

SUMMARY OF AMENDMENTS

Created 10/14/2015

ARTICLE I – NAME & DURATION

CURRENT VERSION:

The name of this corporation shall be Washington Advocates for the Mentally Ill.

The term “mentally ill” as used herein, shall include any psychiatrically disabled person, regardless of age, symptoms, degree or type of affliction and regardless of whether or not that person resides at home, in a community based facility or in an institution.

The term “chronically mentally ill” shall include any person whose psychiatric disability is sufficiently severe to present episodic, recurrent or persistent symptoms.

PROPOSED REVISION:

The name of this corporation shall be NAMI Seattle and its duration shall be perpetual

PURPOSE OF REVISION:

1. Name change
2. Combining perpetual duration
3. The definition is inappropriate because it’s not actually part of the name

ARTICLE II - Purposes

CURRENT VERSION:

Serve as advocates for persons of the chronically mentally ill or severely psychiatrically disabled, regardless of age.

- b. Provide public education and information on the need for improved direct services to the mentally ill.
- c. Examine existing health care programs, systems, institutions, or laws which pertain to the mentally ill.
- d. Cooperate with and support those agencies, systems, institutions, or laws which comply with high standards of service.
- e. Recommend alternatives or modifications to those programs, systems, institutions or laws which jeopardize, delay, or interfere with optimum effective diagnosis or treatment of persons with mental illness.
- f. Collect and disseminate information concerning the etiology, symptoms, diagnosis treatment and prevention of mental illness.
- g. Reach out to meet the needs of families of the mentally ill through supportive crisis and referral self-help groups.
- h. Act as a resource to the community.
- i. Encourage and generate funds for research and education on behalf of the mentally ill.
- j. Solicit, collect, receive, hold, reinvest, distribute, and disburse donations, subscriptions, gifts, bequests and other funds for the purpose of the corporation.

PROPOSED REVISION:

- a. Serve as advocates for persons with mental illness, regardless of age, gender, socio-economic status or cultural heritage.
- b. Provide public education and information on the need for improved direct services to persons with mental illness.
- c. Examine existing health care programs, systems, institutions, or laws that pertain to persons with mental illness.
- d. Cooperate with and support those agencies, systems, institutions, and laws that comply with high standards of service.

- e. Recommend alternatives or modifications to those programs, systems, institutions and laws that jeopardize, delay, or interfere with optimum effective diagnosis or treatment of persons with mental illness.
- f. Collect and disseminate information concerning the etiology, symptoms, diagnosis, treatment and prevention of mental illness.
- g. Reach out to meet the needs of people with mental illness and their families illness through supportive crisis and referral self-help groups.
- h. Act as a resource to the community.
- i. Encourage and generate funds for research and education on behalf of persons with mental illness.
- j. Solicit, collect, receive, hold, reinvest, distribute, and disburse donations, subscriptions, gifts, bequests and other funds for the purpose of the corporation.

PURPOSE OF REVISION:

There are no substantive changes to the actual purposes. The revision updates the language, bringing it into alignment with modern characterizations of mental illness (“the mentally ill” vs “persons with mental illness”). It also corrects grammatical errors.

THIS REVISION ALSO INCLUDES THE LIMITATIONS, PROHIBITED ACTIVITIES, DISSOLUTION DISTRIBUTION, AND POWERS CLAUSES. Ms. Burgon suggested that they be combined into a single article and be brought up to date.

ARTICLE 3 – MEMBERSHIP

Updated to specifically include people with mental illness

ARTICLE 4 – Officers who shall manage affairs of the corporation

CURRENT VERSION:

The affairs of the corporation shall be managed by a Board of Directors consisting of not less than 11 nor more than 22 members and the corporate officers shall be a president, one or more vice presidents, a recording secretary, a corresponding secretary, a treasurer, and other such officers as may be provided for in the Bylaws of the corporation or who may be chosen from time to time by the Board of Directors of the corporation. The board of directors and officers shall be elected by the members of the corporation at the annual meeting of the members on the second Tuesday in January. Officers will manage the affairs of the this corporation until their successors are elected as specified in the bylaws.

