

government and its existing public institutions, and shall take effect immediately.

Passed the Senate March 1, 1979.

Passed the House February 14, 1979.

Approved by the Governor March 2, 1979.

Filed in Office of Secretary of State March 2, 1979.

CHAPTER 16

[Engrossed Senate Bill No. 2119]

BUSINESS CORPORATION ACT

AN ACT Relating to business corporations; amending section 3, chapter 53, Laws of 1965 and RCW 23A.04.010; amending section 4, chapter 53, Laws of 1965 and RCW 23A.08.010; amending section 5, chapter 53, Laws of 1965 as amended by section 1, chapter 58, Laws of 1969 ex. sess. and RCW 23A.08.020; amending section 2, chapter 58, Laws of 1969 ex. sess. and RCW 23A.08.025; amending section 8, chapter 53, Laws of 1965 and RCW 23A.08.050; amending section 9, chapter 53, Laws of 1965 as amended by section 1, chapter 83, Laws of 1969 ex. sess. and RCW 23A.08.060; amending section 13, chapter 53, Laws of 1965 as last amended by section 1, chapter 193, Laws of 1977 ex. sess. and RCW 23A.08.100; amending section 15, chapter 53, Laws of 1965 and RCW 23A.08.120; amending section 18, chapter 53, Laws of 1965 and RCW 23A.08.150; amending section 22, chapter 53, Laws of 1965 and RCW 23A.08.190; amending section 23, chapter 53, Laws of 1965 and RCW 23A.08.200; amending section 26, chapter 53, Laws of 1965 and RCW 23A.08.230; amending section 28, chapter 53, Laws of 1965 and RCW 23A.08.250; amending section 31, chapter 53, Laws of 1965 and RCW 23A.08.280; amending section 32, chapter 53, Laws of 1965 and RCW 23A.08.290; amending section 33, chapter 53, Laws of 1965 and RCW 23A.08.300; amending section 1, chapter 176, Laws of 1967 and RCW 23A.08.345; amending section 38, chapter 53, Laws of 1965 as amended by section 2, chapter 264, Laws of 1975 1st ex. sess. and RCW 23A.08.350; amending section 41, chapter 53, Laws of 1965 and RCW 23A.08.380; amending section 42, chapter 53, Laws of 1965 and RCW 23A.08.390; amending section 44, chapter 53, Laws of 1965 as amended by section 3, chapter 264, Laws of 1975 1st ex. sess. and RCW 23A.08.410; amending section 45, chapter 53, Laws of 1965 and RCW 23A.08.420; amending section 48, chapter 53, Laws of 1965 and RCW 23A.08.450; amending section 50, chapter 53, Laws of 1965 as amended by section 4, chapter 264, Laws of 1975 1st ex. sess. and RCW 23A.08.470; amending section 53, chapter 53, Laws of 1965 and RCW 23A.08.500; amending section 55, chapter 53, Laws of 1965 and RCW 23A.12.020; amending section 57, chapter 53, Laws of 1965 and RCW 23A.12.040; amending section 59, chapter 53, Laws of 1965 and RCW 23A.12.060; amending section 61, chapter 53, Laws of 1965 and RCW 23A.16.020; amending section 63, chapter 53, Laws of 1965 as amended by section 5, chapter 193, Laws of 1977 ex. sess. and RCW 23A.16.040; amending section 65, chapter 53, Laws of 1965 and RCW 23A.16.060; amending section 67, chapter 53, Laws of 1965 as amended by section 8, chapter 193, Laws of 1977 ex. sess. and RCW 23A.16.080; amending section 75, chapter 53, Laws of 1965 and RCW 23A.20.030; amending section 76, chapter 53, Laws of 1965 as amended by section 12, chapter 193, Laws of 1977 ex. sess. and RCW 23A.20.040; amending section 77, chapter 53, Laws of 1965 as last amended by section 13, chapter 193, Laws of 1977 ex. sess. and RCW 23A.20.050; amending section 78, chapter 53, Laws of 1965 and RCW 23A.20.060; amending section 79, chapter 53, Laws of 1965 and RCW 23A.20.070; amending section 80, chapter 53, Laws of 1965 and RCW 23A.24.010; amending section 81, chapter 53, Laws of 1965 and RCW 23A.24.020; amending section 82, chapter 53, Laws of 1965 and RCW 23A.24.030; amending section 83, chapter 53, Laws of 1965 and RCW 23A.24.040; amending section 84, chapter 53, Laws of 1965 as amended by section 14, chapter 193, Laws of 1977 ex. sess. and RCW 23A.28.010; amending section 109, chapter 53, Laws of 1965 and RCW 23A.32.010; amending section 111, chapter 53, Laws of 1965 as amended by section 6, chapter 190, Laws of 1967 and RCW 23A.32.030; amending section 112, chapter 53,

Laws of 1965 and RCW 23A.32.040; amending section 113, chapter 53, Laws of 1965 as amended by section 1, chapter 22, Laws of 1971 and RCW 23A.32.050; amending section 114, chapter 53, Laws of 1965 as last amended by section 1, chapter 89, Laws of 1973 and RCW 23A.32.060; amending section 117, chapter 53, Laws of 1965 and RCW 23A.32.090; amending section 122, chapter 53, Laws of 1965 and RCW 23A.32.140; amending section 130, chapter 53, Laws of 1965 and RCW 23A.36.030; amending section 4, chapter 92, Laws of 1969 ex. sess. as last amended by section 1, chapter 36, Laws of 1975 1st ex. sess. and RCW 23A.40.075; amending section 1, chapter 2, Laws of 1971 ex. sess. and RCW 23A.40.150; amending section 165, chapter 53, Laws of 1965 and RCW 23A.98.030; adding a new section to chapter 23A.08 RCW; adding a new section to chapter 23A.16 RCW; adding a new section to chapter 23A.20 RCW; adding new sections to chapter 23A.32 RCW; repealing section 58, chapter 53, Laws of 1965 and RCW 23A.12.050; repealing section 66, chapter 53, Laws of 1965, section 5, chapter 190, Laws of 1967, section 7, chapter 193, Laws of 1977 ex. sess. and RCW 23A.16.070; repealing section 144, chapter 53, Laws of 1965 and RCW 23A.40.110; repealing section 145, chapter 53, Laws of 1965 and RCW 23A.40.120; repealing section 146, chapter 53, Laws of 1965 and RCW 23A.40.130; repealing section 147, chapter 53, Laws of 1965 and RCW 23A.40.140; and repealing section 156, chapter 53, Laws of 1965 and RCW 23A.44.090.

Be it enacted by the Legislature of the State of Washington:

Section 1. Section 3, chapter 53, Laws of 1965 and RCW 23A.04.010 are each amended to read as follows:

As used in this title, unless the context otherwise requires, the term:

(1) "Corporation" or "domestic corporation" means a corporation for profit (~~organized for a purpose for which a corporation may be organized under~~) subject to the provisions of this title, except a foreign corporation.

(2) "Foreign corporation" means a corporation for profit organized under laws other than the laws of this state for a purpose or purposes for which a corporation may be organized under this title.

(3) "Articles of incorporation" means the original or restated articles of incorporation or articles of consolidation and all amendments thereto including articles of merger.

(4) "Shares" means the units into which the proprietary interests in a corporation are divided.

(5) "Subscriber" means one who subscribes for one or more shares in a corporation, whether before or after incorporation.

(6) "Shareholder" means one who is a holder of record of one or more shares in a corporation (~~(, except as provided by RCW 23A.12.040)~~). If the articles of incorporation or the bylaws so provide, the board of directors may adopt by resolution a procedure whereby a shareholder of the corporation may certify in writing to the corporation that all or a portion of the shares registered in the name of such shareholder are held for the account of a specified person or persons. The resolution shall set forth:

(a) The classification of shareholder who may certify;

(b) The purpose or purposes for which the certification may be made;

(c) The form of certification and information to be contained therein;

(d) If the certification is with respect to a record date or closing of the stock transfer books within which the certification must be received by the corporation; and

(e) Such other provisions with respect to the procedure as are deemed necessary or desirable.

Upon receipt by the corporation of a certification complying with the procedure, the persons specified in the certification shall be deemed, for the purpose or purposes set forth in the certification, to be the holders of record of the number of shares specified in place of the shareholder making the certification.

(7) "Authorized shares" means the shares of all classes which the corporation is authorized to issue.

(8) "Treasury shares" means shares of a corporation which have been issued, have been subsequently acquired by and belong to the corporation, and have not, either by reason of the acquisition or thereafter, been canceled or restored to the status of authorized but unissued shares. Treasury shares shall be deemed to be "issued" shares but not "outstanding" shares.

(9) "Net assets" means the amount by which the total assets of a corporation (~~(, excluding treasury shares,)~~) exceed the total debts of the corporation.

(10) "Stated capital" means, at any particular time, the sum of (a) the par value of all shares of the corporation having a par value that have been issued, (b) the amount of the consideration received by the corporation for all shares of the corporation without par value that have been issued, except such part of the consideration therefor as may have been allocated to capital surplus in a manner permitted by law, and (c) such amounts not included in clauses (a) and (b) of this paragraph as have been transferred to stated capital of the corporation, whether upon the issue of shares as a share dividend or otherwise, minus all reductions from such sum as have been effected in a manner permitted by law. Irrespective of the manner of designation thereof by the laws under which a foreign corporation is organized, the stated capital of a foreign corporation shall be determined on the same basis and in the same manner as the stated capital of a domestic corporation, for the purpose of computing fees and other charges imposed by this title.

(11) "Surplus" means the excess of the net assets of a corporation over its stated capital.

(12) "Earned surplus" means the portion of the surplus of a corporation equal to the balance of its net profits, income, gains and losses from the date of incorporation, or from the latest date when a deficit was eliminated by an application of its capital surplus or stated capital or otherwise, after deducting subsequent distributions to shareholders and transfers to stated capital and capital surplus to the extent such distributions and transfers are made out of earned surplus. Earned surplus shall include also any portion of surplus allocated to earned surplus in mergers, consolidations or acquisitions of all or substantially all of the outstanding shares or of the property and assets of another corporation, domestic or foreign.

(13) "Capital surplus" means the entire surplus of a corporation other than its earned surplus.

(14) "Insolvent" means inability of a corporation to pay its debts as they become due in the usual course of its business.

(15) For the purposes of RCW 23A.40.040, 23A.40.050, 23A.40.060, and ~~((23A.40.130))~~ section 51 of this 1979 act the term or terms:

(a) "Stock" means shares.

(b) "Capital" and "capital stock" and "authorized capital stock" mean the sum of (i) the par value of all shares of the corporation having a par value that the corporation is authorized to issue, and (ii) the amount expected to be allocated to stated capital out of the amount of the consideration expected to be received by the corporation in return for the issuance of all the shares without par value which the corporation is authorized to issue.

(c) "Capitalization" means stated capital.

(d) "Value of the assets received and to be received by such corporation in return for the issuance of its nonpar value stock" and "value of the assets represented by nonpar shares" mean the amount expected to be allocated to stated capital out of the amount of consideration expected to be received by the corporation in return for the issuance of all the shares without par value which the corporation is authorized to issue.

(e) "Value of the assets received in consideration of the issuance of such nonpar value stock" means the stated capital represented by the nonpar value shares issued by the corporation.

(f) "The number of shares of capital stock of the company" means the number of shares of the corporation.

(16) "Duplicate originals" means two copies, original or otherwise, each with original signatures.

Sec. 2. Section 4, chapter 53, Laws of 1965 and RCW 23A.08.010 are each amended to read as follows:

Corporations may be organized under this title for any lawful purpose or purposes, except for the purpose of banking or engaging in business as an insurer ~~((; and except:~~

~~(1) Where special provision is made by law for the preparation, contents and filing of articles of incorporation of designated classes of corporations, such corporations shall be formed under such special provisions, and not hereunder.~~

~~(2) Any business, the conduct of which at the time of the passage of this title is forbidden to corporations by the Constitution, statutes or common law of this state)).~~

Sec. 3. Section 5, chapter 53, Laws of 1965 as amended by section 1, chapter 58, Laws of 1969 ex. sess. and RCW 23A.08.020 are each amended to read as follows:

Each corporation shall have power:

(1) To have perpetual succession by its corporate name unless a limited period of duration is stated in its articles of incorporation.

(2) To sue and be sued, complain and defend, in its corporate name.

(3) To have a corporate seal which may be altered at pleasure, and to use the same by causing it, or a facsimile thereof, to be impressed or affixed or in any other manner reproduced.

(4) To purchase, take, receive, lease, or otherwise acquire, own, hold, improve, use and otherwise deal in and with, real or personal property, or any interest therein, wherever situated.

(5) To sell, convey, mortgage, pledge, lease, exchange, transfer and otherwise dispose of all or any part of its property and assets.

(6) To lend money (~~(to its employees other than its officers and directors, and otherwise assist its employees, officers and directors)~~) and use its credit to assist its employees.

