

Bay Area Bluegrass Association



©BYLAWS

BAY AREA BLUEGRASS ASSOCIATION

“BABA”

**©March 1, 2005
Charles C. Orsburn
Attorney At Law
P.O. Box 541854
Houston, Texas 77254-1854
713-522-9595**

TABLE OF CONTENTS

	<u>Page</u>
Bylaws Bay Area Bluegrass Association, Inc. “BABA”	1
ARTICLE 1 – OFFICES	2
1.01 Principal Office	2
ARTICLE 2 – MEMBERS	2
2.01 Classes of Members	2
2.02 Admission of Members and Renewal of Membership	3
2.03 Membership Fees and Dues	3
2.04 Certificates of Membership	3
2.05 Voting Rights	4
2.06 Disputes	4
2.07 Sanctions	4
2.08 Resignation	4
2.09 Reinstatement	4
2.10 Transfer of Membership	5
2.11 Waiver of Interest in Corporation Property	5
ARTICLE 3 – MEETINGS OF MEMBERS	5
3.01 Annual Meeting	5
3.02 Special Meetings	5
3.03 Place of Meeting	5
3.04 Notice of Meetings	6
3.05 Quorum	6
3.06 Actions of Membership	7
ARTICLE 4 – GENERAL AFFAIRS OF THE CORPORATION	7
4.01 Affairs	7
4.02 Number, Qualifications and Tenure of Directors	7
4.03 Nomination of Directors	7
4.04 Election of Directors	7
4.05 Vacancies	8
4.06 Annual Meeting	8
4.07 Regular Meeting	8
4.08 Special Meetings	8
4.09 Notice	8
4.10 Quorum	9
4.11 Duties of Directors	9
4.12 Duty to Avoid Improper Distributions	9
4.13 Delegation of Duties	10
4.14 Interested Directors	10
4.15 Actions of Board of Directors	11
4.16 Ex Officio Members	11

4.17 Compensation of Directors	11
4.18 Removal of Directors	11
ARTICLE 5 – OFFICERS	12
5.01 Officer Positions	12
5.02 Election and Term of Office	12
5.03 Removal of Officers	12
5.04 Vacancies on the Board	12
5.05 President	12
5.06 Vice President	13
5.07 Treasurer	13
5.08 Secretary	13
ARTICLE 6 – COMMITTEES	14
6.01 Establishment of Committees	14
6.02 Authorization of Specific Committees	14
6.03 Term of Office	15
6.04 Chair and Vice-Chair	15
6.05 Notice of Meetings	15
6.06 Quorum	16
6.07 Actions of Committees	16
6.08 Proxies	16
6.09 Compensation	16
6.10 Rules	16
ARTICLE 7 – TRANSACTIONS OF THE CORPORATION	16
7.01 Contracts	16
7.02 Deposits	17
7.03 Gifts	17
7.04 Potential Conflicts of Interest	17
7.05 Prohibited Acts	17
ARTICLE 8 – BOOKS AND RECORDS	18
8.01 Required Books and Records	18
8.02 Inspection and Copying	19
8.03 Audits	19
ARTICLE 9 – FISCAL YEAR	19
ARTICLE 10 – INDEMNIFICATION	19
10.01 When Indemnification is Required, Permitted, and Prohibited	19
10.02 Procedures Relating to Indemnification Payments	21
ARTICLE 11 – NOTICES	22
11.01 Notice by E-Mail, Facsimile, or Mail	22

11.02 Signed Waiver of Notice	22
11.03 Waiver of Notice by Attendance	23
ARTICLE 12 – SPECIAL PROCEDURES CONCERNING MEETINGS	23
12.01 Meeting by Telephone	23
12.02 Decision Without Meeting	23
12.03 Action by Non-unanimous Written Consent	23
12.04 Voting by Proxy	24
ARTICLE 13 – AMENDMENTS TO BYLAWS	24
ARTICLE 14 – MISCELLANEOUS PROVISIONS	25
14.01 Legal Authorities Governing Construction of Bylaws	25
14.02 Legal Construction	25
14.03 Headings	25
14.04 Gender	25
14.05 Seal	25
14.06 Execution of Corporation Instruments	25
14.07 Parties Bound	26
14.08 Logos and Trademarks	26
ARTICLE 15 – WAIVER AND ADOPTION	27
16.00 CERTIFICATION OF SECRETARY	27

BYLAWS
BAY AREA BLUEGRASS ASSOCIATION, INC.
“BABA”

These Bylaws (hereinafter referred to as the “Bylaws”) govern the affairs of The Bay Area Bluegrass Association, Inc. (hereinafter referred to as “BABA”) a nonprofit corporation organized under the Texas Non-Profit Corporation Act (referred to as the "Act"). The purpose for which BABA exists is to encourage and promote acoustic bluegrass and gospel music by organizing, and sponsoring regular monthly meetings and an annual festival to perform, jam, teach, listen, and learn about this native American acoustic music genre in a wholesome multi-generational family environment. The monthly get-togethers will be on the third Saturday of each month at a time and place to be designated by the Board of Directors. The festival will be held on the third weekend of a month at a location also designated by the Board of Directors. BABA will also publish a newsletter to inform the membership of association business, bluegrass news, activities and events in a format deemed appropriate by the Board of Directors and participate in such other Bluegrass activities as the Board of Directors shall deem appropriate.

The organization is organized exclusively for charitable, religious, educational, and/or scientific purposes under section 501 (c) (3) of the Internal Revenue Code.

No part of the net earnings of the organization shall inure to the benefit of, or be distributable to, its members, trustees, officers or other private persons, except that the organization shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in the purpose clause hereof. No substantial part of the activities of the organization shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the organization shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of this document, the organization shall not carry on any other activities not permitted to be carried on (a) by an organization exempt from federal income tax under section 501 (c) (3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or (b) by an organization, contributions to which

are deductible under section 170(c) (2) of the Internal Revenue Code, or corresponding section of any future federal tax code.

Upon the dissolution of the organization, assets shall be distributed for one or more exempt purposes within the meaning of section 501 (c) (3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose.

