which earlier time such person shall cease to be a member of the Society and shall cease to have the privileges and powers of a member as such until reinstated by the Board.
- 2.7. A member shall cease to be a member upon the death of the member or upon being expelled as a member pursuant to section 12.1 below. Any member wishing to resign from membership in the Society may do so upon a notice in writing to the Board through its Secretary.
- 2.8. Membership in the Society is not transferable.

### **3. MEETINGS OF THE MEMBERS**

- 3.1. On or before the 30th day of November in each year, the Society shall hold an Annual General Meeting of the members of the Society at a place, on a date and at a time determined by the Board, at which the following business shall be conducted:
  - (a) the Board shall present the audited financial statements (signed by the auditors) for, and one or more report(s) on the Society's activities during, the preceding fiscal year;
  - (b) the Board shall present the budget for the current fiscal year;
  - (c) Directors shall be elected or ratified to the Board to fill any vacancies then existing or occurring as of the end of the meeting; and
  - (d) any other business that may properly be brought before the meeting.
- 3.2. The Secretary shall call a General Meeting or a Special Meeting of the members of the Society upon receiving a direction from the Board or a petition signed by not less than one third (1/3) of the Members in Good Standing which specifies the reasons for the meeting. If the Secretary does not call any such General Meeting or Special Meeting within forty-five (45) days of the receipt of the petition, any member who signed the petition may call the meeting. Any such meeting shall be called by the member as nearly as possible in the manner in which meetings are called by these by-laws.
- 3.3. All meetings of the members of the Society shall be held in the City of Calgary. Notice of any meeting of the members of the Society shall be sent by the Secretary to all members at least twenty-one (21) days before the meeting and shall set forth the matters to be considered at the meeting. Unless otherwise determined by the Board, a notice of a meeting called as a result of a petition of members shall not include any matters other than those stated in the petition for the meeting. No error or omission in sending notice of any meeting shall invalidate any resolution passed or proceeding taken at such meeting.
- 3.4. A quorum for all meetings (and meetings adjourned to another day or place) of the members shall be twenty five (25) Members in Good Standing who are not Directors plus five (5) Directors. If a quorum is present at the opening of a meeting (or a meeting adjourned to another day or place) of the members, the members may proceed with the business of the meeting, notwithstanding that a quorum is not present throughout the meeting. If a quorum is not present at the opening of the meeting (or a meeting adjourned to another day or place) of the members, the members present may adjourn the meeting to a fixed time and place but may not transact any other business.
- 3.5. The only persons entitled to be present at a meeting of the members shall be Members in Good Standing. Any other person may be admitted on the invitation of the chair of the meeting or with the consent of the meeting.
- 3.6. The chair of any meeting of the members shall be the first mentioned of the following who is present at the meeting: the President, the Vice-President, the Treasurer or the Secretary. If no such person is present and willing to act as chair of the meeting, those members present shall choose a person to chair the meeting. The chair shall conduct the proceedings at the meeting in all respects and the decision of the chair in any matter or thing shall be conclusive and binding on the members.
- 3.7. Votes by members at a meeting of the members of the Society must be cast in person and not by proxy or otherwise. The record date for the determination of the members entitled to receive notice of any meeting of

the members shall be the close of business on the last business day preceding the date on which the notice of the meeting was sent to members.

- 3.8. A resolution of the members, other than a special resolution, shall require a simple majority of the votes cast on the motion in respect of the resolution in order to be carried, unless otherwise stated in these by-laws or the Act. In the case of an equality of votes, the chair shall have a second or casting vote. A special resolution of the members shall require a majority of at least 75% of the votes cast on the motion in respect of the resolution in order to be carried, unless otherwise stated in the by-laws or the Act. All votes shall, unless the chair elects to call for a ballot or a ballot is demanded by ten (10) or more members, be determined by a show of hands and a declaration by the chair that a resolution has been carried or carried by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact. If at any meeting a ballot is demanded, it shall be taken in such manner as, and either at once or after an adjournment, if the chair directs. The result of the ballot shall be deemed to be the resolution of the meeting at which the ballot was demanded. A demand for a ballot may be withdrawn. In case of any dispute as to the admission or rejection of any vote, the chair shall determine the same and such determination made in good faith shall be final and conclusive.
- 3.9. The chair of a meeting may, with the consent of the meeting, adjourn the same from time to time. If a meeting of the Society is adjourned by one or more adjournments for an aggregate of less than thirty (30) days, it shall not be necessary to give notice of the adjourned meeting, other than by announcement at the meeting being adjourned of the time of the adjournment. If a meeting of the Society is adjourned by one or more adjournments for an aggregate of thirty (30) days or more, notice of the adjourned meeting shall be given as for an original meeting.
- 3.10. Subject to the provisions of these by-laws and the Act, meetings of the members of the Society shall be conducted in a manner consistent with the Meeting Rules, which shall be the final authority on matters of procedure at meetings.

