Lima Area Chess Club

An unincorporated Nonprofit Association
Lima, Ohio | Allen County

CONSTITUTION AND BYLAWS

ARTICLE I: NAME AND LOCATION

1. Name: The name of this organization shall be the Lima Area Chess Club (hereinafter referred to as the "Club").
2. Principal Location: The principal operations of the Club shall be conducted in Lima, Allen County, Ohio, and surrounding areas.
3. Registered Agents Inc has been duly appointed as the registered agent of the Club: 6545 Market Ave. North, STE 100, Canton, OH, 44721, USA

ARTICLE II: PURPOSE AND MISSION

1. Tax-Exempt Purpose: The Lima Area Chess Club is organized exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, or the corresponding section of any future federal tax code.
2. Mission & Community Impact: The specific mission of the Club is to fight social isolation by cultivating a chess community in Allen County that fosters meaningful, face-to-face connections
3. Specific Operational Activities
    a. In furtherance of its exempt purpose, the Club shall:
        i. Organize regular public chess meetups, casual recreational play, educational workshops, and competitive tournaments.
        ii. Provide chess sets, clocks, demonstration boards, and instructional materials free of charge to participants.
        iii. Partner with local schools, libraries, community centers, and non-profit organizations to expand youth, intergenerational, and senior engagement through chess.
4. Prohibited Activities & Net Earnings: No part of the net earnings of the Club shall inure to the benefit of, or be distributable to, its officers, directors, or other private persons, except that the Club shall be authorized and empowered to pay reasonable reimbursement for expenses incurred on behalf of the organization in direct furtherance of its tax-exempt purpose. No substantial part of the activities of the Club shall consist of carrying on propaganda or attempting to influence legislation, nor shall the Club participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office.

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ARTICLE III: MEMBERSHIP & GOVERNANCE

- Community Members: The Lima Area Chess Club is an open-community organization. All casual meetings, recreational games, and public programs shall remain open to the public without discrimination.
- Non-Voting Status: General participants shall serve as non-voting members of the organization. All organizational governance, financial management, and operational authority reside strictly with the Executive Board as defined in Article IV.

ARTICLE IV: OFFICERS AND GOVERNANCE

1. Board Composition and Authority: The affairs, properties, and business operations of the Club shall be managed and governed by the Board of Officers (the "Board"). The initial Board shall consist of the President, Marketing Officer, Secretary, and Treasurer. The Board may expand or adjust the number of Officer positions as needed by a majority vote of active Officers.
2. Officer Terms of Office
    a. Term Length: Officers shall serve a term of five (5) years from the date of election or appointment, or until their successors are duly elected and qualified.
    b. Term Limits: Officers may serve consecutive terms without limit, provided they are re-elected by the Board at the end of each term.
    c. Staggered Terms: To ensure operational continuity, initial officer terms may be staggered so that no more than two-thirds (2/3) of the Board terms expire in the same calendar year.
3. Elections and Appointments
    a. Annual Meeting: Elections for expiring Officer positions shall take place during the regular Annual Board Meeting held in the fourth quarter of each fiscal year.
    b. Voting: Officers shall be elected by a majority vote of the active Officers present at an official meeting where a quorum is established.
4. Resignation: Any Officer may resign at any time by delivering written notice (via email or physical letter) to the President or Treasurer. Such resignation shall take effect upon receipt or at the specified effective date, and formal acceptance of the resignation shall not be necessary to make it effective.
5. Removal of Officers: Any Officer may be removed from office, with or without cause,

under the following conditions:

a. Vote Required: Removal requires a two-thirds (2/3) supermajority vote of all other active Officers then serving on the Board.
b. Notice: The Officer subject to removal must be given written notice of the proposed action and the meeting date at least seven (7) calendar days prior to the vote.
c. Right to Respond: The Officer shall be granted an opportunity to address the Board prior to the vote.

6. Vacancies
    a. Filling Vacancies: Any vacancy occurring on the Board due to death, resignation, removal, disqualification, or expansion of the Board shall be filled by a majority vote of the remaining active Officers.
    b. Interim Term: An Officer elected to fill a vacancy shall serve for the unexpired portion of the predecessor's term of office.

ARTICLE V: MEETINGS

1. Executive Meetings: The Officers shall meet periodically (in person or digitally) to plan events, review finances, and establish operational strategies.
2. Quorum: A majority of active Officers present shall constitute a quorum for making binding operational decisions.

ARTICLE VI: FINANCIALS AND PROPERTY

1. Nonprofit Operations: No part of the net earnings or assets of the Club shall insure to the benefit of, or be distributable to, its officers or members, except to pay reasonable reimbursement for expenses incurred on behalf of the Club.
2. Banking: All funds of the Club shall be deposited in a designated business bank account under the legal name Lima Area Chess Club. The President and Treasurer shall have operational authority over account disbursements.

ARTICLE VII: Conflict of Interest Provision

1. Purpose: The purpose of this Conflict of Interest policy is to protect the tax-exempt interest of the Lima Area Chess Club (LACC) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an Officer or

Director of the Club, or might result in a possible excess benefit transaction under Section 4958 of the Internal Revenue Code.

