

BY-LAW NO. 1

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

FOREST CITY TAE KWON DO CLUB

BE IT ENACTED AND IT IS HEREBY ENACTED as a by-law of **Forest City Tae Kwon Do Club** (hereinafter called the "Corporation") as follows:

1.

DEFINITION

1. In this by-law and all other by-law of the Corporation, unless the context otherwise specifies or requires:

2. "Act" means the Corporations Act, R.S.O. 1990, C.38, as from time to time amended, and every statute that may be substituted therefor and, in the case of such amendment or substitution, any references in the by-laws of the Corporation shall be read as referring to the amended or substituted provisions therefor;

(a) "Board" means the Board of Directors of the Corporation;

(b) "director" means a member for the time being of the Board;

(c) "by-laws" means this by-law and all other by-laws and special by-laws of the Corporation from time to time in force and effect;

(d) "Corporation" means the club incorporated by Letters Patent under the Act with the name of **Forest City Tae Kwon Club**;

(e) "Letters Patent" means the Letter Patent of the Corporation dated **June 15, 1992** as supplemented from time to time;

(f) words importing the singular member only shall include the plural and vice versa; words importing the masculine gender shall include the feminine and neuter genders; words importing persons shall include bodies corporate, corporations, companies, partnerships, syndicates,, trust and any number or aggregate of persons; and

(g) the headings used in the by-laws are inserted for reference purposes only and are not to be considered or taken into account in construing the terms or provisions thereof or to be deemed in any way to clarify, ratify or explain the effect of any such terms or provisions.

(3) The invalidity or unenforceability of any provision of this by-law shall not affect the validity or enforceability of the remaining provisions of this by-law.

2.

MEMBERSHIP

(1) **Qualification** The Applicants for incorporation shall be the first members. Members from time to time of the **Forest City Tae Kwon Do Club** Board of Management shall be ex officio members of the Corporation otherwise members shall be limited to those persons who are admitted to membership by resolution of the Board.

(2) **Membership Fee** No annual membership fee shall be payable by any member of the Corporation.

(3) **Duration** Subject to the Act, the term of membership of each member shall continue at the pleasure of the Board.

(4) **Resignation from membership** Any member may resign from membership in the Corporation upon notice in writing to the Secretary of the Corporation.

(5) **Bankruptcy** No undischarged bankrupt shall be a member, and if a member becomes a bankrupt, he or she thereupon ceases to be a member.

(6) **Transfer of membership** Memberships are not transferable.

3.

MEETINGS OF MEMBERS

(1) **Annual Meetings** The annual meetings of the members shall be held at any place within Ontario, on such day in each year and at such time as the directors may by resolution determine; provided that the Corporation shall hold an annual meeting of members within six months of the end of each fiscal year of the Corporation. At annual meetings there shall be presented a report of the directors on the affairs of the Corporation for the previous year, a financial statement of the Corporation and the auditor's report thereon as required by the Act, and such other information or reports relating to the Corporation's affairs as the directors may determine.

(2) **Special general meetings** Other meetings of the members (to be known as "special general meetings") may be convened by order of the Chairman of the Board of Directors, the Vice-Chairman of the Board of Directors or by the Board to be held at any date and time and at any place within Ontario.

(3) **Notice** stating the day, hour and place of the meeting and the general nature of the business to be transacted shall be given to each member and to the auditor of the Corporation at least ten days before the date of every meeting, provided always that a meeting of members may be held for any purpose at any date and time and at any place within Ontario without notice if all the members are present in person or represented by proxy at the meeting or if all the absent members entitled to notice of such meeting and the auditor shall have waived notice of such meeting and waiver may be validly given either before or after the meeting to which such waiver relates.

(4) **Proxies** Votes at meetings of members may be given either in person or by proxy.

Every member may by means of proxy appoint a person, who need not be a member, as his nominee to attend and act at the meeting in the manner, to the extent and with the power conferred by the proxy. An instrument appointing a proxy shall be in writing and executed by the member.

