

BY-LAWS OF THE STERLING OPERA HOUSE, INC.

ARTICLE I. ESTABLISHMENT

Section 1. Name and Location

The name of the Corporation is Sterling Opera House, Inc. This Corporation is hereby created and established pursuant to the vote of the Incorporators, at a meeting held on October 11, 2007, and pursuant to the authority granted by the Connecticut General Statutes. The Sterling Opera House is located at 104 Elizabeth Street, Derby, Connecticut, 06418.

Section 2. Purpose

The Corporation shall be established as a public endeavor for the common good. The Corporation shall secure funds and facilitate the acceptance of gifts, devises and bequests, outright or in trust, for the restoration, conduct, maintenance, and operation of the Sterling Opera House. The Corporation shall provide for education, entertainment, cultural events, concerts, celebrations, festivals, and like activities in, or in connection with, the Sterling Opera House for the use and enjoyment of the inhabitants of the Naugatuck Valley and surrounding areas.

Mission Statement

The Corporation shall generally promote, sustain, improve, and utilize the Sterling Opera House to encourage the education, participation, enhancement, and enlightenment towards the social benefit and advancement of the Arts within the region of operations and to maintain the historical integrity of the building.

Section 3. Non-Profit Function/Limitations

The Corporation shall be a non-stock and non-profit function corporation. The Corporation is organized exclusively for charitable and educational purposes, including for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(C)(3) of the Internal Revenue Code, or the corresponding sections of any future tax codes.

No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, its Members, trustees, Directors, Officers, or other private persons, except that the Corporation 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 Article I. Section 2.

No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office.

Notwithstanding any other provision of these articles, the Corporation shall not carry on any other activities not permitted: (a) by a corporation exempt from federal income tax under section 501(C)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or (b) by a corporation, contributions to which are deductible under section 170 (c)(2) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

Notwithstanding any other provision of these Articles, this Corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purpose of this Corporation as outlined in Article I, Section 2.

In the event of dissolution of the Corporation, assets shall be distributed for one (1) or more exempt purposes within the meaning of section 501(C)(3) of the Internal Revenue Code or the 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. Any such assets not so disposed of shall be disposed of by a Court of competent jurisdiction, exclusively of such purposes or to such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

In any taxable year in which the Corporation is a private function as described in IRC Section 509(a), the Corporation shall distribute its income for said period at such time and manner as not to subject it to tax under IRC Section 4942, and the Corporation shall not (a) engage in any act of self-dealing as defined in Section 4941(d), (b) retain any excess business holdings as defined in IRC Section 4943(c), (c) make any investments in such manner as to subject the Corporation to tax

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under IRC Section 4944, or (d) make any taxable expenditures as defined in IRC Section 4954(d) or corresponding provisions of any subsequent Federal tax laws.

ARTICLE II. **POWERS AND DUTIES**

The Corporation shall have and exercise and assume the following powers and duties:

Section 1. Financial Management

a. Acceptance of Gifts

Shall accept gifts, devises, and bequests made for the restoration, support, maintenance, conduct, benefit, operation, and use of the Sterling Opera House, outright or in trust, and shall accept funds, allowances, and appropriations from any source made and granted to it in connection with, or for the benefit of, the Sterling Opera House.

b. Management of Funds and Leases

Shall have and hold, manage, control, invest, reinvest, expend, and pay out said trust funds and/or such funds, allowances, and appropriations and shall collect the income from trust funds and pay out the net income or the establishment, maintenance, conduct, use, operation, and betterment of the Sterling Opera House.

Shall receive, hold, invest and reinvest, manage, and expend all monies derived from uses and leases of the Sterling Opera House and from all other activities conducted in, or in connection with, the Sterling Opera House, in the same manner as money derived by gifts, bequests, or devises for the benefit of said Sterling Opera House.

c. Fiscal Year

The fiscal year of the Corporation is July 1 through June 30.

Section 2. Rules and Regulations

Shall adopt and promulgate reasonable rules and regulations in respect to the conduct and use of said Sterling Opera House that maintain the historical integrity of the building.

Section 3. Contracts

Shall negotiate, enter into, and execute such written leases or agreements for the use of the Sterling Opera House.

ARTICLE III. **MEMBERSHIP**

Section 1. Members

The Corporation may have one (1) or more classes of Members or may have no Members. The Incorporators shall have the right to elect up to seven (7) initial Members to participate in the election of the initial Board of Directors. The initial Members shall divide the Directors into three groups of one-third of the total number of Directors positions. The first group shall have an initial term of one (1) year, the second group shall have an initial term of two (2) years, and the third group shall have an initial term of three (3) years. Furthermore, the terms of the three (3) groups shall be staggered so that the terms of office of one (1) group shall expire each year. The Members shall then be relieved of their duties, and thereafter the Directors shall continue to elect the directorship.