#### **4. PARTICIPATING CLUBS**

- 4.1. The Society shall have a maximum of five (5) Participating Clubs at any time. A list of the names of the Participating Clubs shall be maintained by the Secretary.
- 4.2. Each Participating Club shall annually provide the Board with confirmation that it continues to qualify as a "Club", including a list of a minimum of five of its members who are Members in Good Standing. If a Club fails to, or cannot, provide the Board with such confirmation satisfactory to the Board including a list of members as aforesaid, then the Board shall inquire as to whether that Club still exists as a "Club" and intends to continue as a Participating Club. If the Board determines, in its sole discretion, that a Club cannot or will not continue as a Participating Club, the Board may terminate the status of the Club as a Participating Club, in which case it shall be recorded in the Board's minutes and notice shall be sent to the members of the Society that such Club is no longer a Participating Club.
- 4.3. If at any time the Society does not have five (5) Participating Clubs, the Board shall seek one or more additional Club(s) to become a Participating Club. To initiate this process, the Society shall send a notice to the members indicating that it is seeking one or more Clubs to become a Participating Club.
- 4.4. A Club wishing to become a Participating Club shall apply in writing. The application must be received within 60 days of the publication of the notice referred to in section 4.3 above, and shall state the reasons why the Club wants a seat on the Board and provide confirmation satisfactory to the Board that the Club qualifies as a "Club" including the names of their members who are currently members of the Society. The Board shall decide whether or not to approve any applicant Club as a Participating Club based on the best interests of the Society, and shall not be required to approve any applicant.
- 4.5. If the Board approves a Club as a Participating Club (subject to ratification by the members of the Society), the name of the new Participating Club shall be recorded in the Board's minutes. The name of each new Participating Club approved by the Board shall be presented at or before the next Annual General Meeting for ratification as a Participating Club by resolution at a meeting of the members of the Society.

#### **5. NOMINATION AND ELECTION OF DIRECTORS**

- 5.1. The Board shall consist of ten (10) Directors, each of whom must be a Member in Good Standing of the Society. Up to five (5) Directors shall be Club Directors and the balance shall be Directors-at-Large. Each Participating Club shall be entitled to nominate a representative from the membership of the Participating Club as a Club Director, subject to ratification or appointment of each such nominee as set forth below.

(Amendment SGM 14 Feb 2008) A member who completes two consecutive full three-year terms on the Board shall not be eligible for further membership on the Board before an absence from the Board of at least one year.