The Board may, in its discretion, direct the activities of the association in carrying out the purposes of the association. In no event shall a director, officer, or member of the association be given anything of value except as provided in Article Four, as amended. Further, gifts will not be given by the association to any individual for other than strictly charitable purposes recognized under IRC 501 (c) (3).

ARTICLE 1 **OFFICES**

1.01 Principal Office

The principal office of the Corporation in the State of Texas shall be located in either Harris, Galveston or Brazoria County, Texas at the legal residence of its duly elected Secretary which shall also be the Registered Office of the Corporation. The Corporation may also have an office at the legal residence of the duly elected President of the Corporation and such other offices, either in Texas or elsewhere, as the Board of Directors may determine. The Board of Directors (referred to as “the Board”) may change the location of any office of the Corporation, the Registered Office and Registered Agent.

1.02. The Corporation shall comply with the requirements of the Act and maintain a registered office and registered agent in Texas. The registered office may, but need not, be identical with the Corporation's principal office in Texas. The Board of Directors may change the registered office and the registered agent as provided in the Act.

ARTICLE 2 **MEMBERS**

2.01. Classes of Members:

The Corporation shall have four classes of members. A person may be included in more than one class but only be entitled to one vote:

1. GOLD. Natural persons who agree to donate to BABA each year an amount set by the board to entitle them to be a Gold member.
2. LIFE. Natural persons who have in the past paid the amount set by the board to be designated a life member or who shall in the future pay the amount designated set by the board to be designated as a life member. This designation is bestowed one time on a qualifying individual.
3. ANNUAL. A natural person who contributes minimum dues on an annual basis to BABA .
4. BUSINESS. A non- human legal entity who wishes to support BABA by making a financial contribution to BABA shall be appropriately recognized by BABA as being a business member but shall have no voting rights. Natural persons who are Sole proprietors of businesses or officers of other legal entities who support BABA that are also members of BABA are not disqualified from voting by this section, but shall only have one vote on any matter coming before the membership for vote.

2.02. Admission of Members and Renewal of Membership

The Board of Directors or a board-designated committee may adopt and amend application procedures and qualifications for membership in the Corporation. An affirmative vote of the majority of the Directors or a Board-designated committee present and voting shall be required for admission of any applicant who meets the membership qualifications then in effect. A member may renew membership by paying all required fees and dues or submitting an application for renewal of membership.

2.03. Membership Fees and Dues

The Board of Directors may set and change the amount of the annual dues payable to the Corporation by members of each class of members. Dues shall be payable, in advance for one year. The dues for a new member's first year shall be due the first day of the month in which the member is admitted to membership. Dues shall then be due on the anniversary of their admission to membership.

2.04. Certificates of Membership

The Board of Directors may provide for the issuance of certificates, cards or badges evidencing membership in the Corporation. When a person has been admitted as a member and has paid any required fees and dues, the Corporation shall issue appropriate evidence of membership to the person in a format approved by the Board. If a certificate, card or badge is lost, mutilated, or destroyed, a new one may be issued to the member if the member pays the Corporation's cost of reissuing it.

2.05. Voting Rights

Each natural person member shall be entitled to one vote on each matter submitted to a vote of the members.

2.06. Disputes

In any dispute between members relating to the activities of the Corporation, all parties involved shall cooperate in good faith to resolve the dispute for the benefit of the corporation. If the parties cannot resolve the dispute between themselves, each member or group of members on each side of the issue, shall choose a disinterested third party from the membership to serve as a mediator to meet with both sides to resolve the dispute by agreement. If no timely resolution of the dispute occurs through mediation, then each side shall select one disinterested person from the membership to serve as an arbitrator. The two persons selected shall then select a third person who shall serve as chair of the panel. The panel shall serve as an arbitration panel and resolve the issue, after hearing from both sides. This process is intended to be binding arbitration as provided in Article 238-20 of the Texas Revised Civil Statutes.

2.07. Sanctions

The Board of Directors may impose reasonable sanctions on a member, or suspend or expel a member from the Corporation, for good cause after a hearing. Good cause includes the default of an obligation to the Corporation to pay fees or dues for a period of 30 days following delivery of notice of default, or a material and serious violation of the Corporation's articles of incorporation, bylaws, or rules, or of law. The Board of Directors may impose sanctions, suspend a member, or expel a member by vote of a 2/3 majority of directors who are -present and voting.

2.08. Resignation

Any member may resign from the Corporation by submitting a written resignation to the secretary. The resignation need not be accepted by the Corporation to be effective. A member's resignation shall not relieve the member of any obligations to pay any dues, assessments, or other charges that had accrued and were unpaid prior to the effective date of the resignation.

2.09. Reinstatement

A former member may submit a written request for reinstatement of membership. The Board of Directors or a committee designated by the Board of Directors to handle the matter may reinstate membership on any reasonable terms that the Board of Directors or committee deems appropriate.

2.10. Transfer of Membership

Membership in the Corporation is not transferable or assignable. Membership terminates on the dissolution of the Corporation or the death of a member. Membership in the Corporation is not a property right that may be transferred after a member's death.

2.11. Waiver of Interest in Corporation Property

All real and personal property, including all improvements located on real estate acquired by the Corporation shall be owned by the Corporation. A member shall have no interest in specific property of the Corporation. Each member hereby expressly waives the right to require partition of all or part of the Corporation's property.

ARTICLE 3 **MEETINGS OF MEMBERS**

3.01. Annual Meeting

Beginning in 2005, each year the Board of Directors shall hold an annual meeting of the members at 7:00 o'clock p.m. on the third Saturday of the month following the annual festival at the monthly BABA show or at another time and place that the Board of Directors designates. At the annual meeting, the members shall elect directors and transact any other business that may come before the meeting. If, in any year, the election of directors is not held on the day designated for the annual meeting, or at any adjournment of the annual meeting, the Board of Directors shall call a special meeting of the members as soon thereafter as possible to conduct the election of directors.

3.02. Special Meetings

Special meetings of the members may be called by the president, the Board of Directors, or not less than 25 percent of the voting members.