PROPOSED REVISION:

The affairs of the Corporation shall be managed by the board of directors. The number, qualifications, terms of office, manner of election, powers, and duties of the directors will be determined by the bylaws of this Corporation.

PURPOSE OF REVISION:

To resolve the contradictions in the Article and to permit the specifics of directors and officers to be prescribed in the bylaws, as permitted by the Washington Nonprofit Corporations Act.

1. The contradictions. There are contradictions in this article which need to be resolved for clarity. First, the Articles require a board of 11 directors whereas the current bylaws require only 7. Second, this article lists the required corporate officers, yet indicates that the bylaws should provide for officers. Third, this article states that officers are to be elected at the annual meeting, yet it also states that they are to be elected as specified in the bylaws. Finally, the first line of this Article states that the affairs of the corporation shall be managed by the board of directors, however the final line states that officers manage the affairs of the corporation until their successors are elected. All of these contradictions must be resolved. Below are recommendations for resolution and the associated reasoning.

2. The number of directors. Membership on the NAMI-GS Board of directors requires a significant commitment of time and energy. At a minimum, directors are expected to attend all monthly board meetings, be active on at least one committee (often requiring an additional monthly meeting), attend both the NAMI-GS annual meeting and the mid-year open house, and volunteer at fundraising events. When an individual becomes a director, he or she also assumes the fiduciary duties and potential liabilities associated with nonprofit directorship, the most significant being fiscal responsibility.

As a result, maintaining a board of 11 directors is very difficult. The current minimum number of directors required by the bylaws is a sustainable number while not being so few that sitting directors are overwhelmed. Moreover, this number is still well above the minimum required by law (one director) AND provides for a board with a multiplicity of viewpoints.

It is a best practice for the provisions in governing documents to be stated in one place rather than two; this eliminates the possibility of contradictions that might require court interpretation. Since the law permits the number of directors to be listed in the bylaw (RCW 24.03.100), and since it is beneficial for Articles of Incorporation to be simple, it makes sense for us to remove this reference and keep it in the bylaws.

3. The required officers. RCW 24.03.125 states that “[t]he officers of a corporation shall consist of a president, one or more vice presidents, a secretary, and a treasurer, each of whom shall be elected or appointed at such time and in such manner and for such terms as may be prescribed in the articles of incorporation or the bylaws.”

As written, the Articles require a recording secretary and a corresponding secretary. There is no legal definition in the RCWs for either of these positions; this not only makes it difficult to prescribe duties, but it also opens up legal vagueness. Since the RCWs require a secretary, it makes legal sense to have a single position. Moreover, the bylaws currently state the positions and terms for officers. Since it is a best practice for the provisions in governing documents to be stated in one place rather than two, it makes sense for us to remove this reference and keep it in the bylaws.

4. Elections. Currently the Articles require that the directors and officers be elected at the annual meeting. The bylaws, however, state that directors are elected at the annual meeting, but that the board elects the officers at the following meeting. This contradiction must be resolved for clarity. The specifics of the election of directors and officers may reside in either the Articles or the bylaws (RCWs 24.03.100 and 24.03.125 respectively), and as above, it is a best practice to have provisions stated in one document rather than two. The revision we are recommending here places the specifics of elections in the bylaws.

The result of this would be that directors would continue to be elected by the members at the annual meeting, following the nomination period described in the bylaws. However, the officers would be elected by the board. This is how officers have been elected for at least the past five years, and this is how the vast majority of nonprofits elect their officers. From a practical standpoint, it makes sense. A slate of officers cannot be elected at the same time as the directors because until the new or standing directors have been elected or reelected, there is no way to know who will be available to fill officer positions. Moreover, newly elected directors should have the time to learn what officer positions entail before being elected to any of those position. Finally, officers positions relate to how the board is managed, NOT how the organization is managed. Therefore, it makes sense for the board to elect the individuals who will run their meetings, take their notes, and so on.

5. The date of the annual members’ meeting. Currently, the Articles of Incorporation require the annual members’ meeting to be held on the second Tuesday in January, whereas the bylaws state

that the annual members' meeting is in December. Historically, the annual meeting has coincided with the holiday party, which makes sense for the purposes of a larger gathering of members. Moreover, since director elections occur at the annual meeting, having it happen in December makes it easier to track directors' terms of service.

