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May 21, 2014

BY BAILIFF

La Guilde des musiciens et musiciennes du Québec C/O Mr. Luc Fortin, President 505, Blvd. René-Lévesque West Suite 900 Montreal (Quebec) H2Z 1Y7

Object: Demand letter

Dear Sirs,

The undersigned represent the American Federation of Musicians of the United States and Canada (hereinafter AFM).

La Guilde des musiciens et musiciennes du Quebec (hereinafter "La Guilde") is, since 1905, a chartered Local of the AFM, its jurisdiction being the Province of Quebec.

As an AFM Local, La Guilde is bound to comply with, observe and conform to all provisions of the AFM Bylaws, Standing Orders, Standing or Special Resolutions and directions of the AFM Convention or any order or direction of the International Executive Board (IEB), or IEB subcommittee and any duly authorized AFM Officer. Even in the event that the appropriate recognition is absent from La Guilde's Bylaws, Article 5, Section 1(a) of the AFM Bylaws provides that Local Bylaws are subject and subordinate to the AFM Bylaws.

After many discussions and exchanges and notwithstanding the AFM's openness, good faith and the assistance it has always provided you, La Guilde has indicated it will proceed with a Referendum June 2nd to June 8th, asking the members to disaffiliate from the AFM. The decision to hold a Referendum was moved during the December 19, 2013 General Meeting and the formal Notice sent on May 15, 2014. Furthermore, the recent correspondence you sent to my client and the content of your website clearly demonstrates that La Guilde has no intention of negotiating further with the AFM and will hold the Referendum in any event, even though the AFM continues to campaign

strenuously against disaffiliation as it is not in the best interests of any Guilde or AFM's members in Canada, and is contrary to the statutes.

In the event that La Guilde would go ahead with said Referendum, it is evident that it should be executed in strict accordance with its own Bylaws and AFM's Bylaws. To that effect and because of the content of article 54a) and 54b) of your Regulations, this Referendum can only be consultative and not decisive. Moreover, Article 3 of La Guilde Bylaws stipulates, that La Guilde is a chartered Local of the AFM and identified as "Local 406" of this Federation. Hence, any disaffiliation attempt will require amendments to your Bylaws, which can only be made, with proper notice, during a General Assembly.

Therefore, be formally advised that it is the AFM's obligation and intention to vigorously enforce all of its rights and in particular the following:

- 1. AFM will scrutinize and participate in every aspect leading to the Referendum and its realisation and will insist on strict compliance with Local and AFM Bylaws;
- 2. By virtue of your own Bylaws, La Guilde may consult its members on any question deemed of interest and to hold, for this reason, a Referendum. As mentioned above, it is clear that this Referendum is only a consultative process and not a decisional one and that to attain the anticipated disaffiliation, La Guilde will have to amend its own Bylaws. Such a modification will require a two-third majority, pursuant to La Guilde Bylaws;
- 3. Should the necessary two-thirds majority be achieved, La Guilde will have to obtain IEB's approval according to Article 4, Section 14(a) of AFM's Bylaws.
 - Such result would immediately trigger the provisions of Article 4, Section 14(b) of AFM Bylaws which requires that La Guilde turn over all records, funds, assets and properties to the International President or his representative. This includes, but is not limited to, all members' records, files, databases, bank accounts, equipment etc. This provision will be enforced strictly and further legal action will be taken if there is an attempt to distribute, hide or dissipate any part of the funds, assets or properties in anticipation of, or after, disaffiliation.
- 4. AFM will call back its loan to La Guilde, requiring immediate payment in full.
- 5. AFM will expect a complete accounting of all La Guilde's assets, properties and possessions.
- 6. AFM will expect a complete accounting and payment of all dues, special dues including, but not limited to, per capita owed by La Guilde for the ongoing year.

Finally, AFM will seek all costs and expenses incurred in this process and will not hesitate to institute legal proceedings should La Guilde or its administrators fail to strictly adhere to the obligations set forth in the Bylaws.

We therefore advise you that if it is La Guilde's intention to represent to its members that the Referendum's result of June 2 to June 8, would have a decisional or definitive effect, having La Guilde's disaffiliation as a consequence, our client gave us instructions to institute all recourses to have the Bylaws and statutes respected and in particular to place La Guilde in Trusteeship according to Article 5 Section 70 of AFM Bylaws, without further notice or delay.

Please govern yourselves accordingly,

CASAVANT MERCIER

Christine Baudouin

CB/