2. Definitions
    a. Interested Person: Any Officer, Director, key manager, or member of a committee with board-delegated powers who has a direct or indirect financial interest, as defined below, is an interested person.
    b. Financial Interest: A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
        i. An ownership or investment interest in any entity with which LACC has a transaction or arrangement;
        ii. A compensation arrangement with LACC or with any entity or individual with which LACC has a transaction or arrangement; or
        iii. A potential ownership, investment, or compensation arrangement with any entity or individual with which LACC is negotiating a transaction or arrangement.
3. Procedures
    a. 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 Board of Officers considering the proposed transaction or arrangement.
    b. Determining Whether a Conflict Exists: After disclosure of the financial interest and all material facts, and after any discussion with the interested person, they shall leave the Board meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board members shall decide if a conflict of interest exists.
    c. Procedures for Addressing the Conflict:
        i. An interested person may make a presentation at the Board meeting, but after the presentation, they shall leave the room during the discussion of, and vote on, the transaction or arrangement involving the possible conflict of interest.
        ii. The President or Board shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
        iii. After exercising due diligence, the Board shall determine whether LACC 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.

iv. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board shall determine by a majority vote of the disinterested Officers whether the transaction or arrangement is in LACC's best interest, for its own benefit, and whether it is fair and reasonable.

4. Records of Proceedings: The minutes of the Board of Officers shall be produced and maintained by the Secretary, or in their absence, the treasurer, and shall contain 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'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.
5. Annual Statements: Each Officer, Director, and committee chair shall annually sign a statement which affirms that such person:
    a. Has received a copy of the Conflict of Interest policy;
    b. Has read and understands the policy;
    c. Has agreed to comply with the policy and understands LACC 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

ARTICLE VIII: AMENDMENTS AND DISSOLUTION

1. Amendments to Bylaws: These Bylaws may be amended, altered, revised, or repealed, in whole or in part, by a two-thirds (2/3) majority vote of the active Board of Officers present at any regular or special meeting where a quorum is established, provided that written notice of the proposed amendment has been provided to all Officers at least seven (7) calendar days prior to the vote.
2. Tax-Exempt Asset Dissolution: Upon the dissolution or winding up of the Club, after paying

or making adequate provision for the payment of all legal debts and liabilities of the organization:

- Tangible Physical Assets: All tangible physical property and equipment (including chess boards, pieces, clocks, demonstration boards, library materials, and physical club supplies) shall be transferred and donated to the United States Chess Federation (USCF), provided it remains recognized as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code.
- Remaining Funds & Financial Assets: Any remaining monetary funds or financial assets shall be distributed exclusively for one or more tax-exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, or to a state or local government for a public purpose.

3. Fallback Provision & Judicial Disposition: If the United States Chess Federation is no longer in existence or no longer holds tax-exempt status under Section 501(c)(3) at the time of dissolution, all physical and financial assets shall be distributed to another qualified Section 501(c)(3) chess-focused or youth educational non-profit organization as determined by the Board of Officers, or disposed of by the Court of Common Pleas of Allen County, Ohio, exclusively for such tax-exempt purposes.

ARTICLE IX MEETINGS & ELECTRONIC VOTING

1. Regular & Annual Meetings: The Board of Officers shall meet periodically (in person, telephonically, or digitally) to plan events, review finances, and establish operational strategies. An Annual Meeting shall be held in the fourth quarter of each fiscal year to review annual performance, elect expiring officer positions, and approve the upcoming fiscal budget.
2. Special Meetings: Special meetings of the Board may be called by the President or by any two active Officers upon providing at least forty-eight (48) hours' advance notice to all Officers via written or electronic communication.
3. Quorum and Voting: A simple majority of active, serving Officers present in person or via real-time electronic participation shall constitute a quorum for conducting official corporate business. Except as otherwise required by law or these Bylaws, decisions shall be passed by a majority vote of Officers present at a meeting where a quorum exists.
4. Remote & Virtual Participation: Members of the Board or any committee may participate in a meeting by means of video conference, teleconference, or similar communications

equipment through which all persons participating in the meeting can communicate with each other in real time. Participation by such means shall constitute presence in person at the meeting.

5. Action Without a Meeting (Unanimous Written Consent / Electronic Voting): Any action required or permitted to be taken at a meeting of the Board of Officers may be taken without a physical or virtual meeting if all active Officers consent in writing or via electronic transmission (e.g., email or secure digital voting system) to the action. Such written consents shall be filed with the corporate minutes and shall have the same force and effect as a unanimous vote at an official meeting.

ARTICLE X: INDEMNIFICATION AND LIABILITY PROTECTION

1. Personal Liability Limitation: To the fullest extent permitted by the Ohio Nonprofit Corporation Law (ORC Chapter 1702), no Director, Officer, or volunteer of the Lima Area Chess Club shall be personally liable to the Club or its members for monetary damages for any breach of fiduciary obligation, provided they acted in good faith, in a manner reasonably believed to be in or not opposed to the best interests of the Club, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.
2. Right to Indemnification: The Club shall indemnify and hold harmless any person who was or is a party, or is threatened to be made a party, to any threatened, pending, or completed civil, criminal, administrative, or investigative action, suit, or proceeding by reason of the fact that they are or were an Officer, Director, employee, or authorized agent of the Club.
   Indemnification shall cover reasonable expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred in connection with such action, provided the individual meets the standard of conduct set forth in Section 1 and had no reasonable cause to believe their conduct was unlawful.
3. Directors & Officers (D&O) Insurance: The Club shall have the power and authority to purchase and maintain Directors and Officers (D&O) liability insurance on behalf of any person who is or was an Officer, Director, employee, or agent of the Club against any liability asserted against or incurred by them in such capacity, regardless of whether the Club would have the power to indemnify them against such liability under Ohio law.