(7) To purchase, take, receive, subscribe for, or otherwise acquire, own, hold, vote, use, employ, sell, mortgage, lend, pledge, or otherwise dispose of, and otherwise use and deal in and with, shares or other interests in, or obligations of, other domestic or foreign corporations, associations, partnerships or individuals, or direct or indirect obligations of the United States or of any other government, state, territory, governmental district or municipality or of any instrumentality thereof.

(8) To make contracts and guarantees and incur liabilities, borrow money at such rates of interest as the corporation may determine, issue its notes, bonds, and other obligations, and secure any of its obligations by mortgage or pledge of all or any of its property, franchises and income.

(9) To lend money for its corporate purposes, invest and reinvest its funds, and take and hold real and personal property as security for the payment of funds so loaned or invested.

(10) To conduct its business, carry on its operations, and have offices and exercise the powers granted by this title (~~(in any state, territory, district, or possession of the United States, or in any foreign country)~~), within or without this state.

(11) To elect or appoint officers and agents of the corporation, and define their duties and fix their compensation.

(12) To make and alter bylaws, not inconsistent with its articles of incorporation or with the laws of this state, for the administration and regulation of the affairs of the corporation.

(13) To make donations for the public welfare or for charitable, scientific or educational purposes; and in time of war to make donations in aid of war activities.

(14) (~~In time of war~~) To transact any lawful business which the board of directors finds will be in aid of ((the United States in the prosecution of the war)) governmental policy.

(15) To pay pensions and establish pension plans, pension trusts, profit-sharing plans, stock bonus plans, stock option plans and other incentive plans for any or all of its directors, officers and employees.

(16) To be a promoter, partner, member, associate, or manager of any partnership, joint venture, trust, or other enterprise.

(17) To cease its corporate activities and surrender its corporate franchise.

~~((+7))~~ (18) To have and exercise all powers necessary or convenient to effect ~~((any or all of the))~~ its purposes ~~((for which the corporation is organized))~~.

Sec. 4. Section 2, chapter 58, Laws of 1969 ex. sess. and RCW 23A.08-.025 are each amended to read as follows:

For the purposes of this section, "agent" includes any person who is or was a director, trustee, officer, employee, or other agent of the corporation or is or was serving at the request of the corporation as a director, trustee, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, or was a director, trustee, officer, employee, or agent of a corporation which was a predecessor corporation of the corporation or of another enterprise at the request of such predecessor corporation, and "expenses" includes attorneys' fees and any expense of establishing a right to indemnification under subsection (3) of this section.

(1) A corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he is or was ~~((a director, trustee, officer, employee or))~~ an agent of the corporation~~((, or is or was serving at the request of the corporation as a director, trustee, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise.))~~ against expenses ~~((including attorneys' fees))~~, judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(2) A corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a

judgment in its favor by reason of the fact that he is or was (~~(a director, trustee, officer, employee or)~~) an agent of the corporation (~~(, or is or was serving at the request of the corporation as a director, trustee, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise)~~) against expenses (~~((including attorneys' fees))~~) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the corporation unless and only to the extent that the court in which such action or suit was brought shall determine upon application, that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

(3) To the extent that (~~(a director, trustee, officer, employee or)~~) an agent of a corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections (1) and (2), or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (~~((including attorneys' fees))~~) actually and reasonably incurred by him in connection therewith.

(4) Any indemnification under subsections (1) and (2) above (unless ordered by a court) shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the (~~(director, trustee, officer, employee or)~~) agent is proper in the circumstances because he has met the applicable standard of conduct set forth in subsections (1) and (2) above. Such determination shall be made (a) by the board of directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (b) if such a quorum is not obtainable, or, even if obtainable a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (c) by the shareholders.

(5) Expenses incurred in defending a civil or criminal action suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding as authorized in the manner provided in subsection (4) upon receipt of an undertaking by or on behalf of the (~~(director, trustee, officer, employee or)~~) agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the corporation as authorized in this section.

(6) The indemnification provided by this section shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any bylaw, agreement, vote of shareholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in

another capacity while holding such office, and shall continue as to a person who has ceased to be ~~((a director, trustee, officer, employee or))~~ an agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

(7) A corporation shall have power to purchase and maintain insurance on behalf of any ~~((person who is or was a director, trustee, officer, employee or))~~ agent of the corporation ~~((, or is or was serving at the request of the corporation as a director, trustee, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise))~~ against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the corporation would have the power to indemnify him against such liability under the provisions of this section.

Sec. 5. Section 8, chapter 53, Laws of 1965 and RCW 23A.08.050 are each amended to read as follows:

(1) The corporate name:

(a) Shall contain the word "corporation," "company," "incorporated," or "limited," or shall contain an abbreviation of one of such words ~~((, or such corporation shall, for use in this state, add at the end of its name one of such words or an abbreviation thereof))~~.

(b) Shall not contain any word or phrase which indicates or implies that it is organized for any purpose other than one or more of the purposes contained in its articles of incorporation or that it is authorized or empowered to conduct the business of banking or insurance.

(c) Shall not be the same as, or deceptively similar to, the name of any domestic corporation existing under the laws of this state or any foreign corporation authorized to transact business in this state, or a name the exclusive right to which is, at the time, reserved in the manner provided in this title, or the name of a corporation which has in effect a registration of its corporate name as provided in this title, ~~((unless~~

~~(i) such other domestic or foreign corporation is about to change its name, or to cease to do business, or is being wound up, or such foreign corporation is about to withdraw from doing business in this state, and~~

~~(ii) the written consent of such other domestic or foreign corporation to the adoption of its name or a deceptively similar name has been given and is filed with the articles of incorporation, provided, a deceptively similar name shall not be used if the secretary of state finds that the use of such name shall be against public interest))~~ except that this provision shall not apply if the applicant files with the secretary of state either of the following: (i) The written consent of the other corporation or holder of a reserved or a registered name to use the same or deceptively similar name and one or more words are added or deleted to make the name distinguishable from the other name as determined by the secretary of state, or (ii) a certified copy of a

final decree of a court of competent jurisdiction establishing the prior right of the applicant to the use of the name in this state.

(2) No corporation formed under this chapter shall include in its corporate name any of the following words or phrases: "Bank," "banking," "banker," "trust," "cooperative," or any combination of the words "industrial" and "loan," or any combination of any two or more words "building," "savings," "loan," "home," "association," "society," "room," "lounge" or any other words or phrases prohibited by any statute of this state.

(3) The assumption of a name in violation of this section shall not affect or vitiate the corporate existence, but the courts of this state, having equity jurisdiction, may, upon the application of the state, or of any person, unincorporated association, or corporation interested or affected, enjoin such corporation from doing business under a name assumed in violation of this section, although its articles of incorporation may have been approved and a certificate of incorporation issued.

(4) A corporation with which another corporation, domestic or foreign, is merged, or which is formed by the reorganization or consolidation of one or more domestic or foreign corporations or upon a sale, lease, or other disposition to or exchange with a domestic corporation of all or substantially all the assets of another corporation, domestic or foreign, including its name, may have the same name as that used in this state by any of the corporations involved if the other corporation was engaged under the laws of or is authorized to transact business in this state.

Sec. 6. Section 9, chapter 53, Laws of 1965 as amended by section 1, chapter 83, Laws of 1969 ex. sess. and RCW 23A.08.060 are each amended to read as follows:

The exclusive right to the use of a corporate name may be reserved by:

- (1) Any person intending to organize a corporation under this title.
- (2) Any domestic corporation intending to change its name.
- (3) Any foreign corporation intending to make application for a certificate of authority to transact business in this state.
- (4) Any foreign corporation authorized to transact business in this state and intending to change its name.
- (5) Any person intending to organize a foreign corporation and intending to have such corporation make application for a certificate of authority to transact business in this state.

The reservation shall be made by filing with the secretary of state an application to reserve a specified corporate name, executed by or on behalf of the applicant. If the secretary of state finds that the name is available for corporate use, he shall reserve the same for the exclusive use of the applicant for a period of one hundred and eighty days. Such reservation shall be limited to one filing and ~~((shall not be renewable))~~ one renewal for a like period.

The right to the exclusive use of a specified corporate name so reserved may be transferred to any other person or corporation by filing in the office of the secretary of state, a notice of such transfer, executed by the applicant for whom the name was reserved, and specifying the name and address of the transferee.

Sec. 7. Section 13, chapter 53, Laws of 1965 as last amended by section 1, chapter 193, Laws of 1977 ex. sess. and RCW 23A.08.100 are each amended to read as follows:

A corporation may change its registered office or change its registered agent or both, ~~((by executing and))~~ upon filing in the ~~((manner hereinafter provided))~~ office of the secretary of state a statement setting forth:

- (1) The name of the corporation.
- (2) The address of its then registered office.
- (3) If the address of its registered office be changed, the address to which the registered office is to be changed.
- (4) The name of its then registered agent.
- (5) If its registered agent be changed, the name of its successor registered agent.
- (6) That the address of its registered office and the address of the business office of its registered agent, as changed, will be identical.
- (7) That such change was authorized by resolution duly adopted by its board of directors.

~~((8) The date such change is to become effective:))~~

Such statement shall be executed in duplicate by the corporation by its president or a vice-president, and verified by him and delivered to the secretary of state ~~((on or before the date such change is to become effective))~~. If the secretary of state finds that such statement conforms to the provisions of this title he shall endorse on ~~((each of))~~ such duplicate originals the word "Filed," and the month, day, and year of the filing thereof, file one original in his office, and return the other original to the corporation or its representative. The change of address of the registered office, or the appointment of a new registered agent, or both, as the case may be, shall become effective upon filing unless a later date is specified.

Any registered agent of a corporation may resign as such agent upon filing a written notice thereof, executed in duplicate, with the secretary of state, who shall forthwith mail one copy thereof to the corporation or its representative. The appointment of such agent shall terminate upon the expiration of thirty days after receipt of such notice by the secretary of state.

If a registered agent changes his or its business address to another place within the same county, he or it may change such address and the address of the registered office of any corporation of which he or it is a registered agent by filing a statement as required by this section, except that it need be signed only by the registered agent, it need not be responsive to subsections

(5) or (7) of this section, and it must recite that a copy of the statement has been mailed to the corporation.

Sec. 8. Section 15, chapter 53, Laws of 1965 and RCW 23A.08.120 are each amended to read as follows:

Each corporation shall have power to create and issue the number of shares stated in its articles of incorporation. Such shares may be divided into one or more classes, any or all of which classes may consist of shares with par value or shares without par value, with such designations, preferences, limitations, and relative rights as shall be stated in the articles of incorporation. The articles of incorporation may limit or deny the voting rights of or provide special voting rights for the shares of any class to the extent not inconsistent with the provisions of this title.

Without limiting the authority herein contained, a corporation, when so provided in its articles of incorporation, may issue shares of preferred or special classes:

(1) Subject to the right of the corporation to redeem any of such shares at the price fixed by the articles of incorporation for the redemption thereof.

(2) Entitling the holders thereof to cumulative, noncumulative or partially cumulative dividends.

(3) Having preference over any other class or classes of shares as to the payment of dividends.

(4) Having preference in the assets of the corporation over any other class or classes of shares upon the voluntary or involuntary liquidation of the corporation.

(5) Convertible into shares of any other class or into shares of any series of the same or any other class, except a class having prior or superior rights and preferences as to dividends or distribution of assets upon liquidation, but shares without par value shall not be converted into shares with par value unless that part of the stated capital of the corporation represented by such shares without par value is, at the time of conversion, at least equal to the aggregate par value of the shares into which the shares without par value are to be converted or the amount of any deficiency is transferred from surplus to stated capital.

Sec. 9. Section 18, chapter 53, Laws of 1965 and RCW 23A.08.150 are each amended to read as follows:

Shares having a par value may be issued for such consideration expressed in dollars, not less than the par value thereof, as shall be fixed from time to time by the board of directors.

Shares without par value may be issued for such consideration expressed in dollars as may be fixed from time to time by the board of directors unless the articles of incorporation reserve to the shareholders the right to fix the consideration. In the event that such right be reserved as to any shares, the shareholders shall, prior to the issuance of such shares, fix the consideration

to be received for such shares, by a vote of the holders of a majority of all shares entitled to vote thereon.

Treasury shares may be disposed of by the corporation for such consideration expressed in dollars as may be fixed from time to time by the board of directors.

That part of the surplus of a corporation which is transferred to stated capital upon the issuance of shares as a share dividend shall be deemed to be the consideration for the issuance of such shares.

