

BY-LAW NO. 1 As Accepted November 24, 2007

A by-law relating generally to the transaction of the affairs of

BLUEGRASS MUSIC ASSOCIATION OF CENTRAL CANADA

BMACC

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BE IT ENACTED as a by-law of
BLUEGRASS MUSIC ASSOCIATION OF CENTRAL CANADA

HEAD OFFICE

1. The Head Office of the Corporation shall be in the Town of Woodstock in the Province of Ontario as the Directors may from time to time determine.

SEAL

2. The seal, an impression whereof is stamped in the margin hereof, shall be the corporate seal of the Corporation.

BOARD OF DIRECTORS

3. The affairs of the Corporation shall be managed by a Board of Eleven (11) Directors, each of whom at the time of his election (or within 10 days thereafter and throughout his term of office) shall be a member of the Corporation. The number of Directors may be increased pursuant to a Special Resolution of the Corporation at a General Meeting, Annual Meeting or a Special Meeting of the membership provided notice of the Special Resolution 'to increase the number of Directors' is properly provided in accordance with the by-laws.
 - a. Each Director shall hold office pursuant to the terms set out herein or until his/her successor has been duly elected. Following the first annual meeting, the Directors shall cause lots to be drawn to determine the term of each Director.
 1. There shall be two Directors elected for a term of two years; and
 2. There shall be one Director elected for a term of three years;

- b. The election may be by a show of hands unless a secret ballot is requested by any member. The vacancies will be filled by those persons receiving the highest number of votes.
- c. The members of the Corporation may, by resolution passed by at least two-thirds (2/3) of the votes cast at a General Meeting of which notice specifying the intention to pass such resolution has been given;
 - 1. Remove any Director before the expiration of his term of office, and may, by a majority of the votes cast at that meeting, elect any person in his stead for the remainder of his term.
- d. Directors and Officers of BMACC in exercising their powers and discharging their duties shall, act honestly and in good faith with a view to the best interests of BMACC; and shall exercise the care, diligence and skill that a reasonably prudent person would exercise in a comparable circumstance. Every Director and officer of BMACC shall comply with the Corporations Act, the regulations, articles and by-laws.
- e. No Director or officer shall be liable: for the acts, receipts, neglects or defaults of any other Director or officer or employee for joining in any receipt or other act for conformity for any loss, damage or expense happening to the corporation through the insufficiency or deficiency of title to any property acquired for or on behalf of BMACC for the insufficiency or deficiency of any security in or upon which any of the moneys of BMACC for any loss or damage arising from the bankruptcy, insolvency or tortuous acts of any person with whom any of the money, securities is invested or effects of BMACC shall be deposited for any loss occasioned by any error of judgement or oversight on her or his part for any other execution of the duties of her or his office or in relation thereto, unless the same are

occasioned by her or his own wilful neglect or default provided that nothing herein shall relieve any Director or officer from the duty to act in accordance with the Corporations Act and the regulations thereunder or from liability for any breach thereof.

VACANCIES, BOARD OF DIRECTORS

4. Vacancies on the Board of Directors, however caused, may, so long as a quorum of Directors remain in office, be filled by the Directors from among the qualified members of the Corporation, if they shall see fit to do so, otherwise the vacancy shall be filled at the next Annual Meeting.
 - a. The newly elected Director shall be elected for balance of the term of the departing Director.
 - b. In the event there is not a quorum of Directors, the remaining Directors shall forthwith call a Special Meeting of the members to fill the vacancy.

5. If a Member of the Board of Directors is absent, without notice and without just cause, for three consecutive meetings of the Board of Directors, then, at the discretion of the Board of Directors (and confirmed by a written resolution) that person shall be deemed to have resigned from the Board, at the conclusion of the 3rd consecutive meeting, and shall be removed as a Director before the end of their term of office.

QUORUM AND MEETINGS, BOARD OF DIRECTORS

6. A majority of the Directors shall form a quorum for the transaction of business. Except as otherwise required by law, the Board of Directors may hold its meetings at such place or places as it may from time to time determine. No formal notice of any

such meeting shall be necessary if all the Directors are present, or if those absent have signified their consent to the meeting being held in their absence. Directors' meetings may be formally called by the President or Vice-President or by the Secretary on direction of the President or Vice-President, or by the Secretary on direction in writing of two Directors.