Section 2. Rules For Membership

Connecticut General Statutes Section 33-1056 provides that Membership shall be governed by such rules of admission, retention, withdrawal, and expulsion as the By-Laws shall prescribe, provided all such By-Laws shall be reasonable, germane to the purposes of the Corporation, and equally enforced as to all Members. A Member may not voluntarily or involuntarily transfer his/her Membership or any rights arising therefrom. Death, voluntary withdrawal or expulsion or upon election of Board of Directors, and thereafter all rights shall terminate Membership and privileges of the Member in the Corporation and its property shall cease. Each Member shall be entitled to one (1) vote. The Incorporators shall elect the initial Membership. Thereafter the Members shall meet to offer positions as Directors of the Corporation and then to elect the Board of Directors.

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ARTICLE IV. BOARD OF DIRECTORS

A. DUTIES AND COMPOSITION

Section 1. Number Of Directors

The number of Directorships at any time shall be fixed by resolution, initially, by the Incorporators, and thereafter by the Members, then by the Board of Directors. There may be up to twenty-one (21) Directors.

Section 2. Selection Of Directors

The Board shall consist of persons selected from the Business, Education, Corporate, and Arts communities in general, and persons appointed by the Chief Elected Officer of the various towns subject to the Terms of Office as outlined in Article IV, Section 3. In order to meet the goals of the Corporation regarding the Sterling Opera House, the Board of Directors shall, at the annual meeting, afford the opportunity to the Chief Elected Officer from the municipalities of Ansonia, Beacon Falls, Derby, Naugatuck, Orange, Oxford, Seymour, Shelton, and Woodbridge each to appoint one (1) member to the Board of Directors.

Section 3. Terms Of Office

Each group of Directors shall serve a term of three (3) years, after which the group is retired. A retiring group's term expires immediately after the election of its successor group, at the Annual Meeting. A Director may be re-elected for consecutive terms.

At the Annual Meeting of the Board of Directors, the Board shall request the Chief Elected Officer of the municipality whose appointed Director's term is expiring, to fill the vacancy as per Article IV- A, Section 6b.

Section 4. Duties Of Directors

The direction and management of the affairs of the Corporation and the control and disposal of its property and funds shall be vested in its Board of Directors. The Board of Directors shall have the responsibility to appoint the offices of the President, Vice-President, Treasurer, and Secretary and committees for assistance in completion of its duties. The Board shall be responsible for oversight of the budgeting, fund raising, grant application, and any other means of financial affairs and the general administration of the Corporation.

The Board of Directors shall delegate as desired such activities and duties referred to in Article IV A., Section 4.

The Board of Directors shall have the authority to establish Membership and shall have the option to designate classes of Members.

At the annual meeting of the Board of Directors, the Directors shall elect from among the Directors a Chairman of the Board and a Vice Chairman, to act for a term of one (1) year. The Chairman and a Vice Chairman shall have the duty to run any and all annual, regular or special meetings.

Section 5. Honorary Directors

The Board of Directors may designate any person as an Honorary Director. Such Honorary Directors shall not be counted in the total number of Directors comprising the Board of Directors, nor shall Honorary Directors be counted toward a quorum or have any right to vote, and Honorary Directors shall in no event be deemed or considered to be Directors for purposes of these By-Laws, the Certificate of Incorporation or the Act. Each Honorary Director may serve for a term of three (3) years or until his or her earlier removal by the Board of Directors, but may be re-designated as an Honorary Director for an unlimited number of successive terms.

Section 6. Vacancies / Resignations

a. Vacancies in the Board shall be filled for the un-expired portion of the term by the vote of a majority of the remaining Directors present at a regular or special meeting, provided that notice of the proposed election is duly given. The Secretary shall notify each Director and request each Director to express within fifteen (15) days his/her nomination for filling said vacancy.

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b. In the event of a vacant appointed position, the Secretary shall notify the Chief Elected Officer sixty (60) days prior to the annual meeting of pending appointed vacancies. The Chief Elected Officer may appoint a Director at the annual meeting. If the Chief Elected Officer fails to appoint a Director by the annual meeting, the remaining Directors shall nominate and elect a Director to fill that position for the term of office according to Article IV, B. Sections 1 and 6.

c. Any Director may resign giving written notice of such resignation, which shall become effective immediately, to the Secretary of Board of Directors.