In the event of ~~((a conversion of shares, or in the event of an exchange of shares with or without par value for the same or a different number of shares with or without par value, whether of the same or a different class or classes, the consideration for the shares so issued in exchange or conversion shall be deemed to be (1) the stated capital then represented by the shares so exchanged or converted;))~~ the issuance of shares upon the conversion or exchange of indebtedness or shares, the consideration for the shares so issued shall be (1) the principal sum of, and accrued interest on, the indebtedness so exchanged or converted, or the stated capital then represented by the shares so exchanged or converted, and (2) that part of surplus, if any, transferred to stated capital upon the issuance of shares for the shares so exchanged or converted, and (3) any additional consideration paid to the corporation upon the issuance of shares for the indebtedness or the shares so exchanged or converted.

Sec. 10. Section 22, chapter 53, Laws of 1965 and RCW 23A.08.190 are each amended to read as follows:

The shares of a corporation shall be represented by certificates signed by the president or a vice president and the secretary or an assistant secretary of the corporation, and may be sealed with the seal of the corporation or a facsimile thereof. The signatures of the president or vice president and the secretary or assistant secretary upon a certificate may be facsimiles if the certificate is ~~((countersigned by))~~ manually signed on behalf of a transfer agent, or registered by a registrar, other than the corporation itself or an employee of the corporation. In case any officer who has signed or whose facsimile signature has been placed upon such certificate shall have ceased to be such officer before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer at the date of its issue.

Every certificate representing shares issued by a corporation which is authorized to issue shares of more than one class shall set forth upon the face or back of the certificate, or shall state that the corporation will furnish to any shareholder upon request and without charge, a full statement of the designations, preferences, limitations, and relative rights of the shares of each class authorized to be issued and, if the corporation is authorized to issue any preferred or special class in series, the variations in the relative rights and preferences between the shares of each such series so far as the

same have been fixed and determined and the authority of the board of directors to fix and determine the relative rights and preferences of subsequent series.

Each certificate representing shares shall state upon the face thereof:

- (1) That the corporation is organized under the laws of this state.
- (2) The name of the person to whom issued.
- (3) The number and class of shares, and the designation of the series, if any, which such certificate represents.
- (4) The par value of each share represented by such certificate, or a statement that the shares are without par value.

No certificate shall be issued for any share until such share is fully paid.

Sec. 11. Section 23, chapter 53, Laws of 1965 and RCW 23A.08.200 are each amended to read as follows:

A corporation may(~~(, but shall not be obliged to,)~~) (1) issue ((a certificate for a fractional)) fractions of a share, ((and, by action of its board of directors, may issue in lieu thereof)) (2) arrange for the disposition of fractional interests by those entitled thereto, (3) pay in cash the fair value of fractions of a share as of the time when those entitled to receive such shares are determined, or (4) issue scrip in registered or bearer form which shall entitle the holder to receive a certificate for a full share upon the surrender of such scrip aggregating a full share. A certificate for a fractional share shall, but scrip shall not unless otherwise provided therein, entitle the holder to exercise voting rights, to receive dividends thereon, and to participate in any of the assets of the corporation in the event of liquidation. The board of directors may cause such scrip to be issued subject to the condition that it shall become void if not exchanged for certificates representing full shares before a specified date, or subject to the condition that the shares for which such scrip is exchangeable may be sold by the corporation and the proceeds thereof distributed to the holders of such scrip, or subject to any other conditions which the board of directors may deem advisable.

Sec. 12. Section 26, chapter 53, Laws of 1965 and RCW 23A.08.230 are each amended to read as follows:

The initial bylaws of a corporation shall be adopted by its board of directors. The power to ((adopt,)) alter, amend or repeal the bylaws or adopt new bylaws, subject to repeal or change by action of the shareholders, shall be vested in the ((shareholders unless vested in the)) board of directors unless reserved to the shareholders by the articles of incorporation. The bylaws may contain any provisions for the regulation and management of the affairs of the corporation not inconsistent with law or the articles of incorporation.

Sec. 13. Section 28, chapter 53, Laws of 1965 and RCW 23A.08.250 are each amended to read as follows:

Meetings of shareholders may be held at such place(~~(, either)~~) within or without this state(~~(;)~~) as may be (~~(provided in)~~) stated in or fixed in accordance with the bylaws. (~~(In the absence of any such provision, all)~~) If no place is stated or so fixed, meetings shall be held at the (~~(registered office)~~) principal place of business of the corporation.

An annual meeting of the shareholders shall be held at such time as may be (~~(provided in)~~) stated in or fixed in accordance with the bylaws. (~~(Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the corporation.)~~) If the annual meeting is not held within any thirteen-month period the superior court may, on the application of any shareholder for a writ of mandamus, summarily order a meeting to be held.

Special meetings of the shareholders may be called by (~~(the president;)~~) the board of directors, the holders of not less than one-tenth of all the shares entitled to vote at the meeting, or such other (~~(officers or)~~) persons as may be (~~(provided)~~) authorized in the articles of incorporation or the bylaws.

NEW SECTION. Sec. 14. There is added to chapter 23A.08 RCW a new section to read as follows:

Any action required by this title to be taken at a meeting of the shareholders of a corporation, or any action which may be taken at a meeting of the shareholders, may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the shareholders entitled to vote with respect to the subject matter thereof.

The consent shall have the same force and effect as a unanimous vote of shareholders, and may be stated as such in any articles or document filed under this title with the secretary of state.

Sec. 15. Section 31, chapter 53, Laws of 1965 and RCW 23A.08.280 are each amended to read as follows:

The officer or agent having charge of the stock transfer books for shares of a corporation shall make, at least ten days before each meeting of shareholders, a complete (~~(list)~~) record of the shareholders entitled to vote at such meeting or any adjournment thereof, arranged in alphabetical order, with the address of and the number of shares held by each, which (~~(list)~~) record, for a period of ten days prior to such meeting, shall be kept on file at the registered office of the corporation. Such (~~(list)~~) record shall be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any shareholder during the whole time of the meeting for the purposes thereof. (~~(The original stock transfer books shall be prima facie evidence as to who are the shareholders entitled to examine such list or transfer books or to vote at any meeting of shareholders.)~~)

Failure to comply with the requirements of this section shall not affect the validity of any action taken at such meeting.

An officer or agent having charge of the stock transfer books who shall fail to prepare the ~~((hist))~~ record of shareholders, or keep it on file for a period of ten days, or produce and keep it open for inspection at the meeting, as provided in this section, shall be liable to any shareholder suffering damage on account of such failure, to the extent of such damage.

Sec. 16. Section 32, chapter 53, Laws of 1965 and RCW 23A.08.290 are each amended to read as follows:

~~((Unless otherwise provided in the articles of incorporation, a majority of the shares entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders. If a quorum is present, the affirmative vote of the majority of the shares represented at the meeting and entitled to vote on the subject matter shall be the act of the shareholders, unless the vote of a greater number or voting by classes is required by this title or the articles of incorporation or bylaws.))~~ (1) A quorum at a meeting of shareholders is constituted by the representation in person or by proxy of:

(a) The percentage of shares entitled to vote set forth in the articles of incorporation, except that no such percentage shall be less than thirty-three percent; or

(b) In the absence of any provision in the articles of incorporation, a majority of shares entitled to vote.

(2) If a quorum is present, the affirmative vote of the majority of the shares represented at the meeting and entitled to vote on the subject matter shall be the act of the shareholders, unless the vote of a greater number or voting by classes is required by this title or the articles of incorporation or bylaws.

Sec. 17. Section 33, chapter 53, Laws of 1965 and RCW 23A.08.300 are each amended to read as follows:

Each outstanding share, regardless of class, shall be entitled to one vote on each matter submitted to a vote at a meeting of shareholders, except ~~((to the extent that the voting rights of the shares of any class or classes are limited or denied by the articles of incorporation as permitted by this title))~~ as may be otherwise provided in the articles of incorporation. If the articles of incorporation provide for more or less than one vote for any share, on any matter, every reference in this title to a majority or other proportion of shares shall refer to such a majority or other proportion of votes entitled to be cast.

Neither treasury shares, nor shares held by another corporation if a majority of the shares entitled to vote for the election of directors of such other corporation is held by the corporation, shall be voted at any meeting or counted in determining the total number of outstanding shares at any given time.

A shareholder may vote either in person or by proxy executed in writing by the shareholder or by his duly authorized attorney-in-fact. No proxy shall be valid after eleven months from the date of its execution, unless

otherwise provided in the proxy. Unless the articles of incorporation otherwise provide, at each election for directors every shareholder entitled to vote at such election shall have the right to vote in person or by proxy, the number of shares owned by him for as many persons as there are directors to be elected and for whose election he has a right to vote, or to cumulate his votes by giving one candidate as many votes as the number of such directors multiplied by the number of his shares shall equal, or by distributing such votes on the same principle among any number of such candidates.

Shares standing in the name of another corporation, domestic or foreign, may be voted by such officer, agent or proxy as the bylaws of such corporation may prescribe, or, in the absence of such provision, as the board of directors of such corporation may determine.

Shares held by an administrator, executor, guardian or conservator may be voted by him, either in person or by proxy, without a transfer of such shares into his name. Shares standing in the name of a trustee may be voted by him, either in person or by proxy, but no trustee shall be entitled to vote shares held by him without a transfer of such shares into his name.

Shares standing in the name of a receiver may be voted by such receiver, and shares held by or under the control of a receiver may be voted by such receiver without the transfer thereof into his name if authority so to do be contained in an appropriate order of the court by which such receiver was appointed.

A shareholder whose shares are pledged shall be entitled to vote such shares until the shares have been transferred into the name of the pledgee, and thereafter the pledgee shall be entitled to vote the shares so transferred.

On and after the date on which written notice of redemption of redeemable shares has been mailed to the holders thereof and a sum sufficient to redeem such shares has been deposited with a bank or trust company with irrevocable instruction and authority to pay the redemption price to the holders thereof upon surrender of certificates therefor, such shares shall not be entitled to vote on any matter and shall not be deemed to be outstanding shares.

Sec. 18. Section 1, chapter 176, Laws of 1967 and RCW 23A.08.345 are each amended to read as follows:

Unless otherwise provided by the articles of incorporation or bylaws, any action required by this title to be taken at a meeting of the directors of a corporation, or any action which may be taken at a meeting of the directors or of a committee, may be taken without a meeting if a consent in writing, setting forth the action so ~~((to be))~~ taken, shall be signed ~~((before such action))~~ by all of the directors, or all of the members of the committee, as the case may be. Such consent shall have the same effect as a unanimous vote.

Sec. 19. Section 38, chapter 53, Laws of 1965 as amended by section 2, chapter 264, Laws of 1975 1st ex. sess. and RCW 23A.08.350 are each amended to read as follows:

The ~~((number))~~ board of directors of a corporation shall ~~((be not less than three, except that in cases where all shares of a corporation are owned of record by fewer than three shareholders, the number of directors may be less than three but not less than the number of such shareholders. Subject to such limitation;))~~ consist of one or more members. The number of directors shall be fixed by or in the manner provided in the articles of incorporation or the bylaws, except as to the number constituting the initial board of directors, which number shall be fixed by the articles of incorporation. The number of directors may be increased or decreased from time to time by amendment to or in the manner provided in the articles of incorporation or the bylaws, but no decrease shall have the effect of shortening the term of any incumbent director. In the absence of a bylaw ~~((fixing))~~ providing for the number of directors, the number shall be the same as that ~~((stated))~~ provided for in the articles of incorporation. The names and addresses of the members of the first board of directors shall be stated in the articles of incorporation. Such persons shall hold office until the first annual meeting of shareholders, and until their successors shall have been elected and ~~((are))~~ qualified~~((, unless removed in accordance with the provisions of the by-laws))~~. At the first annual meeting of shareholders and at each annual meeting thereafter the shareholders shall elect directors to hold office until the next succeeding annual meeting, except in case of the classification of directors as permitted by this title. Each director shall hold office for the term for which he is elected and until his successor shall have been elected and ~~((is))~~ qualified~~((, unless removed in accordance with the provisions of the bylaws))~~.

Sec. 20. Section 41, chapter 53, Laws of 1965 and RCW 23A.08.380 are each amended to read as follows:

At a meeting of shareholders called expressly for that purpose, directors may be removed in the manner provided in this section. Any director or the entire board of directors may be removed, with or without cause, by a vote of the holders of a majority of the shares then entitled to vote at an election of directors.

In the case of a corporation having cumulative voting, if less than the entire board is to be removed, no one of the directors may be removed if the votes cast against his removal would be sufficient to elect him if then cumulatively voted at an election of the entire board of directors, or, if there be classes of directors, at an election of the class of directors of which he is a part.

Whenever the holders of the shares of any class are entitled to elect one or more directors by the provisions of the articles of incorporation, the provisions of this section shall apply, in respect ~~((of))~~ to the removal of a director or directors so elected, to the vote of the holders of the outstanding shares of that class and not to the vote of the outstanding shares as a whole.

