

NATO AFFILIATED ORGANIZATIONS MODEL BYLAWS

I. Name

The name of the association is the [state or regional name] Association of Theatre Owners, Inc., a nonprofit corporation, incorporated under the laws of the State of _____, hereinafter referred to as "SATO."

II. Offices

The principal office of SATO shall be located at _____ (address) _____ or at such other place or places, within or not within the State of _____, as the Board of Directors may determine.

III. Purpose

The purposes for which the corporation is organized is as follows:

- (A) To promote the interests of the motion picture theatre industry in the State of _____ so that the industry may better serve the general public and owners and operators of motion picture theatres.
- (B) To promote education by instruction, management training, statistical analysis, research and dissemination of information to the industry.
- (C) To promote competition throughout the industry generally by sound business methods, fair trade practices, and a high standard of industry conduct.
- (D) To exercise any, all, and every power which a nonprofit corporation, organized under the provisions of the [state] Nonprofit Corporation Act, for educational and

trade association purposes within the meaning of Section 501(c)(6) of the Internal Revenue Code of 1954, as amended, can be authorized to exercise, but not any other purpose.

IV Members

The membership of the Association shall consist of Active Members, Associate Members, Honorary Members, and such other classes of members as may be designated by the Board of Directors.

- (A) Active Members. Entities or individuals that own or operate motion picture theatres in the State [region] of _____ shall qualify as Active Members of the Association upon completion of the membership application and payment of any application fee as may be required by the Board of Directors.
1. Each Active Member shall appoint a corporate officer or owner as the official voting representative of the member.
 2. The official voting representative of each Active Member shall be entitled to cast one vote on all matters brought to a vote at regular or special membership meetings.
- (B) Associate Members. Entities or individuals providing goods or services to owners and/or operators of motion picture theatres in the State [region] of _____ shall be entitled to become Associate Members of SATO upon completion of the membership application and payment of any application fee as may be required by the Board of Directors.
1. Each Associate Member shall appoint an employee as the official representative of the Associate Member to SATO.

2. Associate Members shall not have the right to vote at any regular or special SATO meetings.

(C) Honorary Members. The Board of Directors may establish criteria for the election of Honorary Members to SATO.

1. Honorary Members shall not have the right to vote at regular or special SATO meetings.

V. Meetings of the Membership

There shall be an annual meeting of the members of SATO at a time and place to be determined by the Board of Directors. Written notice of the annual meeting shall be provided to each member setting forth the date, time, and place of such meeting. Such notices shall be mailed to each Active, Associate and Honorary Member of the Association at least 30 days prior to the annual meeting.

(A) Special Meetings at the Call of the Board of Directors. Special meetings of the Association may be called by the Board of Directors. A notice of a special meeting must be mailed to each Active, Associate and Honorary Member of the Association at least 15 days prior to the special meeting. The notice shall set forth the date, time and place of the special meeting and shall also set forth the agenda of issues to be considered at the special meeting.

(B) Special Meetings at the Call of the Members. Special meetings shall also be called upon request of at least 20 percent of the Active Members of the Association in a petition to the Board of Directors setting forth the issue to be considered at the special meeting. The Board of Directors must schedule a special

meeting of the membership within 30 days of receipt of a petition requesting a special meeting, signed by at least 20 percent of the Active Members of the Association.

VI. Voting

At all regular or special meetings of the membership, each Active Member of the Association shall be entitled to one vote. Members entitled to vote shall have the right to vote by written proxy in accord with rules established by the Board of Directors.

Twenty percent of the Active Members of SATO, present in person or by proxy, shall constitute a quorum at any regular or special meeting of the membership. If at any regular or special meeting of the membership, it is determined that a quorum is not present, those present may adjourn the meeting until such time and place as another meeting can be scheduled.

VII. Board of Directors - Officers

- (A) Number of Directors. The affairs of the Association shall be managed by a Board of Directors of not less than five nor more than fifteen members.
- (B) Qualifications of Directors. Directors must be representatives of Active Members in good standing of SATO.
- (C) Term of Office. Directors shall be elected at the annual meeting of SATO and shall serve for a three-year term of office or until their successors are elected. The terms of the initial Board of Directors shall be staggered so that one-third of the Board shall be elected for a one-year term, one-third of the Board shall be elected for a two-year term, and one-third of the Board shall be elected for a three-year term. Thereafter, all Directors shall be elected for a three-year term. Directors

may not serve for more than three successive three-year terms.