3.03. Place of Meeting

The Board of Directors may designate any place, either within or without the State of Texas, as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. If the Board of Directors does not designate the place of meeting, the meeting shall be held at the place of the BABA monthly show.

3.04. Notice of Meetings

Written or printed notice of any meeting of members, including the annual meeting, shall be delivered to each member entitled to vote at the meeting not less than ten (10) nor more than sixty (60) days before the date of the meeting. The notice shall be in the BABA newsletter and shall state the place, day, and time of the meeting, who called the meeting, and the general purpose or purposes for which the meeting is called. Notice shall be given by or at the direction of the president or secretary of the Corporation, or the officers or persons calling the meeting. If all of the members meet and consent to the holding of a meeting, any corporate action may be taken at the meeting regardless of a lack of proper notice.

The record date for determining the members entitled to vote at a meeting shall be established the last day of the Month preceding the meeting. After a record date is fixed for the notice of a meeting, an alphabetical list of members entitled to vote will be prepared and the list must be available for inspection at the principal office, or other reasonable place in the city in which the meeting will be held, as specified in the meeting notice, during the period from two business days after notice is given until the meeting is held. Any member entitled to vote at the meeting is entitled to access to the list for the purpose of communicating with other members. The member or the member's agent or attorney is entitled to make the inspection on written demand, and to copy the list at a reasonable time and at the member's expense.

3.05. Quorum

The members holding 25 percent of the votes that may be cast at a meeting who attend the meeting in person desired or by proxy shall constitute a quorum at that meeting. The members present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough members leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of members required to constitute a quorum. If a quorum is present at no time during a meeting, a majority of the members present may adjourn and reconvene the meeting one time without further notice.

3.06. Actions of Membership

The membership shall try to act by consensus. However, the vote of a majority of voting members in good standing, present and entitled vote at a meeting at which a quorum is present, shall be sufficient to constitute the act of the membership unless the vote of a greater number is required by law or the bylaws. A member in good standing is one who has paid all required fees and

dues and is not suspended as of the date of the meeting. Voting shall be by controlled by Roberts Rules of Order. Except that any election of directors shall be by ballot if demanded by any voting member at the meeting before the voting begins.

Article 4 **General Affairs of the Corporation**

4.01. Affairs

The affairs of the Corporation shall be managed by the Board of Directors.

4.02. Number, Qualifications, and Tenure of Directors

The number of Directors shall be 12 Directors and all shall be residents of Texas. Directors shall be members of the Corporation. Each director shall serve for a term of two years. The terms of the directors shall be staggered so that the terms of half of the directors shall begin in even numbered years and the terms of half of the directors shall begin in odd-numbered years.

4.03. Nomination of Directors

At any meeting at which the election of a director occurs, a voting member in good standing or director may nominate a person with the second of any other voting member in good standing or director. In addition to nominations made at meetings, a nominating committee shall consider possible nominees and make nominations for each election of directors. The secretary shall include the names nominated by the nomination committee, and any report of the committee, with the notice of the meeting at which the election occurs. The nominating committee shall be chaired by a former president, vice president or director in the event there is no president or vice president who is willing or available to serve.

4.04. Election of Directors

A person who meets any qualification requirements to be a director and who has been duly nominated may be elected as a director. Directors shall be elected by the vote of the membership of the Corporation at the annual meeting of the members. If articles of incorporation authorize members to cumulate votes for directors, members may be permitted to cumulate their votes by giving one candidate as many votes as the number of directors to be elected or by distributing the same number of votes among any number of candidates. Each director shall hold office until a successor is elected and qualified. A director may be elected to succeed himself or herself as director.

4.05. Vacancies

Any vacancy occurring in the Board of Directors, and any director position to be filled due to an increase in the number of directors, shall be filled by the Board of Directors. A vacancy is filled by the affirmative vote of a majority of the remaining directors, even if it is less than a quorum of the Board of Directors, or if it is a sole remaining director. A director elected to fill a vacancy shall be elected for the unexpired term of the predecessor in office.

4.06. Annual Meeting

An annual meeting of the Board of Directors shall be held, with or without notice other than these Bylaws, on the next Tuesday night before the third Saturday of the month following the annual meeting of members as provided in Section 3.01.

4.07. Regular Meeting

The Board of Directors may provide for regular meetings by resolution stating the time and place of such meetings. The meetings may be held either within or without the State of Texas and shall be held at the Corporation's registered office in Texas if the resolution does not specify the location of the meetings. No notice of regular meetings of the Board is required other than a resolution of the Board of Directors stating the time and place of the meetings.

4.08. Special Meetings

Special meetings of the Board of Directors may be called by or at the request of the president or any two directors. A person or persons authorized to call special meetings of the Board of Directors may fix any place within Texas as the place for holding a special meeting. The person or persons calling a special meeting shall notify the secretary of the information required to be included in the notice of the meeting. The secretary shall give notice to the directors as required in the Bylaws.

4.09. Notice

Printed or emailed notice of any special meeting of the Board of Directors shall be delivered to each director not less than five nor more than 30 days before the date of the meeting. The notice shall state the place, day, and time of the meeting, who called the meeting, and the purpose or purposes for which the meeting is called.

4.10. Quorum

Seven directors or a majority of the number of directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. The directors present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough directors leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of directors required to constitute a quorum. If a quorum is present at no time during a meeting, a majority of the directors present may adjourn and reconvene the meeting one time without further notice.

4.11. Duties of Directors

Directors shall discharge their duties, including any duties as committee members, in good faith, with ordinary care, and in a manner they reasonably believe to be in the best interest of the corporation. Ordinary care is care that ordinarily prudent persons in similar positions would exercise under similar circumstances. In the discharge of any duty imposed or power conferred on directors, they may in good faith rely on information, opinions, reports, or statements, including financial statements and other financial data, concerning the corporation or another person that were prepared or presented by a variety of persons, including officers and employees of the corporation, professional advisors or experts such as accountants . A director is not relying in good faith if the director has knowledge concerning a matter in question that renders reliance unwarranted. Directors are not deemed to have the duties of trustees of a trust with respect to the corporation or with respect to any property held or administered by the corporation, including property that may be subject to restrictions imposed by the donor or transferor of the property.