- 5.2. Members of the Board shall be elected or ratified for a term of office of up to three (3) years (for greater certainty the term of office of any director shall end at the completion of the Annual General Meeting of the members of the Society in the last year of the director's term of office), and shall be elected or ratified on a rotating basis so that one third (1/3) or as near as possible of the membership of the Board shall be elected or ratified each year at the Annual General Meeting of the members of the Society. Upon ratification of a new Participating Club, the election schedule shall be adjusted to reflect the new Participating Club and to maintain the practice of electing or ratifying one third of the Board, or as near as possible, each year.
- 5.3. The Secretary shall maintain a list of the names of the Directors, indicating the remaining term of office of each Director and which Directors are nominees of which Participating Clubs.
- 5.4. To facilitate nominations for election as Directors at each Annual General Meeting of the members of the Society:
  - (a) The Board shall, prior to June 1 of each year, appoint a Nominating Committee consisting of three Members in Good Standing of the Society. One member shall be a Director who shall act as chair; one member shall be a member of a Participating Club but not a Director; and one member shall be a member of the Society but not a Director and not a member of a Participating Club.
  - (b) The Board or the Nominating Committee shall, prior to July 1 of each year, send a notice to the members of forthcoming vacancies on the Board and invite nominations from the membership for such positions to be received by the Nominating Committee prior to August 15 of that year.
  - (c) The Nominating Committee shall endeavor to provide the Board, prior to September 1 of each year, with a list of candidates willing and qualified to fill each vacancy on the Board at the next Annual General Meeting and shall take into account balancing Board membership with one (1) Club Director for each Participating Club and the balance of the Board as Directors-at-Large.
  - (d) The Board shall send to the members of the Society with the notice of the Annual General Meeting the current list of the members of the Board and the names, affiliations with Club and other model railroad hobby-related organizations, and other biographical information of the candidates for Directors.
  - (e) Additional nominations shall be accepted from the floor provided that any person so nominated is qualified and consents in person or in writing to the nomination.
- 5.5. At the Annual General Meeting or at any other meeting of the members of the Society at which Directors are to be elected or ratified:
  - (a) two (2) scrutineers shall be appointed by the chair of the meeting;
  - (b) vacancies for positions as Directors-at-Large shall be filled by election, such that:
    - (i) if the number of nominees is equal to or less than the number of vacancies to be filled, the nominees will be deemed elected by acclamation; and
    - (ii) if the number of nominees is greater than the number of vacancies to be filled, the vote will proceed by secret ballot vote with each member of the Society entitled to vote for a number of nominees up to the number of vacancies to be filled and those nominees receiving the most votes (whether or not the votes represent a majority of the number of members voting on the election) being elected as Directors-at-Large;
  - (c) each vacancy as a Club Director shall be filled by nomination at the meeting by the Participating Club entitled to such Club Director, subject to a resolution passed of the members of the Society at the meeting ratifying such nomination, with the vote on such ratification resolution to proceed by show of hands vote, unless a ballot vote is called for by the chair or is demanded by ten (10) or more members entitled to vote at the meeting, in which case the vote on such ratification resolution shall proceed by secret ballot vote;
  - (d) the scrutineers shall report to the chair on the results of the voting; and
  - (e) the persons so elected or ratified as Directors shall be declared Directors by the chair and they shall thereafter enter upon and hold and discharge the duties of the office to which they were elected or ratified, commencing at the end of the meeting where the election or ratification takes place.

- 5.6. A Director ceases to hold office upon delivery of a written resignation to the Society, upon ceasing to be a member pursuant to sections 2.6 or 2.7 of these by-laws, upon becoming bankrupt, upon being found to be incapable of managing his or her own property, and upon being removed from office as a Director as follows:
- (a) by resolution of the members of the Society at a meeting of the members duly called by notice which provides that removal of such Director is a matter to be considered at the meeting; or
  - (b) by resolution of the Board if a Director is absent for two (2) consecutive Board meetings without advising the President or the Vice-President prior to the meeting and appointing a designate pursuant to section 7.3 below, in which case the Board shall send notice to the former Director of their decision of removal as a Director within five (5) days.

In addition, a Club Director ceases to hold office if he or she ceases to be a member of the Participating Club which nominated such Club Director as its representative Club Director or if such Participating Club is no longer a Participating Club. (Amendment SGM 14 Feb 2008)

If a vacancy occurs on the Board for any reason, including the resignation or removal of a Director or a failure of the members of the Society to fill all vacancies at the last Annual General Meeting of the members of the Society, the Board may appoint a replacement to complete the unexpired portion of the vacant position; provided that if the vacancy is in the position of a Club Director, the vacancy shall be filled, if acceptable to the Board, with a nominee of the Participating Club entitled to such vacant position. The Board shall report their decision to the members within 60 days. The decision of the Board shall be subject to review of the members at or before the next Annual General Meeting, and an ordinary resolution of the members of the Society shall govern the matter.