- (D) Vacancies. In the event that any member of the Board of Directors ceases to be the authorized representative of an Active Member, that Director will no longer be qualified to serve on the Board of Directors. In the event that any vacancy occurs on the Board of Directors for any reason, the remaining Directors shall be empowered to elect a Director to fill the unexpired term of the vacant position.
- (E) Meetings. The Board of Directors shall meet at least once each year at the time of the annual meeting of the Association and shall meet at such other times as may be determined by the Chairman of the Board. Notice of each meeting of the Board of Directors shall be mailed to each Director at least three days prior to the time of such meeting. A majority of the Directors must be present at any meeting to constitute a quorum.
- (F) Powers of Directors.
1. The Directors shall have the power to conduct, manage, and control the affairs of business of SATO and to make rules and regulations for the guidance of the Officers and management of the affairs of the Association.
 2. Directors shall have the power to elect and appoint and remove all Officers, agents, and employees of the Association, prescribe their duties, fix their compensation and evaluate their performance.
 3. The Directors shall have the power to select or authorize the selection of one or more banks to act as depositories of the funds of the Association and to do all other things that are permitted of directors of nonprofit corporations under the laws of the State of _____.

4. The Directors shall have the power to establish dues for Active Members, Associate Members, Honorary Members, and any other classes of membership that the Association may have.

VIII. Officers

The Officers of the Association shall be a President, a Vice-President (President-Elect), a Secretary-Treasurer, and such other officers as may be elected by the Board of Directors. Only members of the Board of Directors may serve as Officers of the Association. Whenever any vacancies shall occur in the office of President, Vice-President (President-Elect), or Secretary-Treasurer, a successor shall be elected by a majority vote of the Board of Directors from its membership, to complete the unexpired term.

- (A) President. The President shall serve as the chief executive officer of the Association and shall have full supervision and control over the Association and the management of its affairs, subject to the control of the Board of Directors. The President shall serve as Chairman of the Board of Directors, and shall preside over all meetings of the members and the Directors.
- (B) Vice-President (President-Elect). The Vice-President (President-Elect) shall serve as chief executive officer of the Association and shall chair the Board of Directors in the case of the absence or disability of the President. The Vice-President (President-Elect) shall also perform such duties as may be assigned by the President or the Board of Directors. The Vice-President (President-Elect) shall automatically succeed to the office of President.
- (C) Secretary-Treasurer. The Secretary-Treasurer shall be responsible for keeping the books and records of the Association. The Secretary-Treasurer shall have custody

of the seal of the corporation and shall be responsible for issuing notice of all Association meetings, as required by the Bylaws. He shall discharge such other duties pertaining to his office as Secretary-Treasurer, as may from time to time be prescribed by the Board of Directors. In his role as Treasurer, he shall receive and be responsible for all monies and other property of the Association. He shall keep such financial accounts and statements as are required by the Board of Directors. He shall be responsible for the preparation for the annual budget. He shall be responsible for developing an annual financial statement to be approved by the Association's audit committee or certified public accounts.

- (D) Term of Office for Officers. The President of the Association shall serve a two-year term. The Vice-President (President-Elect) shall serve a two-year term as Vice-President (President-Elect), and thereafter shall serve an automatic two-year term as President. The Secretary Treasurer shall serve a two-year term, and shall be eligible for re-election for successive terms.

IX Committees

- (A) Nominating Committee. The Nominating Committee shall consist of five Active Members of the Association, one of whom shall be the Immediate Past President of the Association. The Immediate Past President of the Association shall act as Chair of the Nominating Committee. It shall be the responsibility of the Nominating Committee to nominate candidates for the Board of Directors in accord with procedures to be approved by the Board of Directors.
- (B) Budget and Finance Committee. The Budget and Finance Committee shall consist of five Active Members of the Association, one of whom shall be the Secretary-Treasurer of the Association. The Secretary-Treasurer shall serve as Chair of the Budget and Finance Committee. The Budget and Finance Committee

shall be responsible for overseeing the financial activities of the Association and for developing an annual budget to be approved by the Board of Directors, prior to the start of each fiscal year.

- (C) Other Committees. The Association may have such other committees as may be appointed by the Board of Directors. Each appointed committee shall have a specific task assigned to it. Each appointed committee shall cease to exist once its task is completed and it has submitted a report to the Board of Directors.

X. Dissolution

Upon dissolution of the Association, all the just debts and claims against the Association must be paid. Any funds remaining after payment of all debts and obligations shall be distributed to one or more regularly organized and qualified charitable, educational, scientific or philanthropic organizations to be selected by the Board of Directors.

XI. Votes by Mail and Electronic Means

Whenever permitted by the law of the State of _____, votes of the membership or the Board of Directors may be taken by mail or electronic means, and meetings may be held by telephone conference call or other electronic means.

XII. Amendments to the Bylaws

These Bylaws may be amended by either a two-thirds vote of the members of the Board of Directors present at a regular or special Board meeting where a quorum exists, provided that notice of the proposed amendments is given to each Director 15 days prior to the meeting; or by a majority vote of the membership present at a regular or special membership meeting, where a quorum exists; provided that notice of the proposed amendments is given to each member 15 days prior to the day to the meeting.