An instrument appointing a proxy may be filled in the following form or in any other form which complies with the requirements of the Act:

The undersigned member of **Forest City Tae Kwon Do Club** hereby appoint
of _____
as nominee of the undersigned to attend and act for and on behalf of the undersigned at the meeting of the members of the said Corporation to be held on _____, 19____, and at any adjournment thereof in the same manner, to the same extent and with the same power as if the undersigned were personally present at the said meeting or such adjournment thereof.

DATED _____, 19____.

(signature of member)

(5) **Voting** Every question submitted to any meeting of members shall be decided in the first instance by a majority of the votes given on a show of hands and in case of an equality of votes the chairman shall have a second or casting vote in addition to the vote to which he or she is entitled as a member.

At any meeting unless a poll is demanded a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without the proof of the number or proportion of votes recorded in favour of or against the motion.

(6) **Chairman** In the absence of the Chairman of the Board of Directors, and vice-Chairman, the members present shall choose another director as chairman.

(7) **Polls** If a poll is demanded it shall be taken in such manner and either at once or after adjournment as the chairman directs. The result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. A demand for a poll may be withdrawn.

(8) **Adjournments** The chairman may with the consent of any meeting adjourn the

same from time to time to a fixed time and place and no notice of the time and place for the holding of an adjourned meeting need be given to the members. Any business may be brought

before or dealt with at any adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling same.

(9) **Quorum** At any meeting of members, two members present in person and being or representing by proxy not less than fifty per cent of the members shall form a quorum for the transaction of any business.

4. **DIRECTORS**

(1) **Numbers and powers** The affairs of the Corporation shall be managed by a Board of Three (3) directors.

The Board may exercise all such powers and do all such acts and things as may be exercised or done by the Corporation and are required by the by-laws of any special resolution of the Corporation or by statute expressly directed or required to be done by the Corporation at a general meeting of the members. Each director shall have one vote on all issues which come before the Board of Directors to be voted upon. The chairman of the Board of Directors shall not have a second or casting vote in addition to the vote that he shall have as a director.

(2) **Qualifications of directors** Every director shall be eighteen or more years of age and shall be a member of the Corporation; provided that a person may be a director of the Corporation and only if he or she becomes a member of the Corporation within ten days after his or her election or appointment as a director, but, if he or she fails to become a member within ten such days, he or she thereupon ceases to be a director and shall not be re-elected or reappointed unless he or she is a member of the Corporation. No undischarged bankrupt shall be a director, and, if a director becomes a bankrupt he or she thereupon ceases to be a director.

(3) **Election** Directors shall be elected by the members in a general meeting on a show of hands unless a poll is demanded and if a poll is demanded such election shall be by ballot.

From time to time in the event of any vacancy however caused occurring in the Board of Directors (except through an increase in the number of directors), such vacancy may, as long as there is a quorum of directors then in office, be filled by the directors from among the qualified candidates if they shall see fit to do so; otherwise such vacancy shall be filled at the next annual meeting of the members, and any director appointed or elected to fill any such vacancy shall hold office for the unexpired term of the director who ceased to be a director and

who caused such vacancy.

- (4) **Vacation of office** The office of a director of the Corporation shall be vacated:
- (a) if he becomes a bankrupt or a receiving order is made against him or he makes an assignment under the Bankruptcy Act (Canada);
 - (b) if an order is made declaring him to be a mentally incompetent person or incapable of handling his own affairs;
 - (c) if he is convicted of any criminal offence;
 - (d) if by notice in writing to the Secretary of the Corporation he resigns his office and such resignation, if not effect immediately, becomes effective in accordance with its terms; or
 - (e) if he ceases to be a member.

No director shall vacate his office because he or she is concerned with or participates in the profits of any contract or work with the Corporation, but he or she shall not vote in respect to such contract or work, and shall indicate possible conflicts of interest at all times.

(5) **Term of Office** The whole Board of Directors shall be elected at each annual meeting and shall hold office until the next annual meeting but if a new Board is not elected thereat the directors then in office shall continue in office until their successors are duly elected.