4.12. Duty to Avoid Improper Distributions

Directors who vote for or assent to improper distributions are jointly and severally liable to the corporation for the value of improperly distributed assets, to the extent that debts, obligations, and liabilities of the corporation are not thereafter paid and discharged. Any distribution made when the corporation is insolvent, other than in payment of corporate debts, or any distribution that would render the corporation insolvent is an improper distribution. A distribution made during liquidation without payment and discharge of or provision for all known debts, obligations, and liabilities is also improper. Directors present at a board

meeting at which the improper action is taken are presumed to have assented, unless they dissent in writing. The written dissent must be filed with the secretary before adjournment or mailed to the secretary by registered mail immediately after adjournment. A director is not liable if, in voting for or assenting to a distribution, the director (1) relies in good faith and with ordinary care on information, opinions, reports, or statements, including financial statements and other financial data, prepared or presented by one or more officers or employees of the corporation; legal counsel, public accountants, or other persons as to matters the director reasonably believes are within the person's professional or expert competence; or a committee of the Board of Directors of which the director is not a member; (2) while acting in good faith and with ordinary care, considers the assets of the corporation to be at least that of their book value; or (3) in determining whether the corporation made adequate provision for payment, satisfaction, or discharge of all of its liabilities and obligations, relied in good faith and with ordinary care on financial statements or other information concerning a person who was or became contractually obligated to satisfy or discharge some or all of these liabilities or obligations. Furthermore, directors are protected from liability if, in the exercise of ordinary care, they acted in good faith and in reliance on the written opinion of an attorney for the corporation. Directors who are held liable for an improper distribution are entitled to contribution from persons who accepted or received the improper distributions knowing they were improper. Contribution is in proportion to the amount received by each such person.

4.13. Delegation of Duties

Directors are entitled to select advisors and delegate duties and responsibilities to them, such as the full power and authority to purchase or otherwise acquire stocks, bonds, securities, and other investments on behalf of the corporation; and to sell, transfer, or otherwise dispose of the corporation's assets and properties at a time and for a consideration that the advisor deems appropriate. The directors have no liability for actions taken or omitted by the advisor if the Board of Directors acts in good faith and with ordinary care in selecting the advisor. The Board of Directors may remove or replace the advisor, with or without cause.

4.14. Interested Directors

Contracts or transactions between directors, officers, or members who have a financial interest in the matter are not void or voidable solely for that reason. Nor are they void or voidable solely because the director, officer, or member is present at or participates in the meeting that authorizes the contract or transaction, or solely because the interested party's votes are counted for the purpose. However, the material facts must be disclosed to or known by the

board or other group authorizing the transaction, and adequate approval from disinterested parties must be obtained.

4.15. Actions of Board of Directors

The Board of Directors shall try to act by consensus. However, the vote of a majority of directors present and voting at a meeting at which a quorum is present shall be sufficient to constitute the act of the Board of Directors unless the act of a greater number is required by law or the bylaws. A director who is present at a meeting and abstains from a vote is considered to be present and voting for the purpose of determining the decision of the Board of Directors.

4.16. Ex Officio Members

All former officers and directors of BABA shall be *ex officio* members of the Board of Directors. They may fully participate in Board meetings but shall not be entitled to vote unless duly elected as a Board of Director member.

4.17. Compensation Of Directors

Directors shall not receive salaries for their services. However, the Board of Directors may adopt a resolution providing for payment of expenses to directors for attendance at meetings of the Board of Directors. A director may serve the Corporation in any other capacity and receive compensation for those services. Any compensation that the Corporation pays to a director shall be commensurate with the services performed and reasonable in amount.

4.18. Removal of Directors

The Board of Directors or members may vote to remove a director at any time, with or without or only for good cause. Good cause for removal a director shall include the unexcused failure to attend three consecutive meetings of the Board of Directors. A meeting to consider the removal of a director may be called and noticed following the procedures provided in the bylaws. The notice of the meeting shall state that the issue of possible removal of the director will be on the agenda and the notice shall state the possible cause for removal. The director shall have the right to present evidence at the meeting as to why he or she should not be removed, and the director shall have the right to be represented by an attorney at and before the meeting. At the meeting, the Corporation shall consider possible arrangements for resolving the problems that are in the mutual interest of the Corporation and the director. A director may be removed by the affirmative vote of eight Board of Directors or members.

ARTICLE 5 OFFICERS

5.01. Officer Positions

The officers of the Corporation shall be a president, a secretary, a vice president, a treasurer . The Board of Directors may create additional officer positions, define the authority and duties of each such position, and elect or appoint persons to fill the positions. Any two or more offices may be held by the same person, except the offices of president and secretary.

5.02. Election and Term of Office

The officers of the Corporation shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. If the election of officers is not held at this meeting, the election shall be held as soon thereafter as conveniently possible. Each officer shall hold office until a successor is duly selected and qualified. An officer may be elected to succeed himself or herself in the same office.

5.03. Removal of Officers

Any officer elected or appointed by the Board of Directors or membership may be removed by the Board of Directors or membership only with or without good cause. The removal of an officer shall be without prejudice to the contract rights, if any, of the officer.

5.04. Vacancies on the Board

A vacancy in any office may be filled by the Board of Directors for the unexpired portion of the officer's term.

5.05. President

The president shall be the chief executive officer of the Corporation.

The president shall supervise and control all of the business and affairs of the Corporation. The president shall preside at all meetings of the members and of the Board of Directors. The president may execute any deeds, mortgages, bonds, contracts, or other instruments that the Board of Directors have authorized to be executed. However, the president may not execute instruments on behalf of the Corporation if this power is expressly delegated to another officer or agent of the Corporation by the Board of Directors, the bylaws, or statute. The president shall perform other duties prescribed by the Board of Directors and all duties

incident to the office of president. The President shall appoint all committees with the advice and consent of a majority of the Board of Directors and the President shall be an exofficio member of each committee. All meetings of the Board of Directors and committees shall be conducted according to *Robert's Rules of Order Revised for Deliberative Assemblies, 1915 edition*.