- a. Notice of such meetings shall be delivered, telephoned, e-mailed, telefaxed to each Director not less than **one** day before the meeting is to take place or shall be mailed to each Director not less than **two days before** the meeting is to take place. The statutory declaration of the Secretary or President that notice has been given pursuant to this by-law shall be sufficient and conclusive evidence of the giving of such notice.
- b. The Board may appoint a day or days in any month or months for regular meetings at an hour to be named and of such regular meeting no notice need be sent.
- c. A Directors' meeting may also be held, without notice, immediately following the annual meeting of the Corporation. The Directors may consider or transact any business either special or general at any meeting of the Board.
- d. The Board shall meet in regular session not fewer than three (3) times per year. The Directors may consider or transact any special or general business at any meeting of the Board. Notwithstanding vacancies, the Directors may act if their numbers constitute a quorum.

ERRORS IN NOTICE, BOARD OF DIRECTORS

6. No error or omission in giving such notice for a meeting of Directors shall invalidate such meeting or invalidate or make void any proceedings taken or had at such meeting and any Director may at any time waive notice of any such meeting and may ratify and approve of any or all proceedings taken or had thereat.

VOTING, BOARD OF DIRECTORS

7. Questions arising at any meeting of Directors shall be decided by a majority of votes. In case of an equality of votes, the Chairman, in addition to his original vote, shall have a second or casting vote. All votes at such meeting shall be taken by ballot if so requested by any Director present, but if no request is made, the vote shall be taken in the usual way by assent or dissent. A declaration by the Chairman that a resolution has been carried and an entry to that effect in the minutes shall be admissible in evidence as prima facie proof of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
 - a. In the absence of the President his duties may be performed by the Vice-President or such other Director as the Board may from time to time appoint for the purpose.
 - b. Notwithstanding any of the provisions of this by-law, but subject to the Corporations Act, a resolution in writing, signed all of the Directors entitled to vote on that resolution at a meeting of the Directors is as valid as if it had been passed at a meeting of the Directors.

POWERS

8. The Directors of the Corporation may administer the affairs of the Corporation in all things and make or cause to be made for he Corporation, in its name, any kind of contract which the Corporation may lawfully enter into and, save as hereinafter provided, generally, may exercise all such other powers and do all such other acts and things as the Corporation is by its charter or otherwise authorized to exercise and do.

Without in any way derogating from the foregoing, the Directors are expressly

empowered, from time to time to purchase, lease or otherwise acquire, alienate, sell, exchange or otherwise dispose of shares, stocks, rights, warrants, options and other securities, lands, buildings and other property, movable or immovable, real or personal, or any right or interest therein owned by the Corporation, for such consideration and upon such terms and conditions as they may deem advisable.

REMUNERATION OF DIRECTORS

9. The Directors shall receive no remuneration for acting as such.
 9. 1 No member may be elected to the Board of Directors if that person holds a salaried position with BMACC. This does not prevent the individual from working on a per diem, contract basis or on an ad hoc basis in any manner as may be considered reasonable and prudent by the Board of Directors.

OFFICERS OF CORPORATION

10. There shall be a President, a Vice-President, a Secretary and a Treasurer or in lieu of a Secretary and Treasurer, a Secretary-Treasurer and such other officers as the Board of Directors may determine by by-law from time to time. One person may hold more than one office except the offices of President and Vice-President.
 - a. The President and Vice-President shall be elected by the Board of Directors from among their number at the first meeting of the Board after the annual election of the Board of Directors, provided that in default of such election, the then incumbents, being members of the Board, shall hold office until their successors are elected. The other officers of the Corporation need not be members of the Board and in the absence of written agreement to the contrary, the term or employment of all officers shall be determined from time to time by the Board.

- b. The terms of office for each of the Officers shall be one year.

DUTIES OF PRESIDENT AND VICE-PRESIDENT

- 11. The President shall, when present, preside at all meetings of the members of the Corporation and of the Board of Directors. The President shall also be charged with the general management and supervision of the affairs and operations of the Corporation, The President with the Secretary or other officer appointed by the Board for the purpose shall sign all by-laws and membership certificates. During the absence or inability of the President, his duties and powers may be exercised by the Vice-President, and if the Vice-President, or such other Director as the Board may from time to time appoint for the purpose, exercises any such duty or power, the absence or inability of the President shall be presumed with reference thereto.

- c. The President shall sit for a term of two years.

DUTIES OF SECRETARY

- 12. The Secretary shall be ex-officio clerk of the Board of Directors. He shall attend all meetings of the Board of Directors and record all facts and minutes of all proceedings in the books kept for that purpose. He shall give all notices required to be given to members and to Directors. He shall be custodian of the seal of the Corporation and of all books, papers, records, correspondence, contracts and other documents belonging to the Corporation which he shall deliver up only when authorized by a resolution of the Board of Directors to do so and to such person or persons as may be named in the resolution, and he shall perform such other duties as may from time to time be determined by the Board of Directors.

