

BYLAWS
OF
NORTHWEST CHESS FOUNDATION

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ARTICLE I

Name and Purposes

The name of the corporation is NORTHWEST CHESS FOUNDATION (herein referred to as "NWCF"). NWCF is a charitable organization dedicated to (1) publishing a monthly magazine to promote literature and journalism related to chess, (2) chess education (especially via the magazine) and promotion of the educational benefits of chess, and (3) fostering the amateur sport competition of chess at the national and international levels.

The corporation is organized exclusively for charitable, literary, and educational purposes as well as for the purpose of fostering national and international amateur sport as defined in Section 501(c)(3) of the Internal Revenue Code (the "Code").

No part of the net earnings of the corporation shall inure to the benefit of any director of the corporation, officer of the corporation, or any private individual (except that reasonable compensation may be paid for services rendered to or for the corporation affecting one or more of its purposes), and no director or officer of the corporation, or any private individual shall be entitled to share in the distribution of any of the corporate assets on dissolution of the corporation. 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 publication or distribution of statements) any political campaigning on behalf of any candidate for public office.

Nothing herein shall be construed to authorize the corporation or the Board of Directors, directly or indirectly, to engage in any unlawful activity or any activity prohibited by Chapter 24.03 of the Revised Code of Washington. In addition, the corporation shall not conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code and its Regulations as they now exist or as they may hereafter be amended, or by an organization, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code and Regulations, as they now exist or as they may hereafter be amended.

Upon dissolution of the corporation or the winding up of its affairs, the assets of the corporation shall be distributed exclusively to charitable organizations which would then qualify under the provisions of Section 501(c)(3) of the Internal Revenue Code and its Regulations as they now exist or as they may hereafter be amended.

ARTICLE II

Offices

2.1 Registered Office. The registered office of the corporation shall be located in the State of Washington at such place as may be fixed from time to time by the Board of Directors upon filing of such notices as may be required by law.

2.2 *Registered Agent.* The registered agent shall also be located in the State of Washington and may be determined from time to time by the Board of Directors upon filing such notice as may be required by law.

2.3 *Other Offices.* The corporation may have other offices within or outside the State of Washington at such place or places as the Board of Directors may from time to time determine.

ARTICLE III

Members

The corporation shall have no Members.

ARTICLE IV

Board of Directors

4.1 *Number and Powers.* The management of all the affairs, property, and interests of the corporation shall be vested in a Board of Directors consisting of two (2) state directors selected by the Washington Chess Federation (WCF), plus two (2) “managing” directors, who ordinarily will be the Publisher and Business Manager, plus three (3) directors-at-large. The initial Board of Directors under these amended Bylaws shall be as set forth in the most recent annual report to the state, as modified by any changes documented in the minutes since the most recent annual report.

4.2 *Term.* The terms of the state directors will be as specified in each state organization’s bylaws, but ordinarily shall be two years, with staggered terms preferred. The term of the directors-at-large shall also be two years. The managing directors will continue to serve for as long as they continue to serve in their respective capacities as outlined above. *Note: Following adoption of these amended Bylaws, WCF will be the only state chess organization represented directly on the NWCF Board, however, we are retaining language which would allow for other states to be represented, per article 4.5.*

4.3 *Election.* State directors shall be elected by the Board of each state organization, as specified in the organization’s bylaws, subject to ratification by the other NWCF Board members, which shall not unreasonably be withheld. Other directors shall be elected as required by the then current directors.

4.4 *Residency.* State directors shall reside in the state they represent. Other directors shall reside in the Pacific Northwest. In the event the board hires a Publisher or Business Manager who does not meet the residency requirement, then an additional director-at-large shall be selected to serve on the Board in their place.

4.5 *Change of Number.* The number of directors, and the number of state chess organizations represented on the Board, may at any time be increased or decreased by

amendment of these Bylaws, but no decrease shall have the effect of shortening the term of any incumbent director, except in case of the state directors, who may be immediately removed, at the discretion of the remaining NWCF Board of Directors, if their state organization is deemed to no longer support the purposes of NWCF.

4.6 *Vacancies.* All vacancies in the Board of Directors, whether caused by resignation, moving to a different state, death or otherwise, may be filled by the affirmative vote of a majority of the remaining directors, or by the state organization in the case of state directors (subject to ratification), even though less than a quorum of the Board of Directors. A director elected to fill any vacancy shall hold office for the unexpired term of his or her predecessor and until a successor is elected and qualified. Vacancies should ordinarily be filled within three months, otherwise a temporary director-at-large may be selected.