Section 7. Removal Of Directors

Any Director may be removed, with or without cause, by an affirmative vote of two-thirds (2/3) of the Membership of the Board of Directors, at any regular or special meeting. A Director who fails to attend three (3) consecutive or greater than 50% of the scheduled and annual meetings, without reasonable cause, shall be removed after confirmation by a majority of the Directors.

Section 8. Compensation

Directors shall serve without compensation, but may be reimbursed for actual expenses incurred for the benefit of the Sterling Opera House in accordance with regulation adopted by the resolution of the Board.

B. BOARD OF DIRECTORS' MEETINGS

Section 1. Voting.

At all meetings of the Board of Directors, each Director is to have one (1) vote.

Section 2. Annual Meeting

An annual meeting of the Board of Directors shall be held in the month of September or such other time as the Board shall determine. The annual meeting shall be deemed to be a regular meeting of the Board. The Board of Directors at the annual meeting shall enact the following business:

- Election of the Chairman and Vice Chairman
- Election of Officers
- Election of Committees
- Establish meeting schedule for the year
- President Annual Report
- Annual Finance Report
- Chairman's Annual Report

Section 3. Regular Meetings

Regular meetings of the Board of Directors shall be held monthly, or at least quarterly, on dates determined by resolution of the Board of Directors

- Standard order of business
- Call to order
- Secretary's minutes
- Treasurer's report
- Committee reports
- Communications
- Chairman's report
- Old business
- New business
- Adjournment

Robert's Rules of Order newly revised and as amended and in effect at the time shall govern the proceedings of the Corporation, when not in conflict with these By-Laws.

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Section 4. Special Meetings

Special meetings of the Board of Directors may be called by the President at any time or shall be called by the President or the Secretary upon the written request of two (2) or more Directors. Attendance by a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends for the express purpose of objecting to the transaction of any business because the meeting has not been lawfully called.

Section 5. Notice

Unless the date and time has been previously established by resolution continued in the minutes of a prior meeting approved by the Board of Directors, the Secretary shall deliver written notice of all annual and regular meetings to each Director not less than four (4) days before thirty (30) days prior to the date fixed for such meeting.

Section 6. Quorum

At any meeting of the Board of Directors, a majority of the Board shall constitute a quorum for the transaction of business; but in the event of a quorum not being present, a lesser number may adjourn the meeting to some future time, not more than thirty (30) days later. However, two-thirds (2/3) of the Members of the Board must be present when the Board votes on the employment or removal of a Chairman; or when the Board votes on the removal of a Member of the Board of Directors or an Officer of this Corporation; or when the Board modifies its By-Laws.

Section 7. Manner Of Acting

Except as otherwise provided by law or in these By-Laws, the act of the majority of the Directors present at a meeting at which there is a quorum shall be the act of the Board of Directors. The Director serving as Chair of each meeting shall be counted to determine quorum and may vote. Although not physically present, a Director shall be deemed to be present and in attendance at a meeting if that Director can communicate simultaneously with the other Directors engaged in such meeting whether by telephone, Internet or other teleconference capability.

Section 8. Action Without Meeting

In lieu of any regular or special meeting and vote of the Directors, the unanimous written consent of all Directors may be filed with the Secretary with respect to any action taken, or to be taken by the Directors, and said consents shall have the same force and effect as a unanimous vote of the Directors.

ARTICLE V. OFFICERS

Section 1.

The Officers of this Corporation shall be a President, a Vice President, a Secretary, and a Treasurer and such other Officers as designated by the Board of Directors.

Section 2.

The Board of Directors, at its annual meeting shall elect a President, a Vice President, a Secretary and a Treasurer, all of whom shall serve for the term of two (2) years and until their successors are duly elected and qualified and may be reelected without intervening term. The same person may not hold more than one (1) office at a time. The officers shall assume their respective duties thirty (30) calendar days from election.

The Nominating Committee shall submit candidates for the positions of Officers to the Board of Directors at the annual meeting. Nominations at this time may also come from the floor.

Section 3.

If any office becomes vacant between elections, the position shall be filled *pro tempore* for the un-expired portion of the term by the concurring vote of a majority of the Board of Directors present at a regular or special meeting, provided that notice of the proposed election is duly given. The Secretary shall notify each Director and request each Director to express within fifteen (15) days his/her nomination for filling said vacancy.

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Any Officer may resign at any time giving written notice of such resignation to the Board of Directors addressed the attention of the Secretary.

Section 4.