## **6. POWERS OF THE BOARD OF DIRECTORS**

- 6.1. The Board shall, subject to these by-laws, manage or supervise the management of the affairs of the Society and, without limiting the generality of the foregoing and in addition to powers set forth elsewhere in these by-laws, the Board has the power to:
- (a) regulate, control and disburse all funds belonging to the Society, subject to the Act and these by-laws;
  - (b) borrow monies, give a guarantee and give security over any property of the Society to secure any obligation of the Society, subject in each case to approval by resolution at a meeting of the members of the Society, to all other provisions contained in these by-laws and to the provisions of the Act;
  - (c) engage and discharge any and all employees of the Society and decide remuneration of all employees of the Society;
  - (d) create any committee of the Society (committee members to be members of the Society) for any purpose determined by the Board and delegate to any officer, employee or committee any of the powers of the Board; and
  - (e) subject to these by-laws, set and, where appropriate, publish such rules, policies and procedures as they may deem requisite for the regulation of Society matters.

The Board may exercise all of such powers and do all such acts and things as may be exercised or done by the Society and are not by these by-laws or by special resolution of the Society or by statute expressly directed or required to be done at a meeting of the members of the Society.

## **7. BOARD OF DIRECTORS MEETINGS**

- 7.1. Board meetings shall be held in the City of Calgary on 48 hours notice (unless waived) at the call of the President or any two (2) Directors; provided that Board meetings may be held outside of Calgary with the agreement of all Directors. The Board shall meet at least every three months. A notice of a meeting of Directors need not specify the purpose of or the business to be transacted at the meeting, except where required by the Act. Notice of meetings of Directors shall be given by mail, personal delivery or oral communication, or sent or given by electronic means including telephone, facsimile transmission and electronic mail. Notwithstanding the foregoing, the Board may from time to time fix a day or days in any month or months for regular meetings of the Board at a place and hour to be named, in which case no other notice shall be required for any such regular meeting. For the first meeting of the Board held immediately after the election of directors at an Annual General Meeting of the members of the Society, no formal notice of such meeting of the Board shall be necessary provided that a quorum of directors is present. No error or omission with respect to notice for a meeting of the Board shall invalidate or make void any proceedings taken

at the meeting. Notice of any meeting or any irregularity in any meeting or the notice thereof may be waived by any Director.

- 7.2. At Board meetings, to be approved a resolution requires a majority vote in favour of the motion for the resolution. At all meetings of the Board, the chair shall not be entitled to vote except in the case of a tie at which time he or she may cast the deciding vote. The powers of the Board may also be exercised by resolution in writing signed by all the Directors who would be entitled to vote on that resolution at a meeting of the Board.
- 7.3. Only Directors shall be entitled to attend, speak or vote at Board meetings, provided that:
  - (a) a Director who is unable to attend a meeting of the Board may, at his/her discretion, appoint a designate to attend that meeting in his/her place and that designate shall be permitted to speak and vote at that meeting provided that the Director intending to be absent notifies (orally or in writing) the chair of the meeting of the arrangement in advance of the meeting, subject to the following:
    - (i) for Club Directors, the designate must be a Member in Good Standing and a member of the same Club as the Director who appoints the designate; and
    - (ii) for Directors-at-Large, the designate must be a Member in Good Standing; and
  - (b) others may attend Board meetings with the permission of the President or the Board.
- 7.4. The quorum for Board meetings shall be five (5) Directors or their duly appointed designates. A Director may participate (including vote) in a meeting of the Board by electronic means, telephone or other communication facilities that permit all persons participating in the meeting to hear or communicate with each other simultaneously. A Director participating in a meeting in such manner shall be considered present at the meeting.
- 7.5. The chair of any meeting of the Board shall be the Director present at the meeting who is the first mentioned of the following as have been appointed: the President, the Vice-President, the Treasurer or the Secretary. If no such person is present or willing to act as chair, the Directors present shall choose one of their number to be chair.
- 7.6. Any meeting of Directors may be adjourned from time to time by the chair of the meeting with the consent of the meeting, to a fixed time and place. The adjourned meeting shall be duly constituted if a quorum is present and if it is held in accordance with the terms of the adjournment. If there is no quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated forthwith after its adjournment.
- 7.7. Subject to the provisions of these by-laws and the Act, meetings of the Board shall be conducted in a manner consistent with the Meeting Rules, which shall be the final authority on matters of procedure at meetings.