4.7 *The Annual and Regular Meetings.* Regular meetings of the Board of Directors may be held at the registered office of the corporation or at such other place or places, either within or without the State of Washington, as the Board of Directors may from time to time designate. The annual meeting shall be held at the registered office of the corporation, or at a major chess event, at such time and place as the Board of Directors shall designate by written notice. In addition to the annual meeting, there shall be regular meetings of the Board of Directors held, with proper notice, not less frequently than once each calendar quarter.

4.8 *Special Meetings.* Special meetings of the Board of Directors may be called at any time by the President or upon written request by any two (2) directors. Such meetings shall be held at the registered office of the corporation or at such other place or places as the directors may from time to time designate.

4.9 *Online Meetings.* All meetings of the Board of Directors, except for the annual meeting, may be conducted entirely online or by phone rather than in person, and this method is encouraged.

4.10 *Email Motions.* Email motions are allowed when properly made and seconded, however, a special meeting of the Board of Directors may be called, as provided in section 4.8, to discuss the motion(s) prior to voting. Except in cases of extremely urgent business, a seven-day period must be allowed for board members to respond to the motion and decide to call a special meeting. After the special meeting, the secretary shall email minutes of the meeting to all board members, after which members shall be allowed three days to cast their final vote. If no special meeting is called, then votes are due within ten days of the original motion, or three days in the case of extremely urgent business. Failure of a board member to vote within the specified period is considered an abstention from voting, provided that the secretary has made at least two attempts to contact such member at the email address on record.

4.11 *Notice.* Notice of all meetings of the Board of Directors shall be sent to each director at least fourteen (14) days prior to the meeting by personal service, mail, telegram, email, fax, or any other electronic means. Notice shall contain the place, date, time, and purpose for which the meeting is called.

4.12 *Quorum.* A majority of the whole Board of Directors shall be necessary and sufficient at all meetings to constitute a quorum for the transaction of business.

4.13 *Waiver of Notice.* Attendance of 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 is not lawfully called or convened. A waiver of notice signed by the director or directors, whether before or after the time stated for the meeting, shall be equivalent to the giving of notice.

4.14 *Registering Dissent.* A director who is present at a meeting of the Board of Directors at which action on a corporate matter is taken shall be presumed to have assented to such action unless the director shall file a written dissent or abstention to such action with the person acting as the secretary of the meeting before the adjournment thereof, or shall forward such dissent by registered mail to the Secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent or abstain shall not apply to a director who voted in favor of such action.

4.15 *Executive and Other Committees.* The Board of Directors may appoint, from time to time, from its own number, standing or temporary committees consisting each of no fewer than two (2) directors. Such committees may be vested with such powers as the Board may determine by resolution passed by a majority of the full Board of Directors. No such committee shall have the authority of the Board of Directors in reference to amending, altering, or repealing these Bylaws; electing, appointing, or removing any member of any such committee or any director or officer of the corporation; amending the Articles of Incorporation; adopting a plan of merger or adopting a plan of consolidation with another corporation; authorizing the sale, lease, or exchange of all or substantially all of the property and assets of the corporation other than in the ordinary course of business; authorizing the voluntary dissolution of the corporation or adopting a plan for the distribution of the assets of the corporation; or amending, altering, or repealing any resolution of the Board of Directors which by its terms provides that it shall not be amended, altered, or repealed by such committee. All committees so appointed shall keep regular minutes of the transactions of their meetings and shall cause them to be recorded in books kept for that purpose in the office of the corporation. The designation of any such committee and the delegation of authority thereto, shall not relieve the Board of Directors, or any member thereof, of any responsibility imposed by law.

4.16 *Remuneration.* No stated salary shall be paid directors, as such, for their service, but by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of such Board; provided, that nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefore. Members of special or standing committees may be allowed like compensation for attending committee meetings.

4.17 *Loans.* No loans shall be made by the corporation to any director.

4.18 *Removal.* Any director may be removed at any time, with or without cause, by the affirmative vote of two-thirds (2/3) of the then current directors. If a state director is removed, the state organization shall have the right to nominate a replacement (subject to ratification).

4.19 *Action by Directors without a Meeting.* Any action required or permitted to be taken at a meeting of the directors, or of a committee thereof, may be taken without a meeting by a written consent setting forth the action so to be taken, signed by all the directors, or all the members of the committee, as the case may be, before such action is taken. Such consent shall have the same effect as a unanimous vote. Any such action may also be ratified after it has been taken, either at a meeting of the directors or by unanimous written consent.