(6) **Removal of directors** The members of the Corporation may, by resolution passed by at least two-thirds of the votes cast at a special general meeting of which notice specifying the intention to pass such resolution has been given, remove any director before the expiration of his or her term of office and may, by a majority of the votes cast at such meeting, elect any person in his or her stead for the remainder of his or her term.

(7) **Remuneration of directors** The directors shall serve without remuneration and no director shall directly or indirectly receive any profit from his position as such, provided that a director may, at the discretion of the Board of Directors, be paid reasonable expenses incurred by him in the performance of his duties or receive reasonable remuneration and expenses for his services to the Corporation in any other capacity.

5.

MEETINGS OF DIRECTORS

(1) **Place of Meetings** Meeting of the Board may be held either at the head office of the Corporation or at any other place within Ontario.

(2) **Notice** A meeting of directors may be convened at any time by the Chairman of the Board of Directors, or any two directors. The directors may from time to time by resolution determine to hold regular meetings of the directors and shall by resolution fix the dates, times and place of such regular meetings; so long as any such resolution is in effect the Secretary of the Corporation shall call such regular meetings by notice given in the manner hereinafter referred to.

Notice of any meeting of directors stating the day, hour and place of the meeting shall be given to each director at least three business days before the meeting is to take place; provided always that meetings of the Board may be held at any time without formal notice if all the directors are present or those absent have waived notice or have signified their consent in writing to the meeting being held in their absence. Notice of any meeting or any irregularity in any meeting or in the notice thereof may be waived by any director and such waiver may be validly given either before or after the meeting to which such waiver relates.

For the first meeting of the Board to be held immediately following the election of directors at an annual or special general meeting of the members or for a meeting of the Board at which a director is appointed to fill a vacancy in the Board, no notice of such meeting shall be necessary to the newly elected or appointed director or directors in order for the meeting to be duly constituted, provided that a quorum of directors is present.

(3) **Quorum** The majority of the directors shall form a quorum for the transaction of business by the Board.

6. **SUBMISSION OF CONTRACTS OF
TRANSACTIONS TO MEMBERS FOR APPROVAL**

(1) The Board in its discretion may submit any contract, act or transaction for approval for ratification at any annual meeting of the members or at any special general meeting of the members called for the purpose of considering the same and any contract, act or transaction that shall be approved or ratified by a resolution passed by a majority of the vote cast at any such meeting (unless any different or additional requirement is imposed by the Act) shall be valid and as binding upon the Corporation and upon all members as if it had been approved or ratified by every member of the Corporation.

7. **INDEMNITIES TO DIRECTORS AND OTHERS**

(1) Every director or officer of the Corporation or other person who has undertaken or is about to undertake any liability on behalf of the Corporation and their heirs, executors and administrators, and estate and effects, respectively, shall from time to time and at all times, be indemnified and saved harmless, out of the funds of the Corporation, from and against:

- (a) all costs, charge and expenses whatsoever which such director, officer or other person sustains or incurs in or about any action, suit or proceeding

which is brought, commenced or prosecuted against him for or in respect of any act, deed, matter or thing whatsoever made, done or permitted by him or her in or about the execution of the duties of his or her office or in respect of any such liability; and

- (b) all other costs, charges and expenses which he or she sustains or incurs in or about or in relation to the affairs thereof, except such costs, charges or expenses as are occasioned by his or her own wilful neglect or default.

8.

OFFICERS

(1) **Election and appointment** The Board of Directors shall annually or more often as may be required elect a President and Chairman of the Board of Directors, may elect a Vice-Chairman of the Board of Directors, and shall appoint a Secretary and a Treasurer. None of the said officers except the President and Chairman of the Board of Directors, the Vice-Chairman of the Board of Directors need be members of the Board. All the officers must be members of the Corporation in good standing. The offices of Secretary and Treasurer may be held by the same person who may be need not be known as the Secretary-Treasurer. The directors may appoint such other officers and agents as they shall deem necessary who shall have such authority and shall perform such duties as may from time to time be prescribed by the Board.