Sec. 21. Section 42, chapter 53, Laws of 1965 and RCW 23A.08.390 are each amended to read as follows:

A majority of the number of directors fixed by or in the manner provided in the bylaws, or in the absence of a bylaw fixing or providing for the number of directors, then of the number ~~((stated))~~ fixed by or in the manner provided in the articles of incorporation, shall constitute a quorum for the transaction of business unless a greater number is required by the articles of incorporation or the bylaws. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors, unless the act of a greater number is required by the articles of incorporation or the bylaws.

Sec. 22. Section 44, chapter 53, Laws of 1965 as amended by section 3, chapter 264, Laws of 1975 1st ex. sess. and RCW 23A.08.410 are each amended to read as follows:

Meetings of the board of directors, regular or special, may be held either within or without this state.

Regular meetings of the board of directors or of any committee designated ~~((by the bylaws or appointed))~~ by the board of directors may be held with or without notice as prescribed in the bylaws. Special meetings of the board of directors or any committee designated by the board of directors shall be held upon such notice as is prescribed in the bylaws. Attendance of a director or a committee member at a meeting shall constitute a waiver of notice of such meeting, except where a director or a committee member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board of directors or any committee designated ~~((by the bylaws or appointed))~~ by the board of directors need be specified in the notice or waiver of notice of such meeting unless required by the bylaws.

Except as may be otherwise restricted by the articles of incorporation or bylaws, members of the board of directors or any committee designated ~~((by the bylaws or appointed))~~ by the board of directors may participate in a meeting of such board or committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time~~((;))~~ and participation by such means shall constitute presence in person at a meeting.

Sec. 23. Section 45, chapter 53, Laws of 1965 and RCW 23A.08.420 are each amended to read as follows:

The board of directors of a corporation may, from time to time, declare and the corporation may pay dividends on its outstanding shares in cash, property, or its own shares, except when the corporation is insolvent or when the payment thereof would render the corporation insolvent or when the declaration or payment thereof would be contrary to any restrictions

contained in the articles of incorporation, subject to the following provisions:

(1) Except as otherwise provided in this section, dividends may be declared and paid in cash or property only out of:

(a) the unreserved and unrestricted earned surplus of the corporation, or ~~((out of))~~

(b) the unreserved and unrestricted net earnings of the current fiscal year and the next preceding fiscal year taken as a single period. No ~~((such))~~ dividend out of unreserved and unrestricted net earnings so computed shall be paid which would reduce the net assets of the corporation below the aggregate preferential amount payable in event of voluntary liquidation to the holders of shares having preferential rights to the assets of the corporation in the event of liquidation.

(2) ~~((In the case of a corporation engaged in the business of exploiting natural resources or owning property having a limited life, such as a lease for a term of years, or a patent))~~ If the articles of incorporation of a corporation engaged in the business of exploiting natural resources so provide, dividends may be declared and paid in cash out of the depletion reserves, but each such dividend shall be identified as a distribution of such reserves and the amount per share paid from such reserves shall be disclosed to the shareholders receiving the same concurrently with the distribution thereof.

(3) Dividends may be declared and paid in its own treasury shares ~~((out of any treasury shares that have been reacquired out of surplus of the corporation))~~.

(4) Dividends may be declared and paid in its own authorized but unissued shares out of any unreserved and unrestricted surplus of the corporation upon the following conditions:

(a) If a dividend is payable in its own shares having a par value, such shares shall be issued at not less than the par value thereof and there shall be transferred to stated capital at the time such dividend is paid an amount of surplus ~~((at least))~~ equal to the aggregate par value of the shares to be issued as a dividend.

(b) If a dividend is payable in its own shares without par value, such shares shall be issued at such stated value as shall be fixed by the board of directors by resolution adopted at the time such dividend is declared, and there shall be transferred to stated capital at the time such dividend is paid an amount of surplus equal to the aggregate stated value so fixed in respect of such shares; and the amount per share so transferred to stated capital shall be disclosed to the shareholders receiving such dividend concurrently with the payment thereof.

(5) No dividend payable in shares of any class shall be paid to the holders of shares of any other class unless the articles of incorporation so provide or such payment is authorized by the affirmative vote or the written

consent of the holders of at least a majority of the outstanding shares of the class in which the payment is to be made.

A split-up or division of the issued shares of any class into a greater number of shares of the same class without increasing the stated capital of the corporation shall not be construed to be a share dividend within the meaning of this section.

Sec. 24. Section 48, chapter 53, Laws of 1965 and RCW 23A.08.450 are each amended to read as follows:

In addition to any other liabilities imposed by law upon directors of a corporation:

(1) Directors of a corporation who vote for or assent to the declaration of any dividend or other distribution of the assets of a corporation to its shareholders contrary to the provisions of this title or contrary to any restrictions contained in the articles of incorporation, shall be jointly and severally liable to the corporation for the amount of such dividend which is paid or the value of such assets which are distributed in excess of the amount of such dividend or distribution which could have been paid or distributed without a violation of the provisions of this title or the restrictions in the articles of incorporation.

(2) Directors of a corporation who vote for or assent to the purchase of its own shares contrary to the provisions of this title shall be jointly and severally liable to the corporation for the amount of consideration paid for such shares which is in excess of the maximum amount which could have been paid therefor without a violation of the provisions of this title.

(3) The directors of a corporation who vote for or assent to any distribution of assets of a corporation to its shareholders during the liquidation of the corporation without the payment and discharge of, or making adequate provision for, all known debts, obligations, and liabilities of the corporation shall be jointly and severally liable to the corporation for the value of such assets which are distributed, to the extent that such debts, obligations, and liabilities of the corporation are not thereafter paid and discharged.

(4) The directors of a corporation who vote for or assent to the making of a loan to an officer or director of the corporation, or the making of any loan secured by shares of the corporation, shall be jointly and severally liable to the corporation for the amount of such loan until the repayment thereof, unless approved by the shareholders as provided in RCW 23A.08.440.

~~((5) If a corporation shall commence business before it has received at least five hundred dollars as consideration for the issuance of shares, the directors who assent thereto shall be jointly and severally liable to the corporation for such part of five hundred dollars as shall not have been received before commencing business, but such liability shall be terminated when the corporation has actually received five hundred dollars as consideration for the issuance of shares.))~~

A director of a corporation who is present at a meeting of its board of directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent 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 shall not apply to a director who voted in favor of such action.

A director shall not be liable under subsections (1), (2)₂ or (3) of this section if he relied and acted in good faith upon financial statements of the corporation represented to him to be correct by the president or the officer of such corporation having charge of its books of account, or stated in a written report by an independent public or certified public accountant or firm of such accountants fairly to reflect the financial condition of such corporation, nor shall he be so liable if in good faith in determining the amount available for any such dividend or distribution he considered the assets to be of their book value.

Any director against whom a claim shall be asserted under or pursuant to this section for the payment of a dividend or other distribution of assets of a corporation and who shall be held liable thereon, shall be entitled to contribution from the shareholders who accepted or received any such dividend or assets, knowing such dividend or distribution to have been made in violation of this title, in proportion to the amounts received by them respectively.

Any director against whom a claim shall be asserted under or pursuant to this section shall be entitled to contribution from the other directors who voted for or assented to the action upon which the claim is asserted.

Sec. 25. Section 50, chapter 53, Laws of 1965 as amended by section 4, chapter 264, Laws of 1975 1st ex. sess. and RCW 23A.08.470 are each amended to read as follows:

The officers of a corporation shall consist of a president, one or more vice presidents as may be prescribed by the bylaws, a secretary, and a treasurer, each of whom shall be elected by the board of directors at such time and in such manner as may be prescribed by the bylaws. Such other officers and assistant officers and agents as may be deemed necessary may be elected or appointed by the board of directors or chosen in such other manner as may be prescribed by the bylaws. Any two or more offices may be held by the same person, except the offices of president and secretary, except that when all of the issued and outstanding stock of the corporation is owned of record by one ~~((person))~~ shareholder, ~~((such))~~ one person may hold all or any combination of offices.

All officers and agents of the corporation, as between themselves and the corporation, shall have such authority and perform such duties in the management of the corporation as may be provided in the bylaws, or as may be determined by resolution of the board of directors not inconsistent with the bylaws.

Sec. 26. Section 53, chapter 53, Laws of 1965 and RCW 23A.08.500 are each amended to read as follows:

Each corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its shareholders and 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 shareholders, giving the names and addresses of all shareholders and the number and class of the shares held by each. Any books, records, and minutes may be in written form or any other form capable of being converted into written form within a reasonable time.

Any person who shall have been a ~~((shareholder))~~ holder of record ~~((for))~~ of shares or of voting trust certificates for shares at least six months immediately preceding his demand or who shall be the holder of record of, or the holder of record of voting trust certificates for, at least five percent of all the outstanding shares of a corporation, upon written demand stating the purpose thereof, shall have the right to examine, in person, or by agent or attorney, at any reasonable time or times, for any proper purpose, its relevant books and records of account, minutes and record of shareholders and to make extracts therefrom.

Any officer or agent who, or a corporation which, shall refuse to allow any such shareholder or holder of voting trust certificates, or his agent or attorney, so to examine and make extracts from its books and records of account, minutes, and record of shareholders, for any proper purpose, shall be liable to such shareholder or holder of voting trust certificates in a penalty of ten percent of the value of the shares owned by such shareholder, or in respect of which such voting trust certificates are issued, in addition to any other damages or remedy afforded him by law. It shall be a defense to any action for penalties under this section that the person suing therefor has within two years sold or offered for sale any list of shareholders or of holders of voting trust certificates for shares of such corporation or any other corporation or has aided or abetted any person in procuring any list of shareholders or of holders of voting trust certificates for any such purpose, or has improperly used any information secured through any prior examination of the books and records of account, or minutes, or record of shareholders or of holders of voting trust certificates for shares of such corporation or any other corporation, or was not acting in good faith or for a proper purpose in making his demand.

Nothing herein contained shall impair the power of any court of competent jurisdiction, upon proof by a shareholder or holder of voting trust

certificates of proper purpose, irrespective of the period of time during which such shareholder or holder of voting trust certificates shall have been a shareholder of record or a holder of record of voting trust certificates, and irrespective of the number of shares held by him or represented by voting trust certificates held by him, to compel the production for examination by such shareholder of the books and records of account, minutes, and record of shareholders of a corporation.

Upon the written request of any shareholder or holder of voting trust certificates of a corporation, the corporation shall mail to such shareholder or holder of voting trust certificates its most recent financial statements showing in reasonable detail its assets and liabilities and the results of its operations.

Sec. 27. Section 55, chapter 53, Laws of 1965 and RCW 23A.12.020 are each amended to read as follows:

The articles of incorporation shall set forth:

- (1) The name of the corporation.
- (2) The period of duration, which may be perpetual.
- (3) The purpose or purposes for which the corporation is organized which may be stated to be, or to include, the transaction of any or all lawful business for which corporations may be incorporated under this title.

(4) The aggregate number of shares which the corporation shall have authority to issue; if such shares are to consist of one class only, the par value of each of such shares, or a statement that all of such shares are without par value; or, if such shares are to be divided into classes, the number of shares of each class, and a statement of the par value of the shares of each such class or that such shares are to be without par value.

(5) If all or any portion of the shares have no par value, the aggregate value of those shares, or, such aggregate value shall be stated in the affidavit filed pursuant to RCW 23A.40.050.

(6) If the shares are to be divided into classes, the designation of each class and a statement of the preferences, limitations and relative rights in respect of the shares of each class.

(7) If the corporation is to issue the shares of any preferred or special class in series, then the designation of each series and a statement of the variations in the relative rights and preferences as between series insofar as the same are to be fixed in the articles of incorporation, and a statement of any authority to be vested in the board of directors to establish series and fix and determine the variations in the relative rights and preferences as between series.

~~(8) ((A statement that the corporation will not commence business until consideration of the value of at least five hundred dollars has been received for the issuance of shares.~~

~~(9))~~ Any provision limiting or denying to shareholders the preemptive right to acquire additional shares of the corporation.

~~((+0))~~ (9) Any provision, not inconsistent with law, which the incorporators elect to set forth in the articles of incorporation for the regulation of the internal affairs of the corporation, including any provision restricting the transfer of shares and any provision which under this title is required or permitted to be set forth in the bylaws.

~~((+1))~~ (10) The address of its initial registered office and the name of its initial registered agent at such address.

~~((+2))~~ (11) The number of directors constituting the initial board of directors and the names and addresses of the persons who are to serve as directors until the first annual meeting of shareholders or until their successors be elected and qualify.

~~((+3))~~ (12) The name and address of each incorporator.

It shall not be necessary to set forth in the articles of incorporation any of the corporate powers enumerated in this title.