DUTIES OF THE TREASURER

13. The Treasurer, or a person performing the usual duties of a Treasurer, shall keep full and accurate accounts of all receipts and disbursements of the Corporation in proper books of account and shall deposit all moneys or other valuable effects in the name and to the credit of the Corporation in such bank or banks as may from time to time be designated by the Board of Directors. He shall disburse the funds of the Corporation under the direction of the Board of Directors, taking proper voucher therefore and shall render to the Board of Directors at the regular meetings thereof or whenever required of him, an account of all his transactions as Treasurer, and of the financial position of the Corporation. He shall also perform such other duties as may from time to time be determined by the Board of Directors.

DUTIES OF OTHER OFFICERS

14. The duties of all other officers of the Corporation shall be such as the terms of their engagement call for or the Board of Directors requires of them which may be amended from time to time as circumstances dictate.

EXECUTION OF DOCUMENTS

15. Deeds, transfers, licences, contracts and engagements on behalf of the Corporation shall be signed by any two officers or directors who shall affix the seal of the Corporation to such instruments as require the same.

a. Contracts in the ordinary course of the Corporation's operations may be entered into on behalf of the Corporation by the President or Treasurer or by any person authorized by the Board.

- b. The President, Vice-President, the Directors, Secretary or Treasurer or any one of them, or any person or persons from time to time designated by the Board of Directors may transfer any and all shares, bonds or other securities from time to time standing in the name of the Corporation in its individual or any other capacity as a trustee or otherwise and may accept in the name and on behalf of the Corporation transfers of shares, bonds or other securities from time to time transferred to the Corporation, and may affix the corporate seal to any such transfers or acceptances of transfers, and may make, execute and deliver under the corporate seal any and all instruments in writing necessary or proper for such purposes, including the appointment of an attorney or attorneys to make or accept transfers of shares, bonds or other securities on the books of any company or corporation.

- c. Notwithstanding any provisions to the contrary contained in the by-laws of the Corporation, the Board of Directors may at any time by resolution direct the manner in which, and the person or persons by whom, any particular instrument, contract or obligations of the Corporation may or shall be executed.

BOOKS AND RECORDS

- 16. The Directors shall see that all necessary books and records of the Corporation required by the by-laws of the Corporation or by any applicable statute or law are regularly and properly kept.

MEMBERSHIP

- 17. The membership shall consist of the applicants for the incorporation of the corporation and such other individuals who have applied and such corporations, partnerships and other legal entities as are admitted as members by the Board of

Directors.

1. Each member in good standing shall be entitled to one vote on each question arising at any special or general meeting of the members. Each member shall promptly be informed by the Secretary of his admission as a member.

2. The Board of Directors may, from time to time, create new classes of Membership, and impose such conditions of Membership for these new classes as it deems appropriate.

3. Members may resign in writing. Such resignation shall be effective upon receipt by the Secretary of the Board of Directors.

DUES

18. There shall be no dues or fees payable by members except such, if any, as shall from time to time be fixed by unanimous vote of the Board of Directors, which vote shall become effective only when confirmed by a vote of the members at an annual or other general meeting.

The Secretary shall notify the members of the dues or fees at any time payable by them and, if any are not paid within 30 days of the date of such notices, the members in default shall thereupon automatically cease to be members of the Corporation, but any such members may on payment of all unpaid dues or fees be reinstated by unanimous vote of the Board of Directors.

ANNUAL AND OTHER MEETINGS OF MEMBERS

19. The annual or any other general meeting of the members shall be held at the head

office of the Corporation or elsewhere in Ontario as the Board of Directors may determine and on such day as the said Directors shall appoint.

1. At every annual meeting, in addition to any other business that may be transacted, the report of the Directors, the financial statement as presented by the Treasurer (and a report of the auditors if so determined by the membership by Special Resolution) shall be presented to the members of the Corporation and the Board of Directors shall be elected and auditors appointed. The members may consider and transact any business either special or general without any notice thereof at any meeting of the members. The Board of Directors or the President or Vice-President shall have power to call at any time a general meeting of the members of the Corporation. Public notice of members' meetings, annual or general, shall be given, but notice of the time and place of every such meeting shall be given prepaid advertisement in a newspaper of general coverage in the community where the Corporations head office located (or by pre-paid mail) within ten (10) days before the time fixed for the holding of such meeting; provided that any meetings of members may be held at any time and place without such notice if all the members of the Corporation are present and any business may be transacted which the Corporation at annual or general meetings may transact.

ERROR OR OMISSION IN NOTICE

20. No error or omission in giving notice of any annual or general meeting or any adjourned meeting, whether annual or general, of the members of the Corporation shall invalidate such meeting or make void any proceedings taken thereat and any member may at any time waive notice of any such meeting and may ratify, approve and confirm any or all proceedings taken or had thereat. For the purpose of sending

notice to any member, Director or officer for any meeting or otherwise, the address of any member, Director or officer shall be his last address recorded on the books of the Corporation.