## 8. OFFICERS

- 8.1. The Board shall annually appoint as Officers of the Society, from among the Directors: the President, the Vice-President, the Secretary, and the Treasurer; and shall have the power to appoint, from within or without the Board, such other officers of the Society as the Board thinks fit. Two or more offices (excluding the office of President) may be filled by one person if the Board so determines. (Amendment 10 Oct 2014)
- 8.2. (Deleted.) (Amendment 10 Oct 2014)
- 8.3. The officers (as such) and Directors of the Society shall serve on a voluntary basis and shall not be paid.
- 8.4. In addition to such duties and responsibilities as may be assigned by these by-laws or by the Board from time to time, the following officers of the Society shall have (unless otherwise determined by the Board) the following duties and responsibilities as well as such powers as are usually incidental to such offices:
  - (a) The President shall enforce these by-laws and the rules and regulations of the Society, shall be an *ex-officio* member of all committees (provided that the President may, from time to time at his/her discretion, appoint another Director in his/her place as an *ex-officio* member of specified committees) and shall generally supervise the affairs of the Society in such a way that all members receive fair and equitable treatment and accommodation in whatever particular activity of the Society they generally participate.
  - (b) The Vice-President shall carry out the duties of the President in the absence of the President and help the President with the discharge of his/her duties. In addition he/she shall hear and investigate any disputes of members or among members as herein provided for under section 13.1 of these by-laws.
  - (c) The Secretary shall keep a record of all proceedings of the Society including minutes of all meetings of the members of the Society and of the Board and shall have charge of all correspondence of the Society.

He/she shall be responsible for sending to the members notice of all meetings of the members of the Society. All current records of proceedings of the Society shall be available for viewing by the membership at all meetings of the members of the Society.

- (d) The Treasurer shall have custody or control of all financial records and monies of the Society. He/she shall collect all monies due, owing and payable to the Society. He/she shall deposit in the authorized bank account all monies received by the Society and shall pay all bills contracted by the Society and approved by the Board for payment. He/she shall keep financial records and accounts for the Society and report on the financial position and results of the Society at meetings of the Board and meetings of the members of the Society. He/she shall prepare an annual statement to be audited (or subject to a financial review) and presented at the Annual General Meeting. He/she shall make available all current financial records for viewing by the membership at all meetings of the members of the Society.
- 8.5. Two members, who are not Directors or officers of the Society, shall be appointed as auditors by the Board annually no later than 60 days prior to the Society's fiscal year-end to perform an audit of the Society's accounts and report thereon to the general membership at the Annual General Meeting of the members of the Society. No fee shall be charged to perform the audit.
- 8.6. The Board shall have the power to terminate any appointment of an officer of the Society and to terminate or change the members of any committee created by the Board.

## **9. COMMITTEES**

- 9.1. Unless otherwise determined by the Board, a quorum for meetings of any committee shall be a majority of its members. The rules for calling, holding, conducting and adjourning meetings of the committee shall, unless otherwise determined by the committee, be the same as those governing the Board. Each member of a committee shall serve during the pleasure of the Board. The Board may specify the chair and alternate chairs of each committee and may fill vacancies in a committee. Provided that a quorum is maintained, the committee may continue to exercise its powers notwithstanding any vacancy among its members.
- 9.2. The powers of any committee may be exercised by resolution passed at a meeting at which a quorum is present or by resolution in writing signed by all members of such committee who would have been entitled to vote on that resolution at a meeting of the committee.
- 9.3. Each committee shall keep minutes of its proceedings and report the same to the Board at the next meeting thereof.