ARTICLE V

Officers

5.1 *Designations.* The initial officers of the corporation shall be a President, Vice President, a Secretary, a Treasurer/Business Manager, and a Publisher. All officers shall be elected for terms of one (1) year by the Board of Directors, except that the managing directors (Business Manager and Publisher) serve until they resign or are otherwise removed, and do not need to be reelected. Such officers shall hold office until their successors are elected and qualify. Any two or more offices may be held by the same person, except the offices of President and Secretary. The officers shall be responsible for conducting and managing the day to day operations of the corporation and for implementing and managing the policies and priorities established by the Board of Directors. No officers other than the Treasurer/Business Manager, Publisher and Executive Director (if selected) shall receive compensation for his or her service.

5.2 *President.* The President shall preside at all meetings of the Board of Directors, shall have general supervision of the affairs of the corporation, and shall perform such other duties as are incident to the office or are properly required of the President by the Board of Directors.

5.3 *Vice President.* During the absence or disability of the President, the Vice President shall exercise all the functions of the President. Each Vice President shall have such powers and discharge such duties as may be assigned to him or her from time to time by the Board of Directors.

5.4 *Secretary.* The Secretary shall issue notices for all meetings, except for notices of special meetings of the members and the Board of Directors which are called by the requisite number of directors, shall keep minutes of all meetings, shall have charge of the seal and the corporate books, and shall make such reports and perform such other duties as are incident to the office, or are properly required of the Secretary by the Board of Directors.

5.5 *Treasurer.* The Treasurer (also the Business Manager per 5.1) shall have the custody of all monies and securities of the corporation and shall keep regular books of account. The Treasurer shall disburse the funds of the corporation in payment of the just demands against the corporation or as may be ordered by the Board of Directors (taking proper vouchers for such disbursements) and shall render to the Board of Directors from time to time as may be required, an account of all transactions undertaken as Treasurer and of the financial condition of the corporation. The Treasurer shall perform such other duties as are incident to the office or are properly required by the Board of Directors.

5.6 *Business Manager.* In addition to serving as Treasurer, the Business Manager shall handle certain other business of the corporation as properly required by the Board of Directors, for example, management of advertising and printing contracts, and membership/mailling list management in cooperation with the state chess organizations. The Business Manager may be compensated for his or her services in that capacity in such amount and manner as the Board of Directors shall determine.

5.7 *Publisher.* The Publisher shall work with *Northwest Chess* magazine editors, contributors and all other parties involved to oversee the content and format of the magazine, to assure timely publication of a high-quality chess magazine product. The Publisher may be compensated for his or her services in that capacity in such amount and manner as the Board of Directors shall determine.

5.8 *Executive Director.* The Board may select an Executive Director who shall be responsible for the administration and conduct of the business and affairs of the corporation pursuant to guidelines established by the Board. The Executive Director shall have full authority for direction of the employees of the corporation, if any. The Executive Director, if selected, may be compensated for his or her services in that capacity in such amount and manner as the Board of Directors shall determine.

5.9 *Delegation.* If any officer of the corporation is absent or unable to act and no other person is authorized to act in such officer's place by the provisions of these Bylaws, the Board of Directors may from time to time delegate the powers or duties of such officer to any other officer or any director or any other person it may select.

5.10 *Vacancies.* Vacancies in any office arising from any cause may be filled by the Board of Directors at any regular or special meeting of the Board.

5.11 *Other Officers.* The Board of Directors may appoint such other officers or agents as it shall deem necessary or expedient, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors.

5.12 *Loans.* No loan shall be made by the corporation to any officer.

5.13 *Term/Removal.* The officers of the corporation shall hold office until their successors are chosen and qualified. Any officer or agent elected or appointed by the Board

of Directors may be removed at any time, with or without cause, by the affirmative vote of a majority of the whole Board of Directors, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

ARTICLE VI

Conflicts of Interest

6.1 *Purpose.* The purpose of this conflict of interest policy is to protect the corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

6.2 *Definitions.*

6.2.1 *Interested Person.* Any director, principal officer, or member of a committee with powers delegated by the Board of Directors, who has a direct or indirect financial interest, as defined below, is an interested person.

6.2.2 *Financial Interest.* A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which the corporation has a transaction or arrangement;
- b. A compensation arrangement with the corporation or with any entity or individual with which the corporation has a transaction or arrangement;
or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Paragraph 6.3.2, a person who has a financial interest may have a conflict of interest only if the Board of Directors decides that a conflict of interest exists.