ADJOURNMENTS

21. Any meetings of the Corporation or of the Directors may be adjourned to any time and from time to time and such business may be transacted at such adjourned meeting as might have been transacted at the original meeting from which such adjournment took place. No notice shall be required of any such adjournment. Such adjournment may be made notwithstanding that no quorum is present.

QUORUM OF MEMBERS

22. A quorum for the transaction of business at any meeting of members shall consist of not less than three (3) members present in person; provided that in no case can any meeting be held unless there are two members present in person.

VOTING OF MEMBERS

23. Subject to the provisions, if any, contained in the Letters Patent of the Corporation, each member of the Corporation shall at all meetings of members be entitled to one vote.
 1. At all meetings of members every question shall be decided by a majority of the votes of the members present in person. Every question shall be decided in the first instance by a show of hands unless a secret ballot is demanded by any member. Upon a show of hands, every member having voting rights shall have one vote, and unless a secret ballot be demanded a declaration by the Chairman

that a resolution has been carried or not carried and an entry to that effect in the minutes of the Corporation shall be admissible in evidence as prima facie proof of the fact without proof of the number or proportion of the votes accorded in favour of or against such resolution.

FINANCIAL YEAR

24. Unless otherwise ordered by the Board of Directors, the fiscal year of the Corporation shall terminate on the 30th day of September in each year.

CHEQUES, ETC.

25. All cheques, bills of exchange or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors and any one of such officers or agents may alone endorse notes and drafts for collection on account of the Corporation through its bankers, and endorse notes and cheques for deposit with the Corporation's bankers for the credit of the Corporation, or the same may be endorsed "for collection" or "for deposit" with the bankers of the Corporation by using the Corporation's rubber stamp for the purpose. Any one of such officers or agents to appointed may arrange, settle, balance and certify all books and accounts between the Corporation and the Corporation's bankers and may receive all paid cheques and vouchers and sign all the bank's forms or settlement of balances and release or verification slips.

DEPOSIT OF SECURITIES FOR SAFEKEEPING

26. The securities of the Corporation shall be deposited for safekeeping with one or

more bankers, trust companies or other financial institutions to be selected by the Board of Directors. Any and all securities so deposited may be withdrawn from time to time, only upon the written order of the Corporation signed by such officer or officers, agent or agents of the Corporation, and in such manner as shall from time to time be determined by resolution of the Board of Directors and such authority may be general or confined to specific instances. The institutions which may be so selected as custodians by the Board of Directors shall be fully protected in acting in accordance with the directions of the Board of Directors and shall in no event be liable for the due application of the securities so withdrawn from deposit or the proceeds thereof.

NOTICE

27. Any notice (which term includes any communication or document) to be given, sent, delivered or served pursuant to the Act, the letters patent, the by-laws or otherwise to a member, Director, officer or auditor shall be sufficiently given if delivered personally to the person to whom it is to be given or if delivered to his recorded address or if mailed to him at his recorded address by prepaid air or ordinary mail, or if sent to him at his recorded address by any means of prepaid transmitted or recorded communication. A notice so delivered shall be deemed to have been given when it is delivered personally or at the recorded address as aforesaid; a notice so mailed shall be deemed to have been given when deposited in a post office or public letter box; and a notice sent by any means of transmitted or recorded communication shall be deemed to have been given when dispatched or delivered to the appropriate communication company or agency or its representative for dispatch. The Secretary may change or cause to be changed, the recorded address of any member, Director, officer or auditor in accordance with any information believed by him to be reliable.

BORROWING

28. The Directors may from time to time
- (a) borrow money on the credit of the Corporation; or
 - (b) issue, sell or pledge securities of the Corporation; or
 - (c) charge, mortgage, hypothecate or pledge all or any of the real or personal property of the Corporation or any other person to make arrangements with reference to the moneys borrowed or to be borrowed as aforesaid and as to the terms and conditions of the loan thereof, and as to the securities to be given therefore, with power to vary or modify such arrangements, terms and conditions and to give such additional securities for any moneys borrowed or remaining due by the Corporation as the Directors may authorize, and generally to manage, transact and settle the borrowing of money by the Corporation.

INTERPRETATION

29. In these by-laws and in all other by-laws of the Corporation hereafter passed unless the context otherwise requires, words importing the singular number or the masculine gender shall include the plural number or the feminine gender, as the case may be, and vice versa, and references to persons shall include firms and corporations.

Passed by the Board of Directors and sealed with the corporate seal

This _____ day of _____, 2007.

President

Secretary