Sec. 28. Section 57, chapter 53, Laws of 1965 and RCW 23A.12.040 are each amended to read as follows:

Upon the issuance of the certificate of incorporation, the corporate existence shall begin, and such certificate of incorporation shall be conclusive evidence that all conditions precedent required to be performed by the incorporators have been complied with and that the corporation has been incorporated under this title, except as against this state in a proceeding to cancel or revoke the certificate of incorporation or for involuntary dissolution of the corporation. ~~((Notwithstanding the provisions of RCW 23A.04:010, subsection 6, those persons who subscribed for shares prior to the issuance of the certificate of incorporation, or their assigns, shall be shareholders in the corporation upon such issuance, unless their rights under the stock subscription agreement have been terminated under the provisions of RCW 23A.08.140:))~~

Sec. 29. Section 59, chapter 53, Laws of 1965 and RCW 23A.12.060 are each amended to read as follows:

After the issuance of the certificate of incorporation an organization meeting of the board of directors named in the articles of incorporation shall be held, either within or without this state, at the call of a majority of the ~~((incorporators))~~ directors named in the articles of incorporation, for the purpose of adopting bylaws, electing officers, and the transaction of such other business as may come before the meeting. The ~~((incorporators))~~ directors calling the meeting shall give at least three days' notice thereof by mail to each director so named, which notice shall state the time and place of meeting. Any action permitted to be taken at the organization meeting of the directors may be taken without a meeting if each director signs an instrument which states the action so taken.

Sec. 30. Section 61, chapter 53, Laws of 1965 and RCW 23A.16.020 are each amended to read as follows:

Amendments to the articles of incorporation shall be made in the following manner:

(1) The board of directors shall adopt a resolution setting forth the proposed amendment and, if shares have been issued, directing that it be submitted to a vote at a meeting of shareholders, which may be either an annual or a special meeting. If no shares have been issued, the amendment shall be adopted by resolution of the board of directors and the provisions for adoption by shareholders shall not apply. The resolution may incorporate the proposed amendment in restated articles of incorporation which contain a statement that except for the designated amendment the restated articles of incorporation correctly set forth without change the corresponding provisions of the articles of incorporation as theretofore amended, and that the restated articles of incorporation together with the designated amendment supersede the original articles of incorporation and all amendments thereto.

(2) Written notice setting forth the proposed amendment or a summary of the changes to be effected thereby shall be given to each shareholder of record entitled to vote thereon within the time and in the manner provided in this title for the giving of notice of meetings of shareholders. If the meeting be an annual meeting, the proposed amendment or such summary may be included in the notice of such annual meeting.

(3) At such meeting a vote of the shareholders entitled to vote thereon shall be taken on the proposed amendment. The proposed amendment shall be adopted upon receiving the affirmative vote of the holders of two-thirds of the shares entitled to vote thereon, unless any class of shares is entitled to vote thereon as a class, in which event the proposed amendment shall be adopted upon receiving the affirmative vote of the holders of two-thirds of the shares of each class of shares entitled to vote thereon as a class and of the total shares entitled to vote thereon.

Any number of amendments may be submitted to the shareholders, and voted upon by them, at one meeting.

Sec. 31. Section 63, chapter 53, Laws of 1965 as amended by section 5, chapter 193, Laws of 1977 ex. sess. and RCW 23A.16.040 are each amended to read as follows:

The articles of amendment shall be executed in duplicate by the corporation by its president or a vice-president and by its secretary or an assistant secretary, and verified by one of the officers signing such articles, and shall set forth:

- (1) The name of the corporation.
- (2) The amendment so adopted.
- (3) The date of the adoption of the amendment by the shareholders, or by the board of directors where no shares have been issued.
- (4) The number of shares outstanding, and the number of shares entitled to vote thereon, and if the shares of any class are entitled to vote

thereon as a class, the designation and number of outstanding shares entitled to vote thereon of each such class.

(5) The number of shares voted for and against such amendment, respectively, and, if the shares of any class are entitled to vote thereon as a class, the number of shares of each such class voted for and against such amendment, respectively.

(6) If such amendment provides for an exchange, reclassification, or cancellation of issued shares, and if the manner in which the same shall be effected is not set forth in the amendment, then a statement of the manner in which the same shall be effected.

(7) If such amendment effects a change in the amount of stated capital, then a statement of the manner in which the same is effected and a statement, expressed in dollars, of the amount of stated capital as changed by such amendment.

Sec. 32. Section 65, chapter 53, Laws of 1965 and RCW 23A.16.060 are each amended to read as follows:

~~((Upon the issuance of the certificate of amendment by the secretary of state,))~~ The amendment shall become effective ((and the articles of incorporation shall be deemed to be amended accordingly)) upon the issuance of the certificate of amendment by the secretary of state, or on such later date, not more than thirty days subsequent to the filing thereof with the secretary of state, as shall be provided for in the articles of amendment.

No amendment shall affect any existing cause of action in favor of or against such corporation, or any pending suit to which such corporation shall be a party, or the existing rights of persons other than shareholders; and, in the event the corporate name shall be changed by amendment, no suit brought by or against such corporation under its former name shall abate for that reason.

NEW SECTION. Sec. 33. There is added to chapter 23A.16 RCW a new section to read as follows:

A domestic corporation may at any time restate its articles of incorporation as theretofore amended, by a resolution adopted by the board of directors.

Upon the adoption of the resolution, restated articles of incorporation shall be executed in duplicate by the corporation by its president or a vice president and by its secretary or assistant secretary and verified by one of the officers signing the articles and shall set forth all of the operative provisions of the articles of incorporation as theretofore amended together with a statement that the restated articles of incorporation correctly set forth without change the corresponding provisions of the articles of incorporation as theretofore amended and that the restated articles of incorporation supersede the original articles of incorporation and all amendments thereto.

Duplicate originals of the restated articles of incorporation shall be delivered to the secretary of state. If the secretary of state finds that the restated articles of incorporation conform to law, he shall, when all fees required by this title have been paid:

- (1) Endorse on each duplicate original the word "Filed" and the month, day, and year of the filing thereof;
- (2) File one duplicate original in his office; and
- (3) Issue a restated certificate of incorporation, to which he shall affix the other duplicate original.

The restated certificate of incorporation, together with the duplicate original of the restated articles of incorporation affixed thereto by the secretary of state, shall be returned to the corporation or its representative.

Upon the issuance of the restated certificate of incorporation by the secretary of state, the restated articles of incorporation shall become effective and shall supersede the original articles of incorporation and all amendments thereto.

Sec. 34. Section 67, chapter 53, Laws of 1965 as amended by section 8, chapter 193, Laws of 1977 ex. sess. and RCW 23A.16.080 are each amended to read as follows:

(1) Whenever a plan of reorganization of a corporation has been confirmed by decree or order of a court of competent jurisdiction in proceedings for the reorganization of such corporation, pursuant to the provisions of any applicable statute of the United States relating to reorganizations of corporations, the articles of incorporation of the corporation may be amended, in the manner provided in this section, in as many respects as may be necessary to carry out the plan and put it into effect, so long as the articles of incorporation as amended contain only such provisions as might be lawfully contained in original articles of incorporation at the time of making such amendment.

In particular and without limitation upon such general power of amendment, the articles of incorporation may be amended for such purpose so as to:

- (a) Change the corporate name, period of duration, or corporate purposes of the corporation;
- (b) Repeal, alter, or amend the bylaws of the corporation;
- (c) Change the aggregate number of shares, or shares of any class, which the corporation has authority to issue;
- (d) Change the preferences, limitations, and relative rights in respect of all or any part of the shares of the corporation, and classify, reclassify or cancel all or any part thereof, whether issued or unissued;
- (e) Authorize the issuance of bonds, debentures, or other obligations of the corporation, whether or not convertible into shares of any class or bearing warrants or other evidences of optional rights to purchase or subscribe for shares of any class, and fix the terms and conditions thereof; and

(f) Constitute or reconstitute and classify or reclassify the board of directors of the corporation, and appoint directors and officers in place of or in addition to all or any of the directors or officers then in office.

(2) Amendments to the articles of incorporation pursuant to this section shall be made in the following manner:

(a) Articles of amendment approved by decree or order of such court shall be executed and verified in duplicate by such person or persons as the court shall designate or appoint for the purpose, and shall set forth the name of the corporation, the amendments of the articles of incorporation approved by the court, the date of the decree or order approving the articles of amendment, the title of the proceedings in which the decree or order was entered, and a statement that such decree or order was entered by a court having jurisdiction of the proceedings for the reorganization of the corporation pursuant to the provisions of an applicable statute of the United States.

(b) Duplicate originals of the articles of amendment shall be delivered to the secretary of state. If the secretary of state finds that the articles of amendment conform to law, he shall, when all fees have been paid as in this title prescribed:

(i) Endorse on each of such originals the word "Filed," and the month, day, and year of the filing thereof.

(ii) File one of such originals in his office.

(iii) Issue a certificate of amendment to which he shall affix the other original.

(3) The certificate of amendment, together with the original of the articles of amendment affixed thereto by the secretary of state, shall be returned to the corporation or its representative.

(4) ~~((Upon the issuance of the certificate of amendment by the secretary of state,))~~ The amendment shall become effective ((and the articles of incorporation shall be deemed to be amended accordingly)) upon the issuance of the certificate of amendment by the secretary of state, or on such later date, not more than thirty days subsequent to the filing thereof with the secretary of state, as shall be provided for in the articles of amendment, without any action thereon by the directors or shareholders of the corporation and with the same effect as if the amendments had been adopted by unanimous action of the directors and shareholders of the corporation.

NEW SECTION. Sec. 35. There is added to chapter 23A.20 RCW a new section to read as follows:

All the issued or all the outstanding shares of one or more classes of any domestic corporation may be acquired through the exchange of all such shares of such class or classes by another domestic or foreign corporation pursuant to a plan of exchange approved in the manner provided in this title.

The board of directors of each corporation shall, by resolution adopted by each board, approve a plan of exchange setting forth:

(1) The name of the corporation the shares of which are proposed to be acquired by exchange and the name of the corporation to acquire the shares of such corporation in the exchange, which is designated in this chapter as the acquiring corporation;

(2) The terms and conditions of the proposed exchange;

(3) The manner and basis of exchanging the shares to be acquired for shares, obligations, or other securities of the acquiring corporation or any other corporation, or, in whole or in part, for cash or other property; and

(4) Such other provisions with respect to the proposed exchange as are deemed necessary or desirable.

The procedure authorized by this section shall not be deemed to limit the power of a corporation to acquire all or part of the shares of any class or classes of a corporation through a voluntary exchange or otherwise by agreement with the shareholders.

Sec. 36. Section 75, chapter 53, Laws of 1965 and RCW 23A.20.030 are each amended to read as follows:

The board of directors of each corporation, (~~upon approving such plan of merger or plan of consolidation~~) in the case of a merger or consolidation, and the board of directors of the corporation the shares of which are to be acquired, in the case of an exchange, upon approving the plan of merger, consolidation, or exchange, shall, by resolution, direct that the plan be submitted to a vote at a meeting of shareholders, which may be either an annual or a special meeting. Written notice shall be given to each shareholder of record, whether or not entitled to vote at such meeting, not less than twenty days before such meeting, in the manner provided in this title for the giving of notice of meetings of shareholders, and, whether the meeting be an annual or a special meeting, shall state that the purpose or one of the purposes is to consider the proposed plan of merger (~~or~~), consolidation, or exchange. A copy or a summary of the plan of merger (~~or plan of~~), consolidation, or exchange, as the case may be, shall be included in or enclosed with such notice.

At each such meeting, a vote of the shareholders shall be taken on the proposed plan (~~of merger or consolidation~~). The plan (~~of merger or consolidation~~) shall be approved upon receiving the affirmative vote of the holders of two-thirds of the shares entitled to vote thereon of each such corporation, unless any class of shares of any such corporation is entitled to vote thereon as a class, in which event, as to such corporation, the plan (~~of merger or consolidation~~) shall be approved upon receiving the affirmative vote of the holders of two-thirds of the shares of each class of shares entitled to vote thereon as a class and of the total shares entitled to vote thereon. Any class of shares of any such corporation shall be entitled to vote as a class if (~~the~~) any such plan (~~of merger or consolidation, as the case may be,~~) contains any provision which, if contained in a proposed amendment to

articles of incorporation, would entitle such class of shares to vote as a class and, in case of an exchange, if the class is included in the exchange.

After such approval by a vote of the shareholders of each such corporation, and at any time prior to the filing of the articles of merger ~~((or)),~~ consolidation, or exchange, the merger ~~((or)),~~ consolidation, or exchange may be abandoned pursuant to provisions therefor, if any, set forth in the plan ~~((of merger or consolidation)).~~

Sec. 37. Section 76, chapter 53, Laws of 1965 as amended by section 12, chapter 193, Laws of 1977 ex. sess. and RCW 23A.20.040 are each amended to read as follows:

(1) Upon such approval, articles of merger ~~((or)),~~ articles of consolidation, or articles of exchange shall be executed in duplicate by each corporation by its president or a vice president and by its secretary or an assistant secretary, and verified by one of the officers of each corporation signing such articles, and shall set forth:

(a) The plan of merger or the plan of consolidation.