5.06. Vice President

When the president is absent, is unable to act, or refuses to act, a vice president shall perform the duties of the president. When a vice president acts in place of the president, the vice president shall have all the powers of and be subject to all the restrictions upon the president. If there is more than one vice president, the vice presidents shall act in place of the president in the order of the votes received when elected. A vice president shall perform other duties as assigned by the president or board of directors.

5.07. Treasurer

The treasurer shall:

- (a) Have charge and custody of and be responsible for all funds and securities of the Corporation.
- (b) Receive and give receipts for moneys due and payable to the Corporation from any source.
- (c) Deposit all moneys in the name of the Corporation in banks, trust companies, or other depositories as provided in the bylaws or as directed by the Board of Directors or president.
- (d) Write checks and disburse funds to discharge obligations of the Corporation. Funds may not be drawn from the Corporation or its accounts for amounts greater than \$150.00 without the signature of the president or a vice president in addition to the signature of the treasurer.
- (e) Maintain the financial books and records of the Corporation.
- (f) Prepare financial reports at least annually.
- (g) Perform other duties as assigned by the president or by the Board of Directors.
- (h) If required by the Board of Directors, give a bond for the faithful discharge of his or her duties in a sum and with a surety as determined by the Board of Directors.
- (i) Perform all of the duties incident to the office of treasurer.

Secretary

5.08. Secretary

The Secretary shall:

- (a) Give all notices as provided in the bylaws or as required by law.
- (b) Take minutes of the meetings of the members and of the Board of Directors and keep the minutes as part of the corporate records.
- (c) Maintain custody of the corporate records.
- (d) Keep a register of the mailing address of each member, director, officer, and employee of the Corporation.
- (e) Perform duties as assigned by the president or by the Board of Directors.
- (f) Perform all duties incident to the office of secretary.

ARTICLE 6 **COMMITTEES**

6.01. Establishment of Committees

The President shall appoint all committees and The Board of Directors must adopt a resolution consenting to the Presidents appointments. Each committee shall include two or more directors, assigned by the President, and may include persons who are not directors. If the Board of Directors delegates any of its authority to a committee, the majority of the committee shall consist of directors. The Board of Directors may establish qualifications for membership on a committee. The establishment of a committee or the delegation of authority to it shall not relieve the Board of Directors, or any individual director, of any responsibility imposed by the Bylaws or otherwise imposed by law.

No committee shall have the authority of the Board of Directors to:

- (a) Amend the articles of incorporation.
- (b) Adopt a plan of merger or a plan of consolidation with another corporation.
- (c) Authorize the sale, lease, exchange, or mortgage of all or substantially all of the property and assets of the Corporation.
- (d) Authorize the voluntary dissolution of the Corporation.
- (e) Revoke proceedings for the voluntary dissolution of the Corporation.
- (f) Adopt a plan for the distribution of the assets of the Corporation.
- (g) Amend, alter, or repeal the bylaws.
- (h) Elect, appoint, or remove a member of a committee or a director or officer of the Corporation.
- (i) Approve any transaction to which the Corporation is a party and that involves a potential conflict of interest as defined in paragraph 7.04, below.
- (j) Take any action outside the scope of authority delegated to it by the Board of Directors.
- (k) Take final action on a matter that requires the approval of the members.

6.02. Authorization of Specific Committees

There shall be the following committees:

- (a) Membership,
- (b) Communications
- (c) Concessions/Kitchen
- (d) Registration/Hospitality
- (e) Nominating
- (f) Sound Reinforcement
- (g) Stage Show
- (h) Festival
- (I) Special Events
- (i) Facility

The Board of Directors shall define the activities and scope of authority of each committee by resolution. The President and Vice President may be, at their election, a member of any committee.

6.03. Term of Office

Each member of a committee shall continue to serve on the committee until the next annual meeting of the members of the Corporation and until a successor is appointed. However, the term of a committee member may terminate earlier if the committee is terminated, or if the member dies, ceases to qualify, resigns, or is removed as a member. A vacancy on a committee may be filled by an appointment made in the same manner as an original appointment. A person appointed to fill a vacancy on a committee shall serve for the unexpired portion of the terminated committee member's term.

6.04. Co-Chairs and Vice-Chair

The board member on each committee shall be designated as chair of the committee and another member of each committee may be designated by the chairs as the vice-chair. The chair shall call and preside at all meetings of the committee. When a chair is absent, is unable to act, or refuses to act, the vice-chair shall perform the duties of the chair. When a vice-chair acts in place of the chair, the vice-chair shall have all the powers of and be subject to all the restrictions upon the chair.

6.05. Notice of Meetings

Written or printed notice of a committee meeting shall be delivered to each member of a committee not less than seven nor more than 30 days before the date of the meeting. The notice shall state the place, day, and time of the meeting, and the purpose or purposes for which the meeting is called.

6.06. Quorum

One half of the number of members of a committee shall constitute a quorum for the transaction of business at any meeting of the committee. The committee members present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough committee members leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of committee members required to constitute a quorum. If a quorum is present at no time during a meeting, the chair may adjourn and reconvene the meeting one time without further notice.

6.07. Actions of Committees

Committees shall try to take action by consensus. However, the vote of a majority of committee members present and voting at a meeting at which a quorum is present shall be sufficient to constitute the act of the committee unless the act of a greater number is required by law or the bylaws. A committee member who is present at a meeting and abstains from a vote is considered to be present and voting for the purpose of determining the act of the committee.

6.08. Proxies

A committee member may vote by proxy if executed in writing by the committee member. No proxy shall be valid after 11 months from the date of its execution.

6.09. Compensation

Committee members shall not receive salaries for their services. The Board of Directors may adopt a resolution providing for payment of the expenses of committee members for attendance at each meeting of the committee. A committee member may serve the Corporation in any other capacity and receive compensation for those services. Any compensation that the Corporation pays to a committee member shall be commensurate with the services performed and shall be reasonable in amount.

6.10. Rules

Each committee may adopt rules for its own operation not inconsistent with the bylaws, with rules adopted by the Board of Directors, or *Robert's Rules of Order Revised for Deliberative Assemblies, 1915 edition*.