More importantly, however, is that RCW 24.03.075 requires that the "annual meeting of the members must be held at the time stated in or fixed in accordance with the bylaws." There is no provision in the law for the specifics of the annual members' meeting to be contained within the Articles. Therefore, this reference should be removed.

6. Management of the corporation. RCW 24.03.095 states that "[t]he affairs of a corporation shall be managed by a board of directors." Nonprofit organizations may be governed ONLY by the action of the board as a whole. There is no provision in the law that permits the affairs of the corporation to be managed by officers.

ARTICLE 5 – LIMITATION OF DIRECTOR LIABILITY

THIS WAS NOT IN THE ORIGINAL SO IT BEING ADDED. Original Article 5 is duration and area of activity – duration has been combined with Article 1 and area of activity is the address, which is unnecessary in the Articles.

ARTICLE 6 – REGISTERED AGENT AND OFFICE

UPDATED TO REFLECT CURRENT AGENT/OFFICE

NAMI GREATER SEATTLE ARTICLES OF AMENDMENT

Pursuant to the provisions of the Washington Nonprofit Corporation Act, Chapter 24.03 RCW (“the Act”), the undersigned corporation adopts the following amended articles of incorporation. These articles correctly set forth the provisions of the Articles of Incorporation as amended and supersede the original Articles of Incorporation and all subsequent amendments to them.

ARTICLE I IS AMENDED AND RESTATED IN ITS ENTIRETY TO READ AS FOLLOWS:

ARTICLE I. NAME & DURATION

The Name of the corporation shall be NAMI Seattle and its duration shall be perpetual.

ARTICLE II IS AMENDED AND RESTATED IN ITS ENTIRETY TO READ AS FOLLOWS:

ARTICLE II. PURPOSE

2.1 The corporation is organized exclusively for charitable, scientific, religious, literary or educational purposes, within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "*Code*") as follows:

- a. Serve as advocates for persons with mental illness, regardless of age, gender, socio-economic status or cultural heritage.
- b. Provide public education and information on the need for improved direct services to persons with mental illness.
- c. Examine existing health care programs, systems, institutions, and laws that pertain to persons with mental illness.
- d. Cooperate with and support those agencies, systems, institutions, and laws that comply with high standards of service.
- e. Recommend alternatives or modifications to those programs, systems, institutions or laws that jeopardize, delay, or interfere with optimum effective diagnosis or treatment of persons with mental illness.
- f. Collect and disseminate information concerning the etiology, symptoms, diagnosis, treatment, and prevention of mental illness.
- g. Reach out to meet the needs of persons with mental illness and their families through supportive crisis and referral self-help groups.
- h. Act as a resource to the community.
- i. Encourage and generate funds for research and education on behalf of persons with mental illness.

- j.* Solicit, collect, receive, hold, reinvest, distribute, and disburse donations, subscriptions, gifts, bequests and other funds for the purpose of the corporation.

2.2 Limitations

- a.* **Nonprofit Status.** The corporation shall not have or issue shares of stock. The corporation is not organized for profit, and no part of its net earnings shall inure to the benefit of any Director or officer of the corporation, or any private individual, except that the corporation shall be authorized and empowered to pay reasonable compensation to its Directors or officers for services rendered, and to make payments and distributions in furtherance of the purposes of the corporation and subject to the limitations of the Bylaws of the corporation and these Articles of Incorporation.

- b.* **Distributions; Dissolution.** 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 upon dissolution of the corporation or the winding up of its affairs. Upon such dissolution or winding up, after paying or making adequate provision for the payment of all the liabilities of the corporation, all the remaining assets of the corporation shall be distributed by the Directors of the corporation (the "*Board of Directors*"), for a purpose or purposes similar to those set forth in Section 2.1 of these Articles of Incorporation, to any other organization that then qualifies for exemption under the provisions of Code Section 501(c)(3). Any such assets not so disposed of shall be disposed of by the Superior Court of King County, Washington, exclusively for a Code Section 501(c)(3) purpose or purposes similar to those set forth in Section 2.1 of these Articles of Incorporation, or to such organization or organizations, as said court shall determine, that are organized and operated for similar Code Section 501(c)(3) purposes.