(b) As to each corporation, the number of shares outstanding, and, if the shares of any class are entitled to vote as a class, the designation and number of outstanding shares of each such class.

(c) As to each corporation, the number of shares voted for and against such plan, respectively, and, if the shares of any class are entitled to vote as a class, the number of shares of each such class voted for and against such plan, respectively.

(d) As to the acquiring corporation in a plan of exchange, a statement that the adoption of the plan and performance of its terms were duly approved by its board of directors and such other requisite corporate action, if any, as may be required of it.

(2) Duplicate originals of the articles of merger ~~((or)),~~ articles of consolidation, or articles of exchange shall be delivered to the secretary of state. If the secretary of state finds that such articles conform to law, he shall, when all fees have been paid as in this title prescribed:

(a) Endorse on each of such originals the word "Filed," and the month, day, and year of the filing thereof.

(b) File one of such originals in his office.

(c) Issue a certificate of merger ~~((or a certificate of)),~~ consolidation, or exchange to which he shall affix the other original.

(3) The certificate of merger ~~((or certificate of)),~~ consolidation, or exchange, together with the duplicate original of the articles of merger ~~((or articles of)),~~ consolidation, or exchange affixed thereto by the secretary of state, shall be returned to the surviving or new or acquiring corporation, or its representative.

Sec. 38. Section 77, chapter 53, Laws of 1965 as last amended by section 13, chapter 193, Laws of 1977 ex. sess. and RCW 23A.20.050 are each amended to read as follows:

(1) Any corporation owning at least ninety-five percent of the outstanding shares of each class of another corporation may merge such other corporation into itself without approval by a vote of the shareholders of either corporation. Its board of directors shall, by resolution, approve a plan of merger setting forth:

(a) The name of the subsidiary corporation and the name of the corporation owning at least ninety-five percent of its shares, which is hereinafter designated as the surviving corporation.

(b) The manner and basis of converting the shares of the subsidiary corporation into shares or other securities or obligations of the surviving corporation or of any other corporation or, in whole or in part, into cash or other property(~~(, or the cash or other consideration to be paid or delivered upon surrender of each share of the subsidiary corporation)~~).

(2) A copy of such plan of merger shall be mailed to each shareholder of record of the subsidiary corporation.

(3) Articles of merger shall be executed in duplicate by the surviving corporation by its president or a vice president and by its secretary or an assistant secretary, and verified by one of its officers signing such articles, and shall set forth:

(a) The plan of merger;

(b) The number of outstanding shares of each class of the subsidiary corporation and the number of such shares of each class owned by the surviving corporation; and

(c) The date of the mailing to shareholders of the subsidiary corporation of a copy of the plan of merger.

(4) On and after the thirtieth day after the mailing of a copy of the plan of merger to shareholders of the subsidiary corporation or upon the waiver thereof by the holders of all outstanding shares duplicate originals of the articles of merger shall be delivered to the secretary of state. If the secretary of state finds that such articles conform to law, he shall, when all fees have been paid as in this title prescribed:

(a) Endorse on each of such originals the word "Filed," and the month, day and year of the filing thereof;

(b) File one of such originals in his office; and

(c) Issue a certificate of merger to which he shall affix the other original.

(5) The certificate of merger, together with the original of the articles of merger affixed thereto by the secretary of state, shall be returned to the surviving corporation or its representative.

Sec. 39. Section 78, chapter 53, Laws of 1965 and RCW 23A.20.060 are each amended to read as follows:

~~((Upon the issuance of the certificate of merger or the certificate of consolidation by the secretary of state, the merger or consolidation shall be effected.))~~ A merger, consolidation, or exchange shall become effective upon

the issuance of a certificate of merger, consolidation, or exchange by the secretary of state, or on such later date, not more than thirty days subsequent to the filing thereof with the secretary of state, as shall be provided for in the plan.

When ~~((such))~~ a merger or consolidation has ~~((been effected))~~ become effective:

(1) The several corporations parties to the plan of merger or consolidation shall be a single corporation, which, in the case of a merger, shall be that corporation designated in the plan of merger as the surviving corporation, and, in the case of a consolidation, shall be the new corporation provided for in the plan of consolidation.

(2) The separate existence of all corporations parties to the plan of merger or consolidation, except the surviving or new corporation, shall cease.

(3) Such surviving or new corporation shall have all the rights, privileges, immunities and powers and shall be subject to all the duties and liabilities of a corporation organized under this title.

(4) Such surviving or new corporation shall thereupon and thereafter possess all the rights, privileges, immunities, and franchises, as well of a public as of a private nature, of each of the merging or consolidating corporations; and all property, real, personal and mixed, and all debts due on whatever account, including subscriptions to shares, and all other choses in action, and all and every other interest of or belonging to or due to each of the corporations so merged or consolidated, shall be taken and deemed to be transferred to and vested in such single corporation without further act or deed; and the title to any real estate, or any interest therein, vested in any of such corporations shall not revert or be in any way impaired by reason of such merger or consolidation.

(5) Such surviving or new corporation shall thenceforth be responsible and liable for all the liabilities and obligations of each of the corporations so merged or consolidated; and any claim existing or action or proceeding pending by or against any of such corporations may be prosecuted as if such merger or consolidation had not taken place, or such surviving or new corporation may be substituted in its place. Neither the rights of creditors nor any liens upon the property of any such corporation shall be impaired by such merger or consolidation.

(6) In the case of a merger, the articles of incorporation of the surviving corporation shall be deemed to be amended to the extent, if any, that changes in its articles of incorporation are stated in the plan of merger; and, in the case of a consolidation, the statement set forth in the articles of consolidation and which are required or permitted to be set forth in the articles of incorporation of corporations organized under this title shall be deemed to be the original articles of incorporation of the new corporation.

When a merger, consolidation, or exchange has become effective, the shares of the corporation or corporations party to the plan that are, under the terms of the plan, to be converted or exchanged, shall cease to exist, in the case of a merger or consolidation, or be deemed to be exchanged in the case of an exchange, and the holders of the shares shall thereafter be entitled only to the shares, obligations, other securities, cash, or other property into which they shall have been converted or for which they shall have been exchanged, in accordance with the plan, subject to any rights under RCW 23A.24.030.

Sec. 40. Section 79, chapter 53, Laws of 1965 and RCW 23A.20.070 are each amended to read as follows:

One or more foreign corporations and one or more domestic corporations may be merged or consolidated or participate in an exchange in the following manner, if such merger ~~((or))~~, consolidation, or exchange is permitted by the laws of the state under which each such foreign corporation is organized:

(1) Each domestic corporation shall comply with the provisions of this title with respect to the merger ~~((or))~~, consolidation, or exchange, as the case may be, of domestic corporations and each foreign corporation shall comply with the applicable provisions of the laws of the state under which it is organized.

(2) If the surviving or new corporation ~~((, as the case may be,))~~ in a merger or consolidation is to be governed by the laws of any state other than this state, it shall comply with the provisions of this title with respect to foreign corporations if it is to transact business in this state, and in every case it shall file with the secretary of state of this state:

(a) An agreement that it may be served with process in this state in any proceeding for the enforcement of any obligation of any domestic corporation which is a party to such merger or consolidation and in any proceeding for the enforcement of the rights of a dissenting shareholder of any such domestic corporation against the surviving or new corporation;

(b) An irrevocable appointment of the secretary of state of this state as its agent to accept service of process in any such proceeding; and

(c) An agreement that it will promptly pay to the dissenting shareholders of any such domestic corporation the amount, if any, to which they shall be entitled under the provisions of this title with respect to the rights of dissenting shareholders.

The effect of such merger or consolidation shall be the same as in the case of the merger or consolidation of domestic corporations, if the surviving or new corporation is to be governed by the laws of this state. If the surviving or new corporation is to be governed by the laws of any state other than this state, the effect of such merger or consolidation shall be the same as in the case of the merger or consolidation of domestic corporations except insofar as the laws of such other state provide otherwise.

(3) At any time prior to the ((filing)) effective date of the articles of merger ((or)), consolidation, or exchange, the merger ((or)), consolidation, or exchange, may be abandoned pursuant to provision((s)) therefor, if any, set forth in the plan of merger ((or)), consolidation or exchange. In the event the merger, consolidation, or exchange is abandoned, the parties thereto shall execute a notice of abandonment in triplicate by the respective presidents or vice presidents and by the secretaries or assistant secretaries, and verified by an officer for each corporation signing the notice. If the secretary of state finds the notice conforms to law, he shall:

(a) Endorse on each of the originals the word "Filed" and the month, day, and year of filing thereof;

(b) File one of the triplicate originals in his office; and

(c) Issue the other triplicate originals to the respective parties or their representatives.

Sec. 41. Section 80, chapter 53, Laws of 1965 and RCW 23A.24.010 are each amended to read as follows:

The sale, lease, exchange, or other disposition of all, or substantially all, the property and assets of a corporation in the usual and regular course of its business and the mortgage or pledge of any or all property and assets of a corporation whether or not in the usual and regular course of business may be made upon such terms and conditions and for such consideration, which may consist in whole or in part of money or property, real or personal, including shares, obligations, or other securities of any other corporation, domestic or foreign, as shall be authorized by its board of directors; and in any such case no authorization or consent of the shareholders shall be required.

Sec. 42. Section 81, chapter 53, Laws of 1965 and RCW 23A.24.020 are each amended to read as follows:

A sale, lease, exchange, or other disposition of all, or substantially all, the property and assets, with or without the good will, of a corporation, if not in the usual and regular course of its business, may be made upon such terms and conditions and for such consideration, which may consist in whole or in part of money or property, real or personal, including shares, obligations, or other securities of any other corporation, domestic or foreign, as may be authorized in the following manner:

(1) The board of directors shall adopt a resolution recommending such sale, lease, exchange, or other disposition and directing the submission thereof to a vote at a meeting of shareholders, which may be either an annual or a special meeting.

(2) Written notice shall be given to each shareholder of record, whether or not entitled to vote at such meeting, not less than twenty days before such meeting, in the manner provided in this title for the giving of notice of

meetings of shareholders, and, whether the meeting be an annual or a special meeting, shall state that the purpose, or one of the purposes is to consider the proposed sale, lease, exchange, or other disposition.

(3) At such meeting the shareholders may authorize such sale, lease, exchange, or other disposition and may fix, or may authorize the board of directors to fix, any or all of the terms and conditions thereof and the consideration to be received by the corporation therefor. Such authorization shall require the affirmative vote of the holders of two-thirds of the shares of the corporation entitled to vote thereon, unless any class of shares is entitled to vote thereon as a class, in which event such authorization shall require the affirmative vote of the holders of two-thirds of the shares of each class of shares entitled to vote as a class thereon and of the total shares entitled to vote thereon.

(4) After such authorization by a vote of shareholders, the board of directors nevertheless, in its discretion, may abandon such sale, lease, exchange, or other disposition of assets, subject to the rights of third parties under any contracts relating thereto, without further action or approval by shareholders.

Sec. 43. Section 82, chapter 53, Laws of 1965 and RCW 23A.24.030 are each amended to read as follows:

Any shareholder of a corporation shall have the right to dissent from any of the following corporate actions:

(1) Any plan of merger or consolidation to which the corporation is a party; or

(2) Any sale or exchange of all or substantially all of the property and assets of the corporation not made in the usual and regular course of its business, including a sale in dissolution, but not including a sale pursuant to an order of a court having jurisdiction in the premises or a sale for cash on terms requiring that all or substantially all of the net proceeds of sale be distributed to the shareholders in accordance with their respective interests within one year after the date of sale.

(3) Any plan of exchange to which the corporation is a party as the corporation the shares of which are to be acquired.

A shareholder may dissent as to less than all of the shares registered in his name. In that event, his rights shall be determined as if the shares as to which he has dissented and his other shares were registered in the names of different shareholders.

The provisions of this section shall not apply to the shareholders of the surviving corporation in a merger (~~(if such corporation is on the date of the filing of the articles of merger the owner of all the outstanding shares of the other corporations, domestic or foreign, which are parties to the merger, or)~~) if a vote of the shareholders of such corporation is not necessary to authorize such merger.

Sec. 44. Section 83, chapter 53, Laws of 1965 and RCW 23A.24.040 are each amended to read as follows:

Any shareholder electing to exercise such right of dissent shall file with the corporation, prior to or at the meeting of shareholders at which such proposed corporate action is submitted to a vote, a written objection to such proposed corporate action. If such proposed corporate action be approved by the required vote and such shareholder shall not have voted in favor thereof, such shareholder may, within ten days after the date on which the vote was taken, or if a corporation is to be merged without a vote of its shareholders into another corporation, any other shareholders may, within fifteen days after the plan of such merger shall have been mailed to such shareholders, make written demand on the corporation, or, in the case of a merger or consolidation, on the surviving or new corporation, domestic or foreign, for payment of the fair value of such shareholder's shares, and, if such proposed corporate action is effected, such corporation shall pay to such shareholder, upon surrender of the certificate or certificates representing such shares, the fair value thereof as of the day prior to the date on which the vote was taken approving the proposed corporate action, excluding any appreciation or depreciation in anticipation of such corporate action. Any shareholder failing to make demand within the applicable ten day or fifteen day period shall be bound by the terms of the proposed corporate action. Any shareholder making such demand shall thereafter be entitled only to payment as in this section provided and shall not be entitled to vote or to exercise any other rights of a shareholder.

