

BYLAWS OF THE SOUTH BAY MUSICAL THEATRE
A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION

ARTICLE I: PRINCIPAL OFFICE

The principal office of the Corporation for the transaction of its business is located in Santa Clara County, California.

ARTICLE II: PURPOSE

A. To present musical theatre entertainment for the community's enjoyment.

B. To encourage the active participation of the community in theatrical productions, both on and off stage.

C. To provide an environment where individuals can develop their skills and talents in all areas related to the Corporation's theatrical productions.

ARTICLE III: MEMBERS

Section 1: Membership Requirements

In consultation with the general membership, the Board of Directors shall create and maintain a Membership Requirements document to define the Corporation's membership requirements. This document, and any changes to it, shall be communicated to members and pending members (i.e., those in the process of earning their membership) of the Corporation.

Section 2: Number of Members

There is no limit to the number of members the Corporation may admit.

Section 3: Membership Records

The Corporation shall keep a record of the membership. Any member or pending member shall be able to review his or her membership status upon request.

Section 4: Non-liability of Members

A member of this Corporation is not, as such, personally liable for the debts, liabilities, or obligations of the Corporation.

Section 5: Non-transferability of Membership

No member may transfer for value a membership or any right arising therefrom.

Section 6: Corporation Records

The financial reports and minutes of the Corporation shall be available for inspection by any member upon request.

ARTICLE IV: MEETINGS OF THE MEMBERSHIP

Section 1: Meeting Frequency and Notification

Membership meetings shall be held at a time to be determined by the Board. A minimum of two (2) membership meetings shall be held annually. Notification of membership meetings shall be sent to all members and pending members at least 21 days prior to such meetings.

Section 2: Quorum

A quorum for any meeting shall consist of one third (33.3%) of the membership of record as of the date of the meeting notice.

Section 3: Meeting Rules of Conduct

All meetings shall be conducted in accordance with the Corporation's Rules of Meeting Conduct, which shall be written and maintained by the Board of Directors.

ARTICLE V: BOARD OF DIRECTORS

Section 1: Number and Length of Terms

- A. The Board of Directors shall consist of twelve (12) members.
- B. Board members shall hold two-year terms, which shall expire on a staggered basis of six per year.
- C. Three (3) Board members shall be elected annually by the Board and approved by majority vote of the general membership, and three (3) Board members shall be elected annually by vote of the general membership.
- D. In the event that a vacancy (by resignation, death, or other cause) cannot reasonably be filled, the board may operate with a minimum of nine (9) members until the next annual elections.

Section 2: Powers

Subject to the provisions of the California Nonprofit Public Benefit Corporation Law, and any limitation in the Articles of Incorporation and Bylaws relating to action required or permitted to be taken or approved by the members of this Corporation, the activities and affairs of this Corporation shall be conducted and all Corporate powers shall be exercised by or under the direction of the Board of Directors.

Section 3: Duties

It shall be the duty of the Board of Directors to:

- A. Perform any and all duties imposed on them collectively or individually by law, by the Articles of Incorporation of this Corporation, or by these Bylaws.
- B. Appoint and remove, except as otherwise provided in these Bylaws, prescribe the duties and fix any compensation of all agents of the Corporation.
- C. Supervise all officers and agents of the Corporation.

Section 4: Term Limits

The maximum number of years of service are six (6) continuous years in office. After six consecutive years, a one-year hiatus will be required before attempting to be re-elected to

the Board. In order to be considered a Board member, a candidate must be eligible to serve the full length of that position's term without exceeding the six consecutive-year limit.

Section 5: Compensation

Board members shall serve without compensation. Board members may not be compensated for rendering services to the Corporation in any capacity other than Board member unless such compensation is reasonable and allowable under Section 6 of this Article.

Section 6: Interested Persons

Notwithstanding any other provisions of these Bylaws, not more than forty-nine percent (49%) of the persons serving on the Board of Directors may be "interested persons." For purposes of this section, "interested persons" means:

- A. Any person currently being compensated by the Corporation for services rendered to it within the previous twelve (12) months; or,
- B. Any person defined as an interested person under California Corporation Code for Nonprofit Corporations.

Section 7: Conflict of Interest

A Board member shall recuse himself or herself for the duration of the deliberation and vote when:

- A. That Board member, or a Board member who is an interested person in relation to that Board member, is being considered for a compensated position, or a seat on the Board of Directors, that is being decided by the Board, or
- B. A motion has been made pertaining to the office duties of that Board member or an interested person in relation to that Board member. In such case, the member shall have the opportunity to address the Board regarding the motion, but may not participate in the final deliberation and vote.

Section 8: Regular Meetings

Regular meetings of the Board of Directors shall be held at least ten (10) times per year and are open to the members, except for the portion of the meeting that may be declared by the Board as executive session.

Section 9: Quorum for Meetings

A quorum shall consist of any seven (7) Board members or 55% of the Board membership, whichever is less.

Section 10: Vacancies

A. Vacancies on the Board of Directors shall exist:

1. On the death, resignation, or removal of any Board member.
2. Upon the failure of the Board, at any meeting at which a Board member or Board members are to be elected, to elect the full, authorized number of Board members.

B. A vacancy on the Board of Directors shall be filled for the remainder of the term by:

1. An election by the general membership, where the vacancy is for a member-elected Board member.
2. An election by the Board, where the vacancy is for a Board-elected Board member.
3. An election by the Board, where the vacancy is for a member-elected Board member, but there are no available candidates.

Section 11: Non-liability of Board of Directors

Board members shall not be personally liable for the debts, liabilities, or other obligations of the Corporation.