ARTICLE 7
TRANSACTIONS OF THE CORPORATION

7.01. Contracts

The Board of Directors may authorize any officer or agent of the Corporation to enter into a contract or execute and deliver any instrument in the name of and on behalf of the Corporation. This authority may be limited to a specific contract or instrument or it may extend to any number and type of possible contracts and instruments.

7.02. Deposits

All funds of the Corporation shall be deposited to the credit of the Corporation in banks, trust companies, or other depositories that the Board of Directors selects.

7.03. Gifts

The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Corporation. The Board of Directors may make gifts and give charitable contributions that are not prohibited by the bylaws, the articles of incorporation, state law, and any requirements for maintaining the Corporation's federal and state tax status.

7.04. Potential Conflicts of Interest

The Corporation shall not make any loan to a director or officer of the Corporation. A member, director, officer, or committee member of the Corporation may lend money to and otherwise transact business with the Corporation except as otherwise provided by the bylaws, articles of incorporation, and all applicable laws. Such a person transacting business with the Corporation has the same rights and obligations relating to those matters as other persons transacting business with the Corporation. The Corporation shall not borrow money from or otherwise transact business with a member, director, officer, or committee member of the Corporation unless the transaction is described fully in a legally binding instrument and is in the best interests of the Corporation. The Corporation shall not borrow money from or otherwise transact business with a member, director, officer, or committee member of the Corporation without full disclosure of all relevant facts and without the approval of the Board of Directors including the vote of any person having a personal interest in the transaction.

7.05. Prohibited Acts

As long as the Corporation is in existence, and except with the prior approval of the Board of Directors or the members, no member, director, officer, or committee member of the Corporation shall:

- (a) Do any act in violation of the bylaws or a binding obligation of the Corporation.
- (b) Do any act with the intention of harming the Corporation or any of its operations.
- (c) Do any act that would make it impossible or unnecessarily difficult to carry on the intended or ordinary business of the Corporation.
- (d) Receive an improper personal benefit from the operation of the Corporation.
- (e) Use the assets of this Corporation, directly or indirectly, for any purpose other than carrying on the business of this Corporation.
- (f) Wrongfully transfer or dispose of Corporation property, including intangible property such as good will.
- (g) Use the name of the Corporation (or any substantially similar name) or any trademark or trade name adopted by the Corporation, except on behalf of the Corporation in the ordinary course of the Corporation's business.
- (h) Disclose any of the Corporation business practices, trade secrets, or any other information not generally known to the business community to any person not authorized to receive it.

ARTICLE 8 **BOOKS AND RECORDS**

8.01. Required Books and Records

The Corporation shall keep correct and complete books and records of account. The Corporation's books and records shall include:

- (a) A file-endorsed copy of all documents filed with the Texas Secretary of State relating to the Corporation, including, but not limited to, the articles of incorporation, and any articles of amendment, restated articles, articles of merger, articles of consolidation, and statement of change of registered office or registered agent.
- (b) A copy of the bylaws, and any amended versions or amendments to the bylaws.
- (c) Minutes of the proceedings of the members, Board of Directors, and committees having any of the authority of the Board of Directors.
- (d) A list of the names and addresses of the members, directors, officers, and any committee members of the Corporation.
- (e) A financial statement showing the assets, liabilities, and net worth of the Corporation at the end of the three most recent fiscal years.

(f) A financial statement showing the income and expenses of the Corporation for the three most recent fiscal years.

(g) All rulings, letters, and other documents relating to the Corporation's federal, state, and local tax status.

(h) The Corporation's federal, state, and local information or income tax returns for each of the Corporation's three most recent tax years.

8.02. Inspection and Copying

Any member, director, officer, or committee member of the Corporation may inspect and receive copies of all books and records of the Corporation required to be kept by the bylaws. Such a person may inspect or receive copies if the person has a proper purpose related to the person's interest in the Corporation and if the person submits a request in writing. Any person entitled to inspect and copy the Corporation's books and records may do so through his or her attorney or other duly authorized representative. A person entitled to inspect the Corporation's books and records may do so at a reasonable time no later than five working days after the Corporation's receipt of a proper written request. The Board of Directors may establish reasonable fees for copying the Corporation's books and records by members. The fees may cover the cost of materials and labor, but may not exceed \$1.00 per page. The Corporation shall provide requested copies of books or records no later than five working days after the Corporation's receipt of a proper written request.

8.03. Audits

Any member shall have the right to have an audit conducted of the Corporation's books. The member requesting the audit shall bear the expense of the audit unless the members vote to authorize payment of audit expenses. The member requesting the audit may select the accounting firm to conduct the audit.

A member may not exercise these rights to compel audits so as to subject the Corporation to an audit more than once in any fiscal year.

ARTICLE 9 **FISCAL YEAR**

The fiscal year of the Corporation shall begin on the first day of January and end on the last day in December in each year.

ARTICLE 10
INDEMNIFICATION

10.01. When Indemnification is Required, Permitted, and Prohibited

(a) The Corporation shall indemnify a director, officer, committee member, employee, or agent of the Corporation who was, is, or may be named defendant or respondent in any proceeding as a result of his or her actions or omissions within the scope of his or her official capacity in the Corporation. For the purposes of this article, an agent includes one who is or was Serving at the request of the Corporation as a director, officer, partner, venturer, proprietor, trustee, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise. However, the Corporation shall indemnify a person only if he or she acted in good faith and reasonably believed that the conduct was in the Corporation's best interests. In a case of a criminal proceeding, the person may be indemnified only if he or she had no reasonable cause to believe that the conduct was unlawful. The Corporation shall not indemnify a person who is found liable to the Corporation or is found liable to another on the basis of improperly receiving a personal benefit. A person is conclusively considered to have been found liable in relation to any claim, issue, or matter if the person has been adjudged liable by a court of competent jurisdiction and all appeals have been exhausted.

(b) The termination of a proceeding by judgment, order, settlement, conviction, or on a plea of nolo contendere or its equivalent does not necessarily preclude indemnification by the Corporation.