- c.* **Prohibited Activity.**
 - i.* No substantial part of the activities of the corporation shall be devoted to attempting to influence legislation by propaganda or otherwise, except to the extent that an organization exempt from federal income tax under Section 501(c)(3) of the Code can engage in such activities without incurring any penalties, excise taxes or losing its status as an organization exempt from federal income tax under Section 501(c)(3) of the Code. The corporation shall not, directly or indirectly, participate in or intervene in (including by the publication or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. The corporation shall not have objectives or engage in activities that characterize it as an "action" organization within the meaning of the Code.

 - ii.* Notwithstanding any other provisions of these Articles of Incorporation, the corporation shall not conduct or carry on activities not permitted to be conducted or carried on by an organization exempt from federal income tax under Section 501(c)(3) of the Code or by an organization contributions to which are deductible under Section 170(c)(2) of the Code.

 - iii.* The corporation is prohibited from engaging in any excess benefit transaction as defined in Section 4958(c) of the Code.

iv. The corporation is prohibited from engaging in any act of self-dealing as defined in Section 4941(d) of the Code, from retaining any excess business holding as defined in Section 4943(c) of the Code that would subject the corporation to tax under Section 4943 of the Code, from making any investments that would subject the corporation to tax under Section 4944 of the Code, and from making any taxable expenditure as defined in Section 4945(d) of the Code. If Section 4942 of the Code is deemed applicable to the corporation, it shall make distributions at such time and in such manner that it is not subject to tax under Section 4942 of the Code.

2.3 Powers. In general, and subject to such limitations and conditions as are or may be prescribed by law, by these Articles of Incorporation, or by the Bylaws of the corporation, the corporation shall have the authority to (a) engage in any and all such activities as are incidental or conducive to the attainment of the purposes of the corporation set forth in Section 2.1 of these Articles of Incorporation and (b) exercise any and all powers authorized or permitted under any laws that are now, or hereafter may be, applicable or available to the corporation.

ARTICLE III IS AMENDED AND RESTATED IN ITS ENTIRETY TO READ AS FOLLOWS:

ARTICLE III. MEMBERSHIP

Membership shall be open to all persons with mental illness, parents and relatives of persons with mental illness, mental health professionals, and to all other persons sympathetic to the purposes of the corporation. Admission to membership shall be by payment of an annual fee or contribution for membership, or waiver of such payment, as provided in the Bylaws.

ARTICLE IV IS AMENDED AND RESTATED IN ITS ENTIRETY TO READ AS FOLLOWS:

ARTICLE IV. DIRECTORS

The affairs of the corporation shall be managed by the Board of Directors. The number, qualifications, terms of office, manner of election, powers, and duties of the Directors will be determined in the manner provided by the bylaws of the corporation.

ARTICLE V IS AMENDED AND RESTATED IN ITS ENTIRETY TO READ AS FOLLOWS:

ARTICLE V. LIMITATION OF DIRECTOR LIABILITY

As may be further specified in the Bylaws of the Corporation, to the full extent that the Act (as it exists today or as it may be amended in the future) permits the limitation or elimination of the liability of Directors, a Director of the corporation shall not be liable to the corporation or its members, if any, for monetary damages for conduct as a Director. Any amendments to or repeal of this Article V shall not adversely affect any right or protection of a Director of the corporation for or with respect to any acts or omissions of such Director occurring prior to such amendment or repeal. If the Act is amended in the future to authorize corporate action further eliminating or limiting personal liability of directors, then the liability of a director for the corporation shall be eliminated or limited to the full extent permitted by the Act, as so amended, without any requirement of further action by the corporation.

ARTICLE VI IS AMENDED AND RESTATED IN ITS ENTIRETY TO READ AS FOLLOWS:

ARTICLE VI. REGISTERED AGENT AND OFFICE

The address of the registered office of the corporation is 802 NW 70TH ST, Seattle, WA 98117, and the name of its registered agent at such address is NAMI Seattle.