(2) **Remuneration and removal of officers** The directors may fix the remuneration (if any) to be paid to the officers of the Corporation. All officers in the absence of agreement to the contrary shall be subject to removal by resolution of the Board at any time with or without cause.

(3) **Delegation of duties of officers** In case of the absence or inability to act of any officer of the Corporation or for any other reason that the directors may deem sufficient, the directors may delegate all or any of the powers of such officer to any other officer or to any director for the time being.

(4) **President and Chairman of the Board of Directors** The President and Chairman of the Board of Directors shall, when present, preside at all meetings of the Board and members of the Corporation. He shall possess and may exercise such powers and shall perform such duties as may from time to time be assigned to him by the Board.

(5) **Vice-Chairman of the Board of Directors** The Vice-Chairman of the Board of Directors, if any, shall be vested with all the powers and shall perform all duties of the Chairman of the Board of Directors in the absence or inability or refusal to act of the Chairman of the Board of Directors. The Vice-Chairman of the Board of Directors shall possess and may exercise such other powers and duties as may from time to time be assigned to him by the Board.

(6) **Administrator** The directors may appoint an Administrator and may delegate to

such Administrator such power and authority to manage and direct the business and affairs of the Corporation (except such matters and duties as by law must be in general meeting) and to employ and discharge agents and employees of the Corporation as the Board considers desirable. The Administrator shall conform to all lawful orders given to the Administrator by the Board and shall at all reasonable times give to an officer of the Corporation and to the Board all information such officer of the Board may require regarding the affairs of the Corporation.

(7) **Secretary** The directors shall appoint a Secretary of the Corporation who shall be responsible to the Administrator and who shall when present, act as secretary of all meetings of the Board and members, and shall have charge of the minute books of the Corporation and the documents and registers referred to in the Act. He or she shall perform all duties incident to his office or that are probably required of him by the Board.

(8) **Treasurer** The Treasurer shall appoint a Secretary of the Corporation who shall be responsible to the Administrator and shall have the care and custody of all funds and securities of the Corporation and shall deposit the same in the name of the Corporation in such bank or banks or with such depository or depositories as the Board may direct. He or she shall keep or cause to be kept the books of account and accounting records required by the Act. He shall perform all duties incident to his office or that are properly required by him by the Board. He may be required to give such bonds for the faithful performance of his duties as the Board in their uncontrolled discretion may require but no director shall be liable for the failure to require any bond or for the insufficiency of any bond or for any loss by reason of failure of the Corporation to receive any indemnity thereby provided.

(9) **Vacancies** If the Office of any officer of the Corporation shall be or become vacant for any reason the directors may fill such vacancy.

9.

COMMITTEES

(1) The Board may from time to time constitute and dissolve such committees as it deems advisable.

10.

VOTING SHARES AND SECURITIES IN OTHER COMPANIES

(1) All of the shares of other securities carrying voting rights of any other company or corporation held from time to time by the Corporation may be voted at any and all meetings of shareholders, bondholders, debenture holders or holders of other securities (as the case may be) of such other company or corporation and in such manner and by such person or persons as the Board may from time to time determine.

The persons authorized in or pursuant to the Section 16 hereof may also from time to time execute and deliver for and on behalf of the Corporation proxies and/or arrange for the issuance of voting certificates and/or other evidence of the right to vote in such name or names

as they may determine without the necessity of a resolution or other action by the Board.

11.

NOTICES

(1) **Service** Any notice to be given to any member, director or auditor shall be served either personally or by sending it through the post in a prepaid envelope or by telegram or cablegram to such member, director or auditor addressed to him at his address as the same appears in the books of the Corporation or, if no address be given therein, then addressed to the last address of such member, director or auditor known to the Secretary of the Corporation. With respect to every notice sent by post it shall be sufficient to prove that the envelope containing the notice was properly addressed and put in a post office or into a post office box.