(c) The Corporation shall pay or reimburse expenses incurred by a director, officer, member, committee member, employee, or agent of the Corporation in connection with the person's appearance as a witness or other participation in a proceeding involving or affecting the Corporation when the person is not a named defendant or respondent in the proceeding.

(d) In addition to the situations otherwise described in this paragraph, the Corporation may indemnify a director, officer, member, committee member, employee, or agent of the Corporation to the extent permitted by law. However, the Corporation shall not indemnify any person in any situation in which indemnification is prohibited by the terms of paragraph 10.01(a), above.

(e) Before the final disposition of a proceeding, the Corporation may pay indemnification expenses permitted by the bylaws and authorized by the Corporation. However, the Corporation shall not pay indemnification expenses to a person before the final disposition of a proceeding if: the person is a named

defendant or respondent in an proceeding brought by the Corporation or one or more members; or the person is alleged to have improperly received a personal benefit or committed other willful or intentional misconduct.

(f) If the Corporation may indemnify a person under the bylaws, the person may be indemnified against judgments, penalties, including excise and similar taxes, fines, settlements, and reasonable expenses (including attorney's fees) actually incurred in connection with the proceeding. However, if the proceeding was brought by or on behalf of the Corporation, the indemnification is limited to reasonable expenses actually incurred by the person in connection with the proceeding.

10.02. Procedures Relating to Indemnification Payments

(a) Before the Corporation may pay any indemnification expenses (including attorney's fees), the Corporation shall specifically determine that indemnification is permissible, authorize indemnification, and determine that expenses to be reimbursed are reasonable, except as provided in paragraph 10.02(c), below. The Corporation may make these determinations and decisions by any one of the following procedures:

(i) Majority vote of a quorum consisting of directors who, at the time of the vote, are not named defendants or respondents in the proceeding.

(ii) If such a quorum cannot be obtained, by a majority vote of a committee of the Board of Directors, designated to act in the matter by a majority vote of all directors, consisting solely of two or more directors who at the time of the vote are not named defendants or respondents in the proceeding.

(iii) Determination by special legal counsel selected by the Board of Directors by vote as provided in paragraph 10.02(a)(i) or 10.02(a)(ii), or if such a quorum cannot be obtained and such a committee cannot be established, by a majority vote of all directors.

(iv) Majority vote of members, excluding directors who are named defendants or respondents in the proceeding.

(b) The Corporation shall authorize indemnification and determine that expenses to be reimbursed are reasonable in the same manner that it determines whether indemnification is permissible. If the determination that indemnification is Permissible is made by special legal counsel, authorization of indemnification and determination of reasonableness of expenses shall be made in the manner specified by paragraph 1 0.02(a)(iii), above, governing the selection of special legal counsel. A provision contained in the articles of incorporation, the bylaws, or a resolution of members or the Board of Directors that requires the indemnification permitted by paragraph 10.01, above, constitutes sufficient authorization of indemnification even though the provision may not have been

adopted or authorized in the same manner as the determination that indemnification is permissible.

(c) The Corporation shall pay indemnification expenses before final disposition of a proceeding only after the Corporation determines that the facts then known would not preclude indemnification and the Corporation receives a written affirmation and undertaking from the person to be indemnified. The determination that the facts then known to those making the determination would not preclude indemnification and authorization of payment shall be made in the same manner as a determination that indemnification is permissible under paragraph 10.02(a), above. The person's written affirmation shall state that he or she has met the standard of conduct necessary for indemnification under the bylaws. The written undertaking shall provide for repayment of the amount paid or reimbursed by the Corporation if it is ultimately determined that the person has not met the requirements for indemnification. The undertaking shall be an unlimited general obligation of the person, but it need not be secured and it may be accepted without reference to financial ability to make repayment.

(d) Any indemnification or advance of expenses shall be reported in writing to the members of the Corporation. The report shall be made with or before the notice or waiver of notice of the next membership meeting, or with or before the next submission to members of a consent to action without a meeting. In any case, the report shall be sent within the 12-month period immediately following the date of the indemnification or advance.

ARTICLE 11 **NOTICES**

11.01. Notice by E-Mail, Facsimile, or Mail

Any notice required or permitted by the bylaws to be given to a member, director, officer, or member of a committee of the Corporation may be given by e-mail, facsimile or mail. If mailed, a notice shall be deemed to be delivered when deposited in the United States mail addressed to the person at his or her address as it appears on the records of the Corporation, with postage prepaid. A person may change his or her address by giving written notice to the secretary of the Corporation.

11.02. Signed Waiver of Notice

Whenever any notice is required to be given under the provisions of the Act or under the provisions of the articles of incorporation or the bylaws, a waiver in writing signed by a person entitled to receive a notice shall be

deemed equivalent to the giving of the notice. A waiver of notice shall be effective whether signed before or after the time stated in the notice being waived.

11.03. Waiver of Notice by Attendance

The attendance of a person at a meeting shall constitute a waiver of notice of the meeting unless the person attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE 12 **SPECIAL PROCEDURES CONCERNING MEETINGS**

12.01. Meeting by Telephone

Then members, Board of Directors, and any committee of the Corporation may hold a meeting by telephone conference-call procedures in which all persons participating in the meeting can hear each other. The notice of a meeting by telephone conference must state the fact that the meeting will be held by telephone as well as all other matters required to be included in the notice. Participation of a person in a conference-call meeting constitutes presence of that person at the meeting.

12.02. Decision Without Meeting

Any decision required or permitted to be made at a meeting of the members, Board of Directors, or any committee of the Corporation may be made without a meeting. A decision without a meeting may be made if a written consent to the decision is signed by all of the persons entitled to vote on the matter. The original signed consents shall be placed in the Corporation minute book and kept with the Corporation's records.