Section 12: Board Member Nomination, Election, and Requirements

A. The Board shall create and maintain a written Nomination and Election policy for Board membership. This document, and any changes to it, shall be communicated to members of the Corporation.

B. The Board shall create and maintain a written document of SBMT Board Member Requirements. This document, and any changes to it, shall be communicated to members of the Corporation. Each new Board member shall sign a written acceptance of the SBMT Board Member Requirements upon taking office.

Section 13: Removal of Board Members

A. In compliance with California Corporations Code for Nonprofit Corporations, the membership shall have the power to remove any Board member without cause by a majority vote of the members present at a meeting where a quorum is present. The originator of a motion to remove a Board member must notify the Board chairperson at least 30 days prior to the general meeting at which the vote is to take place. The Board will, in turn, notify the membership at least 21 days in advance of any such meeting that a vote on such motion is on the agenda.

B. The Board may, by a 2/3 vote of the Board members who meet all of the required qualifications to be a Board member set forth in the SBMT Board Member Requirements document, declare vacant the office of any Board member who fails or ceases to meet any required qualification that was in effect at the beginning of that Board member's current term of office.

ARTICLE VI: OFFICERS

Section 1: Number of Officers

The officers of the Corporation shall be Chairperson, Vice-chairperson, Secretary, and Chief Financial Officer. Other officers may be elected as desired by the Board to meet the needs of the Corporation.

Section 2: Term and Election of Officers

All officers shall be elected annually by the Board. The Board, by majority vote, may remove any officer from his or her officer position.

Section 3: Duties of the Chairperson

The Chairperson of the Board shall preside at all membership meetings and Board of Directors meetings. The Chairperson shall coordinate and promote all plans and policies affecting the Corporation.

Section 4: Duties of the Vice-Chairperson

The Vice-Chairperson shall assist the Chairperson and shall perform all duties of the office in the absence of the Chairperson.

Section 5: Duties of the Secretary

The Secretary shall have overall responsibility for:

- A. the recording and distribution of the minutes of the membership meetings and Board of Directors meetings;
- B. the custodianship of the Corporate records, bylaws, policies, and procedures; and
- C. the keeping of membership records.

Section 6: Duties of the Chief Financial Officer

The Chief Financial Officer shall have overall responsibility for:

- A. the financial management of the Corporation, including the receipts, deposits, and disbursements of all funds;
- B. all tax and other government filings;
- C. the development and submittal to the Board of an annual Corporation budget;
- D. the preparation of a report of the financial condition of the Corporation, which shall be submitted to the Board of Directors at each monthly meeting; and
- E. the submittal of a complete annual financial report at the end of the budget year.

ARTICLE VII: COMMITTEES

The Board of Directors may, at its discretion, establish, appoint, or dissolve committees by resolution. The Board shall clearly delineate the scope and charter of each committee, which may be of two types:

- A. An advisory committee, which shall act strictly in an advisory capacity to the Board. An advisory committee may be composed of any individuals the Board chooses.
- B. A committee with Board authority, which shall be empowered by the Board to exercise specific authority delegated by the Board in its resolution to form the committee. A committee with Board authority shall contain at least three Board members, plus any other individuals the Board chooses.

ARTICLE VIII: FINANCIAL MANAGEMENT AND CONTROLS

Section 1: Financial Stewardship

The Board of Directors shall be responsible for ensuring the long-term financial health of the Corporation, including the maintenance of such cash reserves as are deemed necessary for covering risks and reasonable business variability. The Board of Directors shall authorize the annual budget submitted by the Chief Financial Officer (as specified in Article VI, Section 7 above) in accordance with its responsibility for financial stewardship.

Section 2: Financial controls

The Board shall be responsible for overseeing that the Chief Financial Officer maintains financial control processes that ensure that all records and tax filings are timely and accurate. The Board may institute any financial reviews or audits that it deems necessary for the assurance of financial integrity.

ARTICLE IX: MANAGEMENT AND AMENDMENT OF BYLAWS

Section 1: Bylaws Advisory Committee

The Board shall maintain a standing bylaws advisory committee to:

- A. Periodically review the Corporation's bylaws, and any proposed bylaws changes, to ensure that they are clear, non-contradictory, in concert with the Corporation's business practices, and in compliance with all applicable laws,
- B. Make recommendations to the Board for bylaws improvements as needed, and
- C. Make recommendations to the originator of each proposed bylaws amendment to ensure that any such amendment adheres to the principles in item (1.) above.

Section 2: Amendment Process

- A. Any voting member, or the Board as a whole, may propose a bylaws amendment.
- B. Each bylaws amendment must be submitted to the bylaws advisory committee for review. The committee will provide recommendations to the originator of the amendment within 30 days of submittal.
- C. The originator may accept or reject any recommendations of the committee, changing language as he or she sees fit in order to create a final version of the amendment.
- D. The originator shall submit the final version of the amendment to the Board, who will communicate the proposed amendment to the membership at least 30 days prior to the next regular general membership meeting.
- E. The bylaws committee shall present an analysis of the amendment to the membership with its assessment of what fiscal, managerial, and operational impact the proposed amendment will have.
- F. A two-thirds majority of the voting members attending a general membership meeting is required to adopt the amendment, and a quorum must be present. The meeting shall be conducted in accordance with the Corporation's Rules of Meeting Conduct.

ARTICLE X: NOTICES TO MEMBERSHIP

Any use of the words "communication" or "notice" in this document shall mean transmittal by appropriate means (written, electronic mail, Internet-based, etc.) to reasonably allow all recipients to receive such communication.