## **10. DUTIES AND LIABILITY OF DIRECTORS, OFFICERS AND COMMITTEE MEMBERS**

- 10.1. With respect to personal interest or conflicts of interest matters:
- (a) A Director, officer or member of a committee of the Society who:
- (i) is a party to a material contract or material transaction or proposed material contract or proposed material transaction with the Society; or
  - (ii) is a director or an officer of, or has a material interest in, any person who is a party to a material contract or material transaction or proposed material contract or proposed material transaction with the Society;
- shall disclose in writing to the Society or request to have entered in the minutes of meetings of Directors the nature and extent of such interest.
- (b) The disclosure required by subsection 10.1(a) shall be made, in the case of a Director:
- (i) at the meeting of the Board or a committee at which a proposed contract or transaction is first considered;
  - (ii) if the Director was not interested in a proposed contract or transaction at the time of the meeting referred to in clause (i), at the first meeting after such Director becomes so interested;
  - (iii) if the Director becomes interested after a contract is made, at the first meeting after such Director becomes so interested; or
  - (iv) if a person who is interested in a contract or transaction later becomes a Director, at the first meeting after such person becomes a Director.
- (c) The disclosure required by subsection 10.1(a) shall be made, in the case of an officer or a member of a committee who is not a Director:

- (i) forthwith after such person becomes aware that the contract or transaction or proposed contract or transaction is to be considered or has been considered at a meeting of Directors or a committee;
  - (ii) if the officer or member of a committee becomes interested after a contract or transaction is made, forthwith after such officer or member of a committee becomes so interested; or
  - (iii) if a person who is interested in a contract or transaction later becomes an officer or member of a committee, forthwith after such person becomes an officer or member of a committee.
- (d) If a material contract or material transaction or proposed material contract or proposed material transaction is one that, in the ordinary course of the Society's' business, would not require approval by the Directors, a committee or the members of the Society, a Director, officer or member of a committee shall disclose in writing to the Society, or request to have entered in the minutes of meetings of Directors, the nature and extent of such person's interest forthwith.
- (e) A Director or member of a committee referred to in subsection 10.1(a) shall not vote on any resolution to approve the contract or transaction unless the contract or transaction is a contract or transaction for indemnity or insurance under Section 10.3 of these by-laws.
- (f) For the purpose of this section 10.1, a general notice to the Directors by a Director, officer or member of a committee is a sufficient disclosure of interest in relation to any contract or transaction made between the Society and a person in which the Director, officer or member of a committee has a material interest or of which he or she is a director or officer if:
- (i) the notice declares he or she is a director or officer of, or has a material interest in, the person and is to be regarded as interested in any contract or transaction made or to be made by the Society with that person, and states the nature and extent of his or her interest; and
  - (ii) at the time disclosure would otherwise be required under subsection (b), (c) or (d) of this Section 10.1, as the case may be, the extent of the interest in that person is not greater than that stated in the notice.
- (g) If a material contract or transaction is made between the Society and one or more of its Directors, officers or members of a committee, or between the Society and another person of which a Director, officer or member of a committee of the Society is a director or officer or in which the Director, officer or member of a committee has a material interest:
- (i) (i) the contract or transaction shall be considered neither void nor voidable by reason only of the relationship, or by reason only that a Director or member of a committee with a interest in the contract or transaction is present at or is counted to determine the presence of a quorum at a meeting of Directors or a committee that authorized the contract or transaction; and
  - (ii) a Director, officer or member of a committee or former Director, officer or member of a committee of the Society to whom a profit accrues as a result of the making of the contract or transaction shall not be liable to account to the Society for that profit by reason only of holding office as a Director, officer or member of a committee, if the Director, officer or member of a committee disclosed the interest in accordance with subsection (b), (c), (d) or (f) of this Section 10.1, as the case may be, and the contract or transaction was approved by the Directors, a committee or the members of the Society and it was reasonable and fair to the Society at the time it was approved.
- 10.2. With respect to the duties and standards of care of Directors, officers and members of committees of the Society:
- (a) Every Director, officer and member of a committee of the Society in exercising his or her powers and discharging his or her duties shall:
    - (i) act honestly and in good faith with a view to the best interests of the Society; and
    - (ii) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.
  - (b) No Director, officer or member of a committee for the time being of the Society shall be liable for the acts, receipts, neglects or defaults of any other person who is a Director, officer, member of a committee or employee of the Society, or for joining in any receipt or act for conformity, or for any loss, damage or expense happening to the Society through the insufficiency or deficiency of title to any property acquired by the Society or for on behalf of the Society or for the insufficiency or deficiency of any security in or upon which any of the monies of or belonging to the Society shall be placed or invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or