No such demand shall be withdrawn unless the corporation shall consent thereto. The right of such shareholder to be paid the fair value of his shares shall cease and his status as a shareholder shall be restored, without prejudice to any corporate proceedings which may have been taken during the interim, if:

- (1) Such demand shall be withdrawn upon consent; or
- (2) The proposed corporate action shall be abandoned or rescinded or the shareholders shall revoke the authority to effect such action; or
- (3) In the case of a merger, on the date of the filing of the articles of merger the surviving corporation is the owner of all the outstanding shares of the other corporations, domestic and foreign, that are parties to the merger; or
- (4) No demand or petition for the determination of fair value by a court shall have been made or filed within the time provided by this section; or
- (5) A court of competent jurisdiction shall determine that such shareholder is not entitled to the relief provided by this section.

Within ten days after such corporate action is effected, the corporation, or, in the case of a merger or consolidation, the surviving or new corporation, domestic or foreign, shall give written notice thereof to each dissenting shareholder who has made demand as herein provided, and shall make a

written offer to each such shareholder to pay for such shares at a specified price deemed by such corporation to be the fair value thereof. Such notice and offer shall be accompanied by a balance sheet of the corporation the shares of which the dissenting shareholder holds, as of the latest available date and not more than twelve months prior to the making of such offer, and a profit and loss statement of such corporation for the twelve months' period ended on the date of such balance sheet.

If within thirty days after the date on which such corporate action was effected the fair value of such shares is agreed upon between any such dissenting shareholder and the corporation, payment therefor shall be made within ninety days after the date on which such corporate action was effected, upon surrender of the certificate or certificates representing such shares. Upon payment of the agreed value the dissenting shareholder shall cease to have any interest in such shares.

If within such period of thirty days a dissenting shareholder and the corporation do not so agree, then the corporation, within thirty days after receipt of written demand from any dissenting shareholder given within sixty days after the date on which such corporate action was effected, shall, or at its election at any time within such period of sixty days may, file a petition in any court of competent jurisdiction in the county in this state where the registered office of the corporation is located praying that the fair value of such shares be found and determined. If, in the case of a merger or consolidation, the surviving or new corporation is a foreign corporation without a registered office in this state, such petition shall be filed in the county where the registered office of the domestic corporation was last located. If the corporation shall fail to institute the proceeding as herein provided, any dissenting shareholder may do so in the name of the corporation. All dissenting shareholders, wherever residing, shall be made parties to the proceeding as an action against their shares quasi in rem. A copy of the petition shall be served on each dissenting shareholder who is a resident of this state and shall be served by registered or certified mail on each dissenting shareholder who is a nonresident. Service on nonresidents shall also be made by publication as provided by law. The jurisdiction of the court shall be plenary and exclusive. All shareholders who are parties to the proceeding shall be entitled to judgment against the corporation for the amount of the fair value of their shares. The court may, if it so elects, appoint one or more persons as appraisers to receive evidence and recommend a decision on the question of fair value. The appraisers shall have such power and authority as shall be specified in the order of their appointment or an amendment thereof. The judgment shall be payable only upon and concurrently with the surrender to the corporation of the certificate or certificates representing such shares. Upon payment of the judgment, the dissenting shareholder shall cease to have any interest in such shares.

The judgment shall include an allowance for interest at such rate as the court may find to be fair and equitable in all the circumstances, from the date on which the vote was taken on the proposed corporate action to the date of payment.

The costs and expenses of any such proceeding shall be determined by the court and shall be assessed against the corporation, but all or any part of such costs and expenses may be apportioned and assessed as the court may deem equitable against any or all of the dissenting shareholders who are parties to the proceeding to whom the corporation shall have made an offer to pay for the shares if the court shall find that the action of such shareholders in failing to accept such offer was arbitrary or vexatious or not in good faith. Such expenses shall include reasonable compensation for and reasonable expenses of the appraisers, but shall exclude the fees and expenses of counsel for and experts employed by any party; but if the fair value of the shares as determined materially exceeds the amount which the corporation offered to pay therefor, or if no offer was made, the court in its discretion may award to any shareholder who is a party to the proceeding such sum as the court may determine to be reasonable compensation to any expert or experts employed by the shareholder in the proceeding.

Within twenty days after demanding payment for his shares, each shareholder demanding payment shall submit the certificate or certificates representing his shares to the corporation for notation thereon that such demand has been made. His failure to do so shall, at the option of the corporation, terminate his rights under this section unless a court of competent jurisdiction, for good and sufficient cause shown, shall otherwise direct. If shares represented by a certificate on which notation has been so made shall be transferred, each new certificate issued therefor shall bear similar notation, together with the name of the original dissenting holder of such shares, and a transferee of such shares shall acquire by such transfer no rights in the corporation other than those which the original dissenting shareholder had after making demand for payment of the fair value thereof.

Shares acquired by a corporation pursuant to payment of the agreed value therefor or to payment of the judgment entered therefor, as in this section provided, may be held and disposed of by such corporation as in the case of other treasury shares, except that, in the case of a merger or consolidation, they may be held and disposed of as the plan of merger or consolidation may otherwise provide.

Sec. 45. Section 84, chapter 53, Laws of 1965 as amended by section 14, chapter 193, Laws of 1977 ex. sess. and RCW 23A.28.010 are each amended to read as follows:

A corporation which has not commenced business and which has not issued any shares, may be voluntarily dissolved by its incorporators at any time (~~((within two years after the date of the issuance of its certificate of incorporation;))~~) in the following manner:

(1) Articles of dissolution shall be executed in duplicate by a majority of the incorporators, and verified by them, and shall set forth:

- (a) The name of the corporation.
- (b) The date of issuance of its certificate of incorporation.
- (c) That none of its shares has been issued.
- (d) That the corporation has not commenced business.
- (e) That the amount, if any, actually paid in on subscriptions for its shares, less any part thereof disbursed for necessary expenses, has been returned to those entitled thereto.
- (f) That no debts of the corporation remain unpaid.
- (g) That a majority of the incorporators elect that the corporation be dissolved.

(2) Duplicate originals of the articles of dissolution shall be delivered to the secretary of state. If the secretary of state finds that the articles of dissolution conform to law, he shall, when all fees have been paid as in this title prescribed:

- (a) Endorse on each of such originals the word "Filed," and the month, day, and year of the filing thereof.
- (b) File one of such originals in his office.
- (c) Issue a certificate of dissolution to which he shall affix the other original.

The certificate of dissolution, together with the duplicate original of the articles of dissolution affixed thereto by the secretary of state, shall be returned to the incorporators or their representatives. Upon the issuance of such certificate of dissolution by the secretary of state, the existence of the corporation shall cease.

Sec. 46. Section 109, chapter 53, Laws of 1965 and RCW 23A.32.010 are each amended to read as follows:

No foreign corporation shall have the right to transact business in this state until it shall have procured a certificate of authority so to do from the secretary of state. No foreign corporation shall be entitled to procure a certificate of authority under this title to transact in this state any business which a corporation organized under this title is not permitted to transact. A foreign corporation shall not be denied a certificate of authority by reason of the fact that the laws of the state or country under which such corporation is organized governing its organization and internal affairs differ from the laws of this state, and nothing in this title contained shall be construed to authorize this state to regulate the organization or the internal affairs of such corporation.

Without excluding other activities which may not constitute transacting business in this state, a foreign corporation shall not be considered to be transacting business in this state, for the purposes of this title, by reason of carrying on in this state any one or more of the following activities:

(1) Maintaining or defending any action or suit or any administrative or arbitration proceeding, or effecting the settlement thereof or the settlement of claims or disputes.

(2) Holding meetings of its directors or shareholders or carrying on other activities concerning its internal affairs.

(3) Maintaining bank accounts.

(4) Maintaining offices or agencies for the transfer, exchange and registration of its securities, or appointing and maintaining trustees or depositaries with relation to its securities.

(5) Effecting sales through independent contractors.

(6) Soliciting or procuring orders, whether by mail or through employees or agents or otherwise, where such orders require acceptance without this state before becoming binding contracts.

(7) Creating ((evidences of debt, mortgages or liens on)) as borrower or lender, or acquiring, indebtedness or mortgages or other security interests in real or personal property.

(8) Securing or collecting debts or enforcing any rights in property securing the same.

(9) Transacting any business in interstate commerce.

(10) Conducting an isolated transaction completed within a period of thirty days and not in the course of a number of repeated transactions of like nature.

Sec. 47. Section 111, chapter 53, Laws of 1965 as amended by section 6, chapter 190, Laws of 1967 and RCW 23A.32.030 are each amended to read as follows:

No certificate of authority shall be issued to a foreign corporation unless the corporate name of such corporation:

(1) Shall contain the word "corporation," "company," "incorporated," or "limited," or shall contain an abbreviation of one of such words, or such corporation shall, for use in this state, add at the end of its name one of such words or an abbreviation thereof.

(2) Shall not contain any word or phrase which indicates or implies that it is organized for any purpose other than one or more of the purposes contained in its articles of incorporation or that it is authorized or empowered to conduct the business of banking or insurance.

(3) Shall not be the same as, or deceptively similar to, the name of any domestic corporation existing under the laws of this state or any foreign corporation authorized to transact business in this state, or a name the exclusive right to which is, at the time, reserved in the manner provided in this title, or the name of a corporation which has in effect a registration of its name as provided in this title(~~(: PROVIDED, That a foreign corporation which is precluded from using its corporate name for one of the above reasons may adopt an assumed name under which it may conduct its business~~

in this state)), except that this provision shall not apply if the foreign corporation applying for a certificate of authority files with the secretary of state any one of the following:

(a) A resolution of its board of directors adopting a fictitious name for use in transacting business in this state which fictitious name is not deceptively similar to the name of any domestic corporation or of any foreign corporation authorized to transact business in this state or to any name reserved or registered as provided in this title; or

(b) The written consent of the other corporation or holder of a reserved or registered name to use the same or deceptively similar name and one or more words are added to make the name distinguishable from the other name as determined by the secretary of state; or

(c) A certified copy of a final decree of a court of competent jurisdiction establishing the prior right of the foreign corporation to the use of the name in this state.

Sec. 48. Section 112, chapter 53, Laws of 1965 and RCW 23A.32.040 are each amended to read as follows:

Whenever a foreign corporation which is authorized to transact business in this state shall change its name to one under which a certificate of authority would not be granted to it on application therefor, the certificate of authority of such corporation shall be suspended and it shall not thereafter transact any business in this state until it has changed its name to a name which is available to it under the laws of this state or has otherwise complied with the provisions of this title.

Sec. 49. Section 113, chapter 53, Laws of 1965 as amended by section 1, chapter 22, Laws of 1971 and RCW 23A.32.050 are each amended to read as follows:

A foreign corporation, in order to procure a certificate of authority to transact business in this state, shall make application therefor to the secretary of state, which application shall set forth:

(1) The name of the corporation and the state or country under the laws of which it is incorporated.

(2) If the name of the corporation does not contain the word "corporation", "company", "incorporated", or "limited", or does not contain an abbreviation of one of such words, then the name of the corporation with the word or abbreviation which it elects to add thereto for use in this state.

(3) The date of incorporation and the period of duration of the corporation.

(4) The address of the principal office of the corporation in the state or country under the laws of which it is incorporated.

(5) The purpose or purposes of the corporation which it proposes to pursue in the transaction of business in this state.

(6) The names and respective addresses of the ~~((president and secretary))~~ directors and officers of the corporation.

(7) A statement of the aggregate number of shares which the corporation has authority to issue, itemized by classes, par value of shares, shares without par value, and series, if any within a class.

(8) A statement that a registered agent has been appointed and the name and address of such agent, and that a registered office exists and the address of such registered office is identical to that of the registered agent.

(9) Such additional information as may be necessary or appropriate in order to enable the secretary of state to determine whether such corporation is entitled to a certificate of authority to transact business in this state and to determine and assess the fees payable as in this title prescribed.

Such application shall be made on forms prescribed and furnished by the secretary of state and shall be executed in duplicate by the corporation by its president or a vice president and by its secretary or an assistant secretary, and verified by one of the officers signing such application.

Such application shall be accompanied by a certificate of good standing to be certified to by the proper officer of the state or country under the laws of which it is incorporated.