(2) **Signature to notices** The signature to any notice may be written, stamped, typewritten or printed or partly written, stamped, typewritten or printed.

(3) **Computation of time** Where a given number of days' notice or notice extending over any period is required to be given, the day of service or posting of the notice shall not be counted in such number of days or the period by the day for which notice is given shall be so counted.

Where the term "business days" is used in this by-law it shall mean Mondays, Tuesdays, Wednesdays, Thursdays and Fridays except where such days fall on statutory holidays.

(4) **Proof of service** A certificate of the Chairman of the Board of Directors, the Vice-Chairman of the Board of Directors and the Secretary of the Corporation or of any other officer of the Corporation in office at the time of the making of the certificate as to facts in relation to the mailing or delivery of any notice to any member, director, officer or auditor or publication of any notice shall be conclusive evidence thereof and shall be binding on every member, director, officer or auditor or the Corporation, as the case may be.

12.

CHEQUES, DRAFTS, NOTES, ETC.

(1) All cheques, drafts, or orders for the payment of money and all notes and acceptances and bills of exchange shall be signed by such officer or officers or person or persons, whether or not officers of the Corporation, and in such manner as the Board may from time to time designate by resolution.

13.

HEAD OFFICE

(1) The directors may from time to time by resolution fix the location of the head office of the Corporation within the place in Ontario designated as such by the Corporations' Letters Patent or by special resolution of the Corporation.

14.

SEAL

(1) The seal, an impression whereof as stamped in the margin hereof, shall be the seal of the Corporation.

15.

CUSTODY OF SECURITIES

(1) All shares and securities owned by the Corporation shall be lodged (in the name of the Corporation) with a chartered Bank or trust company or in a safety deposit box or, if so authorized by resolution of the Board, with such other depositories or in such manner as may be determined from time to time by the Board.

All share certificates, bonds, debentures, notes or other obligations belonging to the Corporation may be issued or held in the name of a nominee or nominees of the Corporation (and if issued or held in the names of more than one nominee shall be held in the names of the nominees jointly with the right of survivorship) and shall be endorsed in blank with endorsement guaranteed in order to enable transfer thereof to be completed and registration thereof to be effected.

16.

EXECUTION OF CONTRACTS, ETC.

(1) Contracts, documents or instruments in writing requiring the signature of the Corporation may be signed, by any two of the Chairman of the Board of Directors, the Vice-Chairman of the Board of Directors, the Executive Director, the Administrator, the Secretary and the Treasurer or any director together with the Chairman of the Board of Directors, the Vice-Chairman of the Board of Directors, the Executive Director, the Administrator, the Secretary, or the Treasurer, and all contracts, documents or instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The Board is authorized from time to time by resolution to appoint any officer or officers or any person or persons on behalf of the Corporation either to sign contracts, documents or instruments in writing generally or to sign specific contracts, documents or instruments in writing.

The seal of the Corporation may when required be affixed to contracts, documents or instruments in writing signed as aforesaid or by any officer or officers, person or persons, appointed as aforesaid by resolution of the Board.

The term "contracts, documents or instruments in writing" as used herein shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property, real or personal, immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances transfers and assignments of shares, bonds, debentures or other security and all paper writings.

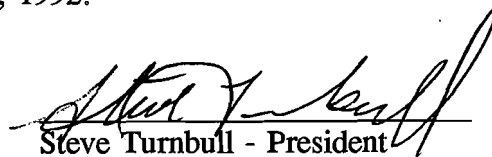
In particular, without limiting the generality of the foregoing, (a) any two of the Chairman of the Board of Directors, the Vice-Chairman of the Board of Directors, the Executive Director, the Secretary and the Treasurer, or (b) any two directors are authorized to sell, assign,

transfer, exchange, convert or convey any and all shares, bonds, debentures, rights, warrants or other securities owned by or registered in the name of the Corporation and to sign and execute (under the corporate seal of the Corporation or otherwise) all assignments, transfers, conveyances, powers of attorney and other instruments that may be necessary for the purpose of selling, assigning, transferring exchanging converting or conveying any such shares, bonds, debentures, rights, warrants or other securities.