6.3 *Procedures.*

6.3.1 *Duty to Disclose.* In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction

or arrangement.

6.3.2 *Determining Whether a Conflict of Interest Exists.* After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the Board of Directors meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or committee members shall decide if a conflict of interest exists.

6.3.3 *Procedures for Addressing the Conflict of Interest.*

- a. An interested person may make a presentation at the governing Board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The President (or the Vice President, if the President is the interest person) of the Board of Directors shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the Board of Directors shall determine whether the corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonable possible under circumstances not producing a conflict of interest, the Board of Directors shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

6.3.4 *Violations of the Conflicts of Interest Policy.*

- a. If the Board of Directors has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board of Directors determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

6.4 *Records of Proceedings.* The minutes of the Board of Directors shall contain:

- a. The names of the persons who disclosed or otherwise were found to

have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board of Director's decision as to whether a conflict of interest in fact existed.

- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

6.5 *Compensation.*

- a. A voting member of the Board of Directors who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the Board of Directors who receives compensation, directly or indirectly, from the corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

6.6 *Annual Statements.* Each director, principal officer and member of a committee shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflicts of interest policy;
- b. Has read and understands the policy;
- c. Has agreed to comply with the policy; and
- d. Understands the corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

6.7 *Periodic Reviews.* To ensure the corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the corporation's written

policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

6.8 Use of Outside Experts. When conducting the periodic reviews as provided for in paragraph 6.7, the corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing Board of its responsibility for ensuring periodic reviews are conducted.

ARTICLE VII

Depositories

The monies of the corporation shall be deposited in the name of the corporation in such bank or banks or trust company or trust companies as the Board of Directors shall designate, and shall be drawn from such accounts only by check or other order for payment of money signed by such persons, and in such manner, as may be determined by resolution of the Board of Directors.

ARTICLE VIII

Notices

Except as may otherwise be required by law, any notice to any member or director may be delivered personally or by mail. If mailed, the notice shall be deemed to have been delivered when deposited in the United States mail, addressed to the addressee at his or her last known address in the records of the corporation, postage prepaid.

ARTICLE IX

Seal

The corporate seal of the corporation, if any, shall be in such form and bear such inscription as may be adopted by resolution of the Board of Directors, or by usage of the officers on behalf of the corporation.

ARTICLE X

Indemnification of Officers, Directors, Employees, and Agents

Every person who is or shall have been a Board Member of the corporation and his or her personal representatives shall be indemnified against all costs and expenses reasonably incurred or imposed upon him or her in connection with or resulting from any

action, suit, or proceedings to which he or she may be made a party by reason of his or her being a Board member of the corporation or any subsidiary or affiliate thereof, except in relation to such matters as to which he or she shall be finally adjudicated in such action, suit, or proceeding to have acted in bad faith and to have been liable by reason of willful misconduct or willful negligence in the performance of his or her duty as a Board Member.

Costs and expenses of actions for which this Article provides indemnification shall include among other things, attorney's fees, damages and reasonable amounts paid in settlement.

ARTICLE XI

Books and Records

The corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its Board of Directors; and shall keep at its registered office or principal place of business, or at the office of its transfer agent or registrar, a record of its directors, giving the names and addresses of all directors.

ARTICLE XII

Amendments

The Board of Directors shall have power to make, alter, amend, and repeal the Bylaws of this corporation.

Adoption of these Bylaws

Previous/current version of these Bylaws:

1. Bylaws with the corporate name “Northwest Chess” were adopted as provided for in “ORGANIZATIONAL CONSENT OF DIRECTORS OF NORTHWEST CHESS” (Board resolution with signatures adopting previous Bylaws), dated and recorded May 28, 2018 and July 31, 2018.
2. Bylaws, with the revised name “Northwest Chess Foundation” (abbreviated NWCF), were duly adopted by a unanimous vote of a quorum of the Board of Directors on November 18, 2018, as provided for in ARTICLE XII (Amendments). Certified by J. Eric Holcomb, Secretary and Business Manager of the corporation.
3. These current Bylaws, with revisions to change the composition of the Board of Directors, were duly adopted by a unanimous vote of a quorum of the then-current Board of Directors on January 26, 2020, as provided for in ARTICLE XII (Amendments). Certified by J. Eric Holcomb, Secretary and Business Manager of the corporation.



J. Eric Holcomb,
Secretary and Business Manager