The duties and powers of the Officers of the Corporation shall be as follows:

DUTIES OF THE OFFICERS

PRESIDENT

- Shall present at each annual meeting of the Board of Directors a report of the condition of the business of the Corporation.
- Shall cause to be called regular and special meetings of the Board of Directors in accordance with these By-Laws.
- Shall appoint and remove, employ and discharge, and fix the compensation of all servants, agents, employees and clerks of the Corporation other than the duly appointed Officers, subject to the approval of the Board of Directors.
- Shall hold ex-officio status on all committees.
- Shall sign and make all contracts and agreements in the name of the Corporation subject to confirmation by a majority of the Directors.
- Shall have general direction and management of the affairs of the Corporation.
- Shall enforce these By-Laws and perform the entire duties incident to the office of President.

VICE-PRESIDENT

- Shall have such powers and perform such duties as the Board of Directors may prescribe or as the President may delegate to him/her.
- Shall also hold ex-officio status on all committees.
- Shall perform the duties and have the powers of the President during the absence or disability of the President.
- Shall assume the Office of the President on a *pro tempore* basis as needed.
- Shall see that the books, reports, statements, and documents required by the statutes are properly kept, made and filed according to law.

SECRETARY

- Shall give and serve all notices issued on behalf of the Corporation or its Directors.
- Shall be custodian of the records and of the seal, and affix the latter when authorized and required.
- Shall keep the list of Directors in the manner prescribed by law.
- Shall present to the Board of Directors at their stated meetings all communications addressed to the Corporation.
- Shall attend to all correspondence and perform all the duties incident to the office of Secretary and such other duties as may be assigned to him/her from time to time by the President or by the Board of Directors.

TREASURER

- Shall have the care and custody of and be responsible for the funds and securities of the Corporation, and deposit all such funds in the name of the Corporation in such bank or banks, trust company or trust companies or safe deposit vaults as the Board of Directors may designate.
- In the absence of a resolution of the Directors to the contrary, he/she shall sign, make, and endorse in the name of the Corporation, all checks, drafts, notes, and other evidences of debt.
- Shall exhibit at all reasonable time the books and accounts to any Director of the Corporation upon application at the Office of the Corporation during business hours.
- Shall render a statement of the condition of the finances of the Corporation at each regular meeting of the Board of Directors, and at such other times as shall be required of him/her.
- Shall present a full financial report at the annual meeting.
- Shall perform all duties incident to the office of Treasurer and such other duties as may be assigned to him/her by the President or Board of Directors.

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ARTICLE VI. COMMITTEES

The Board of Directors shall establish at the Annual Meeting, and from time to time as deemed necessary Standing Committees to accomplish the goals of the Corporation.

There shall be the following standing committee:

Nominating Committee

The Nominating Committee shall consist of five (5) members of the Board of Directors. They will serve for a term of one (1) year or until a successor is named. The committee shall be responsible to procure appropriate candidates for the officer positions and the Board of Directors.

ARTICLE VII. SEAL

The seal of the Corporation shall be an imprint of a circular die, bearing on the outer circle the name of the Corporation and in the center the words Corporate Seal. The seal, which shall be kept at the principle office of the Corporation, shall be affixed to all instruments executed in the name of the Corporation when so required.

ARTICLE VIII. AMENDMENTS.

These By-Laws MAY be amended by an affirmative vote of two-thirds of the Directors entitled to vote, at an annual meeting or at a special meeting called for that purpose, provided that written notice shall have been sent to each Director entitled to receive such notice, which notice shall state the amendments which are proposed to be made in such By-Laws. Only such changes as have been specified in the notice shall be made. If, however, all the Directors shall be present at any regular or special meetings, these By-Laws may be amended by a unanimous vote, without any previous notice; and furthermore, these By-Laws may be amended by unanimous consent action of all of the Directors as provided by these By-Laws.

ARTICLE IX. INDEMNIFICATION.

To the full extent possible under Section 33-1116, ET.SEQ. of the Connecticut General Statutes as now existing or as hereinafter amended or to the full extent permitted by any successor statute, the Corporation shall indemnify its Directors, Officers, employees, and agent (said persons) against judgments, penalties, (including excise and similar taxes), fines, settlements, and reasonable expenses incurred by any of said persons when acting in good faith in connection with any threatened, pending, or completed action, suit, or proceeding whether civil, criminal, administrative, arbitative, or investigative and any appeal thereof and which involves said persons as a result of their capacity or status with the Corporation.

The Corporation may purchase and maintain Errors and Omissions Insurance and Liability insurance on behalf of said persons against any liability asserted against said persons and incurred by them in their capacities as Directors, Officers, employees, and agents of the Corporation, whether or not the Corporation would have the power to indemnify said persons against any such liabilities.