corporation including any person, firm or corporation with whom or with which any monies, securities or effects shall be lodged or deposited, or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any monies, securities or other assets of or belonging to the Society or for any other loss, damage or misfortune whatsoever which may happen in the execution of the duties of his or her respective office or trust or in relation thereto unless the same shall happen by or through the failure of the Director, officer or member of the committee to exercise the powers and to discharge the duties of office honestly and in good faith with a view to the best interests of the Society and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

- (c) A Director, officer or member of a committee of the Society is not liable for any breach of duty to the Society if the Director, officer or member of a committee relies in good faith on:
  - (i) financial statements of the Society represented to the Director, officer or member of a committee by another person who is an officer of the Society or in a written report of the auditor of the Society fairly to reflect the financial condition of the Society; or
  - (ii) an opinion or report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by such person.
- (d) A Director, officer or member of a committee of the Society shall not be held liable for a breach of the duties otherwise imposed by this Section 10.2 if the Director, officer or member of a committee has, in committing the breach, acted honestly and reasonably and ought fairly to be excused from such liability, as determined by the Board, such assessment to be made with a particular view to the voluntary nature of his or her service as a Director, officer or member of a committee of the Society, if applicable.

10.3. With respect to indemnification and insurance of Directors, officers and members of committees of the Society:

- (a) Except in respect of an action by or on behalf of the Society or Another Entity to procure a judgment in its favor, the Society shall indemnify a Director, officer or member of a committee of the Society, a former Director, officer or member of a committee of the Society, and a person who acts or acted at the Society's request as a director or officer of another entity (including a corporation, joint venture, society, trust or unincorporated association or organization) ("Another Entity"), and his or her heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by such person in respect of any civil, criminal or administrative, investigative or other proceeding in which such person is involved by reason of being or having been a Director, officer or member of a committee of the Society or a director or officer of such other entity, if:
  - (i) such person acted honestly and in good faith with a view to the best interests of the Society, or other entity as the case may be; and
  - (ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, such person had reasonable grounds for believing that his or her conduct was lawful.
- (b) In respect of action by or on behalf of the Society or Another Entity to procure a judgment in its favor, to which a Director, officer or member of a committee of the Society is made a party by reason of being or having been a director, officer and/or member of a committee of the Society or serving at the Society's request as a director or officer of Another Entity, or by reason of anything done or not done in any such capacity, the Society shall, indemnify and save harmless the Director, officer or member of the committee, and his or her heirs and legal representatives against all expenses actually and reasonably incurred by them in connection with such proceedings if the Director, officer or member of the committee fulfils the conditions set out in subsection 10.3(a)(i) and (ii) above and the indemnity is approved by the Board other than those Directors involved in such proceeding.
- (c) The Society shall advance moneys to an individual referred to in Section 10.3(a) or (b) for the costs, charges and expenses of a proceeding referred to in such sections, provided that such individual shall repay the moneys if the individual does not fulfill the conditions set forth in such section.
- (d) The Society may enter into indemnification agreements with individual Directors, officers or members of committees in the form and on terms approved by the Board; however, a lack of such agreements shall not limit the rights of Directors, officers, members of committees and other persons to indemnification as provided in these by-laws.

- (e) The rights of any person to indemnification under these by-laws are not exclusive of any other rights to which any person seeking indemnification may be entitled by any agreement, resolution of the members of the Society or Directors, at law or otherwise, and shall continue as to a person who has ceased to be a Director, officer or member of a committee of the Society and will enure to the benefit of the heirs and legal representatives of that person.
- (f) The Society may purchase and maintain insurance for the benefit of any person referred to in subsection 10.3(a) or (b) against any liability incurred by such person in their capacity as such Director, officer or member of a committee of the Society or in the individual's capacity as a director or officer of Another Entity, if the individual acts or acted in that capacity at the request of the Society.