17. FISCAL YEAR

(1) The fiscal year of the Corporation shall continue to terminate on the 31st day of December in each year or on such other date as the directors may from time to time by resolution determine.

Enacted the 23rd day of October , 1992.



Steve Turnbull - President
and Administrator




Ashley Hennessy -
Secretary/Treasurer


Approved by the all of the directors of the Corporation this 23rd day of October , 1992.



Linda Petkovic




Ashley Hennessy

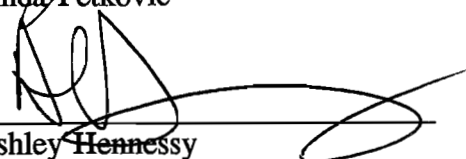


Douglas Gagel

Approved by all of the members of the Corporation this 23rd day of October, 1992.



Linda Petkovic



Ashley Hennessy



Douglas Gagel

FOREST CITY TAE KWON DO CLUB
BY-LAW NO. 2

A by-law respecting the borrowing of money be **Forest City Tae Kwon Do Club** BE ENACTED AND IT IS HEREBY ENACTED as a by-law of the **Forest City Tae Kwon Do Club** (hereinafter called the "Corporation") as follows:

1. The directors may from time to time
 - (a) borrow money on the credit of the Corporation;
 - (b) issue, sell or pledge security of the Corporation;
 - (c) charge, mortgage, hypothecate or pledge all or any of the real or personal property of the Corporation, present and future, including book debts and unpaid calls, rights, powers, franchises and undertaking, to secure any securities or any money borrowed, or other debt, or any other obligation or liability of the Corporation.

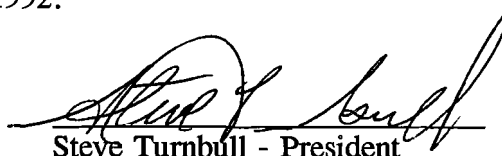
The word "securities" as used in this paragraph means bonds, debentures, or other like liabilities of the Corporation whether constituting a charge on the property of the Corporation or not.

2. The directors may from time to time authorize any director or directors, officers or officers, employee of the Corporation or other person or persons, whether connected with the Corporation or not, 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 of the securities to be given thereof, with power to vary or modify such arrangements, terms and conditions and to give such additional securities for any money borrowed or remaining due by the Corporation as the directors of the Corporation may authorize and generally to manage, transact and settle the borrowing of money by the Corporation.

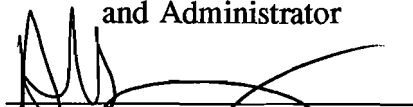
3. The directors may from time to time authorize any director or directors, officer or officers, employee of the Corporation or other person or persons, whether connected with the Corporation or not, to sign, execute and give on behalf of the Corporation all documents, agreements and promises necessary or desirable for the purposes aforesaid and to draw, make, accept, endorse, execute and issue cheques, promissory notes, bills of exchange, bills of lading and other negotiable or transferable instruments and the same and all renewals thereof or substitutions thereof so signed shall be binding upon the Corporation.

4. The powers hereby conferred shall be deemed to be in supplement of and not in substitution for any powers to borrow money for the purposes of the Corporation possessed by its directors or officers independently of a borrowing by-law.

Enacted the 23rd day of October, 1992.



Steve Turnbull - President
and Administrator



Ashley Hennessy -
Secretary/Treasurer

Approved by the all of the directors of the Corporation this 23rd day of October, 1992.



Linda Petkovic



Ashley Hennessy



Douglas Gagel

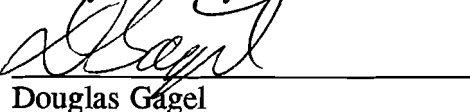
Approved by all of the members of the Corporation this 23rd day of October, 1992.



Linda Petkovic



Ashley Hennessy



Douglas Gagel