12.03. Action By Non-unanimous Written Consent

In accordance with the articles of incorporation, action may be taken by use of signed written consents by the number of members, directors, or committee members whose votes would be necessary to take action at a meeting at which all such persons entitled to vote were present and voted. Each written consent must bear the date of signature of the person signing it. A consent signed by less than all of members, directors, or committee members is not effective to take the intended action unless consents signed by the required

number of persons are delivered to the Corporation within 60 days after the date of the earliest dated consent delivered to the Corporation. Delivery must be made by hand, or by certified or registered mail, return receipt requested. The delivery may be made to the corporation's registered office, registered agent, principal place of business, transfer agent, registrar, exchange agent, or an officer or agent having custody of books in which the relevant proceedings are recorded. If the delivery is made to the Corporation's principal place of business, the consent must be addressed to the president or principal executive officer. The Corporation will give prompt notice of the action taken to persons who do not sign consents. If the action taken requires documents to be filed with the Secretary of state, the filed documents will indicate that the written consent procedures have been followed. An e-mail, facsimile or similar transmission by a member, director, or committee member, or a photographic, facsimile, or similar reproduction of a signed writing, is to be regarded as being signed by the member, director, or committee member.

12.04. Voting by Proxy

A person who is authorized to exercise a proxy may not exercise the proxy unless the proxy is delivered to the officer presiding at the meeting before the business of the meeting begins. The secretary or other person taking the minutes of the meeting shall record in the minutes the name of the person who executed the proxy and the name of the person authorized to exercise the proxy. If a person who has duly executed a proxy personally attends a meeting, the proxy shall not be effective for that meeting. A proxy filed with the secretary or other designated officer shall remain in force and effect until the first of the following occurs:

- (a) An instrument revoking the proxy is delivered to the secretary or other designated officer.
- (b) The proxy authority expires under the terms of the proxy.
- (c) The proxy authority expires under the terms of the Bylaws.

ARTICLE 13 **AMENDMENTS TO BYLAWS**

The bylaws may be altered, amended, or repealed, and new bylaws may be adopted by the Board of Directors or only by the membership or either by the membership or the Board of Directors. The notice of any meeting at which the bylaws are altered, amended, or repealed, or at which new bylaws are adopted shall include the text of the proposed bylaw provisions as well as the text of any existing

provisions proposed to be altered, amended, or repealed. Alternatively, the notice may include a fair summary of those provisions. The following types of bylaw amendments may be adopted only by the members:

- (a) Setting or changing the authorized number of directors.
- (b) Changing from a fixed number to a variable number of directors or vice versa.
- (c) Increasing or extending the terms of directors.
- (d) Increasing the quorum for membership meetings.
- (e) Repealing, restricting, creating, expanding, or otherwise changing the proxy rights of members.
- (f) Authorizing or prohibiting cumulative voting.

ARTICLE 14 **MISCELLANEOUS PROVISIONS**

14.01. Legal Authorities Governing Construction of Bylaws

The bylaws shall be construed in accordance with the laws of the State of Texas. All references in the bylaws to statutes, regulations, or other sources of legal authority shall refer to the authorities cited, or their successors, as they may be amended' from time to time.

14.02. Legal Construction

If any bylaw provision is held to be invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability shall not affect any other provision and the bylaws shall be construed as if the invalid, illegal, or unenforceable provision had not been included in the bylaws.

14.03. Headings

The headings used in the bylaws are used for convenience and shall not be considered in construing the terms of the bylaws.

14.04. Gender

Wherever the context requires, all words in the bylaws in the male gender shall be deemed to include the female or neuter gender, all singular words shall include the plural, and all plural words shall include the singular.

14.05. Seal

The Board of Directors may provide for a corporate seal.

14.06. Execution of Corporation Instruments

A person may execute any instrument related to the Corporation by means of a power of attorney if an original executed copy of the power of attorney is provided to the secretary of the Corporation to be kept with the Corporation records.

14.07. Parties Bound

The bylaws shall be binding upon and inure to the benefit of the members, directors, officers, committee members, employees, and agents of the Corporation and their respective heirs, executors, administrators, legal representatives, successors, and assigns except as otherwise provided in the bylaws.

14.08 Logos and Trademarks

An official logo and trademark of the corporation shall be a seagull rendered in blue sitting on a guitar neck with a guitar pick in its beak against a white sky and a yellow rising sun with three seagull silhouettes in flight to the right of the guitar neck. The Board of Directors shall protect this logo and trademark from infringement and may authorize its use.



Another official logo and trademark of the corporation shall be the term “Bay Area Bluegrass Association” in blue super imposed on the letters BABA. The Board of Directors shall protect this logo and trademark from infringement and may authorize its use.




Other official logos and trademarks of the corporation are the terms “**Fire On The Strings Festival**“, “**Texas State Banjo Championship**“, “**Texas State Flat Picking Championship**“ and “**Texas Junior Bluegrass Competition and Showcase**“. The Board of Directors shall protect these logos and trademarks from infringement and may authorize their use.

ARTICLE 15
WAIVER AND ADOPTION


**15.0 Amendment of the Articles of Association of
Bay Area Bluegrass Association, Inc.**

The undersigned members of the Board of Directors of the Bay Area Bluegrass Association, Inc. hereby waive notice of a special meeting of the Board of Directors to be held on Tuesday March 15, at 7:00 P.M., at Houston, Texas. There being no other members of the association having voting rights, each undersigned director hereby consents to amending the Articles of Association of the Bay Area Bluegrass Association by the replacing them with the above.

BYLAWS
BAY AREA BLUEGRASS ASSOCIATION, INC.
"BABA"



Betty Robertson, President



Chris Bagley, Vice President



Kim Herman, Treasurer



Jimmie Sutor, Secretary



Stan Jones, Director



David Culbertson, Director



Jerry Scribner, Director



Wilbur Huckabay, Director



Owen Huckabay, Director



Larry Cuddy, Director



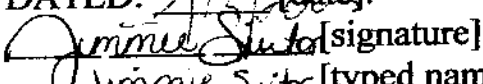
Travis Posey, Director



Charles Orsburn, Director

16.00 CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting secretary of BABA and that the foregoing Bylaws constitute the Bylaws of the Corporation. These Bylaws were duly adopted at a meeting of the Board of Directors held on March 15, 2002 [date].

DATED: 3/15/02 [date].
 [signature]
Jimmie Sutor [typed name]
Secretary of the Corporation