## **11. BUSINESS OF THE SOCIETY**

- 11.1. Contracts, documents and instruments in writing requiring the signature of the Society may be signed by any two of the Directors, at least one of whom is the President, the Vice-President, the Treasurer or the Secretary. In addition, the Board shall have power from time to time by resolution to appoint any officer or officers or any other person or persons on behalf of the Society either to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents and instruments in writing. The term "contracts, documents and instruments in writing" as used herein shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property real or personal, agreements, releases, receipts and discharges for the payment of money or obligations and all written instruments of any nature whatsoever.
- 11.2. The Society shall not have a seal.
- 11.3. The banking business of the Society including, without limitation, the borrowing of money and the giving of security therefore, shall be transacted only with such banks, trust companies or other bodies corporate or organizations as may from time to time be designated by or under the authority of the Board. Such banking business or any part thereof shall be transacted under such agreements, instructions and delegations of powers as the Board may from time to time prescribe or authorize.
- 11.4. The fiscal year of the Society shall be from July 1 to June 30.

## **12. MISCONDUCT OF A MEMBER**

- 12.1. Any member infringing any by-law or regulation of the Society, or whose conduct shall be determined by the Board, in its sole discretion, to be improper, unbecoming or likely to endanger the welfare, character or reputation of the Society or any of its members, may be suspended or expelled from the Society at the discretion of the Board. A suspension shall be for such term as may be determined by the Board.
- 12.2. A member suspended or expelled from the Society under section 12.1 shall have the right to appear before the general membership of the Society at the next meeting of the members of the Society to appeal the decision of the Board.
- 12.3. Any member who has resigned or been expelled may be readmitted by the Board with satisfactory reason.

## **13. COMPLAINTS AND DISPUTES**

- 13.1. Any member or former member having a dispute against the Society or any of its Directors or officers or a member or members of the Society shall bring the matter to the attention of the Vice-President who shall attempt to settle the matter satisfactorily but if he/she is unable to do so will place the case before the Board for resolution. The Board may, at any time in its discretion, direct that the matter be decided by arbitration under the *Arbitration Act* (Alberta).

## **14. AMENDMENTS TO THE BY-LAWS**

- 14.1. These by-laws may be rescinded, altered or added to by special resolution duly passed at a meeting of the members of the Society duly called by notice which provides that such special resolution is a matter to be considered at the meeting. Any changes to the by-laws do not become effective until the special resolution is registered at Alberta Corporate Registry.

## **15. WINDING-UP AND DISTRIBUTION OF ASSETS**

- 15.1. In the event of the Society being wound up, the assets of the Society remaining after payment of, or provision for payment of, all debts and liabilities shall be distributed to those societies under the Act as have similar objects relating to model railroading, or as may otherwise be permitted under the Act, in each case as may be

determined by the Board. The manner of division of such assets among the societies determined by the Board shall be at the sole discretion of the Board.

## **16. NOTICES**

- 16.1. Notices and other communications from the Society to Directors, officers and members of the Society shall be sent to the last known mailing address e-mail address or other relevant electronic, fax or telephone address or number on the records of the Society.
- 16.2. When a given number of days notice or notice extending over any other period is required to be given, the day of sending shall, and the day upon which notice expires shall not, be included in such number of days or other period.

## **17. EFFECTIVE DATE AND REPEAL**

- 17.1. These by-laws shall come into force when made by the members and registered by the Registrar in accordance with the Act.
- 17.2. All previous by-laws of the Society are repealed as of the coming into force of these by-laws. Such repeal shall not affect the previous operation of any by-law so repealed or affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under, or the validity of any contract or agreement made pursuant to, or the validity of any or predecessor charter documents of the Society obtained pursuant to any such by-law prior to its repeal. All Directors, officers and members of committees of the Society and other persons acting under any such by-law so repealed shall continue to act as if appointed under the provisions of these by-laws and all resolutions of the members, the Board or a committee of the Society with continuing effect passed under any repealed by-law shall continue to be good and valid except to the extent inconsistent with these by-laws and until amended or repealed.

**END OF BY-LAWS**