Sec. 50. Section 114, chapter 53, Laws of 1965 as last amended by section 1, chapter 89, Laws of 1973 and RCW 23A.32.060 are each amended to read as follows:

Duplicate originals of the application of the corporation for a certificate of authority shall be delivered to the secretary of state, together with a copy of the certificate of good standing, duly authenticated by the proper officer of the state or country under the laws of which it is incorporated, together with a copy of its articles of incorporation and all amendments thereto.

If the secretary of state finds that such application conforms to law, he shall, when all fees have been paid as in this title prescribed:

(1) Endorse on each of such documents the word "Filed", and the month, day and year of the filing thereof.

(2) File in his office one of such duplicate originals of the application.

(3) Issue a certificate of authority to transact business in this state to which he shall affix the other duplicate original application.

The certificate of authority, together with the duplicate original of the application affixed thereto by the secretary of state, shall be returned to the corporation or its representative.

NEW SECTION. Sec. 51. There is added to chapter 23A.32 RCW a new section to read as follows:

A foreign corporation doing an intrastate business or seeking to do an intrastate business in the state of Washington shall qualify so to do in the manner prescribed in this title and shall pay for the privilege of so doing the filing and license fees prescribed in this title for domestic corporations, including the same fees as are prescribed in chapter 23A.40 RCW for the filing of articles of incorporation of a domestic corporation. The fees are to be computed upon the portion of capital stock of such corporation represented

or to be represented in the state of Washington, to be ascertained by comparing the value in money of its entire property and capital with the value in money of its property and capital in, or to be brought into, and used in this state. Any corporation that employs an increased amount of its capital stock within the state shall pay fees at the same rate upon such increase, and whenever such increase is made such corporation shall file with the secretary of state, a statement showing the amount of such increase. Before any foreign corporation shall be authorized to do intrastate business in the state of Washington it shall file with the secretary of state upon a blank form to be furnished for that purpose under the oath of its president, secretary, treasurer, superintendent or managing agent in this state, a statement showing the following facts:

(1) The number of shares of capital stock of the company and the par value of each share, and if such shares have no par value, then the value of the assets represented by nonpar shares.

(2) The portion of the capital stock of the company which is represented and/or to be represented, employed and/or to be employed in its business transacted or to be transacted in the state of Washington.

(3) The value of the property in or to be brought into, and the amount of capital to be used by the company in the state of Washington and the value of the property and capital owned and/or used by the company outside of the state of Washington.

(4) Such other facts as the secretary of state may require.

From the facts thus reported, and such other additional information as the secretary of state may require, the secretary of state shall determine the amount of capital or the proportionate amount of the capital stock of the company represented by its property and business in the state of Washington and upon which the fees prescribed herein are payable.

NEW SECTION. Sec. 52. There is added to chapter 23A.32 RCW a new section to read as follows:

All foreign corporations doing intrastate business, or hereafter seeking to do intrastate business in this state shall pay for the privilege of doing such intrastate business in this state the same fees as are prescribed for domestic corporations for annual license fees. Such fees shall be computed upon the proportion of the capital stock represented or to be represented by its property and business in this state to be ascertained by comparing the entire volume of business with the volume of intrastate business in this state. Any such corporation that shall employ an increased amount of its capital stock within this state shall pay license fees upon such increase in the same proportion as provided for payment of license fees by domestic corporations. Such corporations shall file with the secretary of state a statement showing the amount of such increase and shall forthwith pay to the secretary of state the increased license fee brought about by such increased

use of capital represented by its property and business in this state. All fees shall be paid on or before the first day of July of each and every year.

NEW SECTION. Sec. 53. There is added to chapter 23A.32 RCW a new section to read as follows:

There is hereby imposed and levied on the license and filing fees on foreign corporations as prescribed by sections 51 and 52 of this act, a surtax of twenty-five percent to be collected from those corporations at the time they pay those license and filing fees. All fees collected in compliance with this section shall be deposited in the state general fund.

Sec. 54. Section 117, chapter 53, Laws of 1965 and RCW 23A.32.090 are each amended to read as follows:

A foreign corporation authorized to transact business in this state may change its registered office or change its registered agent, or both, upon filing in the office of the secretary of state a ~~((certificate))~~ statement setting forth:

- (1) The name of the corporation.
- (2) The address of its then registered office.
- (3) If the address of its registered office be changed, the address to which the registered office is to be changed.
- (4) The name of its then registered agent.
- (5) If its registered agent be changed, the name of its successor registered agent.
- (6) That the address of its registered office and the address of the business office of its registered agent, as changed, will be identical.
- (7) That such change was authorized by resolution duly adopted by its board of directors.

Such statement shall be executed in duplicate by the corporation by its president or a vice president, and verified by him, and delivered to the secretary of state. If the secretary of state finds that such statement conforms to the provisions of this title, he shall ~~((file such statement in his office, and upon such filing the))~~ endorse on such duplicate originals the word "Filed," and the month, day, and year of the filing thereof, file one original in his office, and return the other original to the corporation or its representative. The change of address of the registered office, or the appointment of a new registered agent, or both, as the case may be, shall become effective upon filing unless a later date is specified.

Any registered agent of a foreign corporation may resign as such agent upon filing a written notice thereof, executed in duplicate, with the secretary of state, who shall forthwith mail a copy thereof to the corporation at its principal office in the state or country under the laws of which it is incorporated. The appointment of such agent shall terminate upon the expiration of thirty days after receipt of such notice by the secretary of state.

If a registered agent changes his or its business address to another place within the same county, he or it may change such address and the address

of the registered office of any corporation of which he or it is a registered agent by filing a statement as required by this section, except that it need be signed only by the registered agent, it need not be responsive to subsections (5) or (7) of this section, and it must recite that a copy of the statement has been mailed to the corporation.

Sec. 55. Section 122, chapter 53, Laws of 1965 and RCW 23A.32.140 are each amended to read as follows:

A foreign corporation authorized to transact business in this state may withdraw from this state upon procuring from the secretary of state a certificate of withdrawal. In order to procure such certificate of withdrawal, such foreign corporation shall deliver to the secretary of state an application for withdrawal, which shall set forth:

(1) The name of the corporation and the state or country under the laws of which it is incorporated.

(2) That the corporation is not transacting business in this state.

(3) That the corporation surrenders its authority to transact business in this state.

(4) That the corporation revokes the authority of its registered agent in this state to accept service of process and consents that service of process in any action, suit or proceeding based upon any cause of action arising in this state during the time the corporation was authorized to transact business in this state may thereafter be made on such corporation by service thereof on the secretary of state.

(5) A post office address to which the secretary of state may mail a copy of any process against the corporation that may be served on him.

(6) A statement of the aggregate number of shares which the corporation has authority to issue, itemized by classes, par value of shares, shares without par value, and series, if any, within a class, as of the date of the application.

(7) A statement of the aggregate number of issued shares, itemized by classes, par value of shares, shares without par value, and series, if any, within a class, as of the date of the application.

(8) A statement, expressed in dollars, of the amount of stated capital of the corporation, as of the date of the application.

(9) Such additional information as may be necessary or appropriate in order to enable the secretary of state to determine and assess any unpaid fees payable by the foreign corporation under this title.

The application for withdrawal shall be made on forms prescribed and furnished by the secretary of state and shall be executed by the corporation by its president or a vice president and by its secretary or an assistant secretary, and verified by one of the officers signing the application, or, if the corporation is in the hands of a receiver or trustee, shall be executed on behalf of the corporation by such receiver or trustee and verified by him.

Sec. 56. Section 130, chapter 53, Laws of 1965 and RCW 23A.36.030 are each amended to read as follows:

The activities authorized by RCW 23A.36.010 and 23A.36.020, by such nonadmitted organizations shall not constitute (~~"conducting business," "carrying on business,"~~) "transacting business(~~(," or "doing business")~~)" within the meaning of chapter 23A.32 RCW.

Sec. 57. Section 4, chapter 92, Laws of 1969 ex. sess. as last amended by section 1, chapter 36, Laws of 1975 1st ex. sess. and RCW 23A.40.075 are each amended to read as follows:

The annual license fee required by RCW 23A.40.060, as now or hereafter amended, and (~~RCW 23A.40.140~~) section 52 of this 1979 act is a tax on the privilege of doing business as a corporation in the state of Washington. No corporation shall do business in this state without first having paid its annual license fee, except as provided in RCW 23A.36.010 and 23A.36.020.

Failure of the corporation to pay its annual license fees shall not derogate from the rights of its creditors, or prevent the corporation from being sued and from defending lawsuits, nor shall it release the corporation from any of the duties or liabilities of a corporation under law.

Every domestic corporation which shall fail for three consecutive years to acquire an annual license for the privilege of doing business in this state shall cease to exist as a corporation on the third anniversary of the date it was last licensed to do business in this state. When a corporation has ceased to exist by operation of this section, remedies available to or against it shall survive in the manner provided in RCW 23A.28.250 and the directors of the corporation shall hold the title to the property of the corporation as trustees for the benefit of its creditors and shareholders.

A domestic corporation which has not ceased to exist by operation of law may restore its privilege to do business by paying the current annual license fee and a restoration fee which shall include a sum equivalent to the amount of annual license fees the corporation would have paid had it continuously maintained its privilege to do business plus an additional fee equivalent to one percent per month or fraction thereof computed upon each annual license fee from the time it would have been paid had the corporation maintained its privilege to do business to the date when the corporation restored its privilege to do business: PROVIDED, That the minimum additional license fee due under this section shall be two dollars and fifty cents. A corporation which has ceased to exist may reinstate within two years by paying all fees specified above plus a reinstatement fee of ten dollars and upon doing so shall be reinstated and again be entitled to do business, and may use its former corporate name if that name is not then in use by a corporation then in existence. If the former name is not available, the corporation may file amended articles to adopt a new name simultaneous with

reinstatement. Upon payment of the above fees, restoration and reinstatement of the privilege to do business shall be effective, and the corporation shall have all the rights and privileges it would have possessed had it continually maintained its privilege to do business.

When any domestic corporation first fails to pay its annual license fee when due, the secretary of state shall, in that year only, mail to the corporation at its registered office, by first class mail, a notice that if it does not pay its annual license fee it will no longer have the privilege of doing business in this state, and that the corporation's privilege may be restored as provided in this section, and the notice shall contain a reminder that, if the privilege is not restored for three consecutive years, the existence of the corporation shall cease without further notice.

Sec. 58. Section 1, chapter 2, Laws of 1971 ex. sess. and RCW 23A.40-.150 are each amended to read as follows:

There is hereby imposed and levied on the license and filing fees on domestic ((and foreign)) corporations as prescribed by RCW 23A.40.040((;)) and 23A.40.060((, -23A.40.130 and 23A.40.140)) a surtax of twenty-five percent to be collected from those corporations at the time they pay those license and filing fees. All fees collected in compliance with this section shall be deposited in the state general fund.

Sec. 59. Section 165, chapter 53, Laws of 1965 and RCW 23A.98.030 are each amended to read as follows:

Nothing contained in this title shall be construed as an impairment of any obligation of the state as evidenced by bonds held for any purpose, and subsections 2 and 13 of RCW 23A.40.020, subsections 1 and 2 of RCW 23A.40.030, and RCW 23A.40.040, 23A.40.050, 23A.40.060, 23A.40.070, 23A.40.080, 23A.40.090, ((23A.40.130 and 23A.40.140)) sections 51 and 52 of this 1979 act shall be deemed to be a continuation of chapter 70, Laws of 1937, as amended, for the purpose of payment of:

(1) world's fair bonds authorized by chapter 174, Laws of 1957 as amended by chapter 152, Laws of 1961, and

(2) outdoor recreation bonds authorized by referendum bill number 11 (chapter 12, Laws of 1963 extraordinary session), approved by the people on November 3, 1964.

NEW SECTION. Sec. 60. The following acts or parts of acts are each repealed:

(1) Section 58, chapter 53, Laws of 1965 and RCW 23A.12.050;

(2) Section 66, chapter 53, Laws of 1965, section 5, chapter 190, Laws of 1967, section 7, chapter 193, Laws of 1977 ex. sess. and RCW 23A.16.070;

(3) Section 144, chapter 53, Laws of 1965 and RCW 23A.40.110;

(4) Section 145, chapter 53, Laws of 1965 and RCW 23A.40.120;

(5) Section 146, chapter 53, Laws of 1965 and RCW 23A.40.130;

(6) Section 147, chapter 53, Laws of 1965 and RCW 23A.40.140; and
(7) Section 156, chapter 53, Laws of 1965 and RCW 23A.44.090.

Passed the Senate March 1, 1979.

Passed the House February 27, 1979.

Approved by the Governor March 7, 1979.

Filed in Office of Secretary of State March 7, 1979.

CHAPTER 17

[Engrossed Senate Bill No. 2221]

HEALTH CARE PRACTITIONER DISCIPLINARY PROCEEDINGS—RECORDS
OF COMMITTEE OR BOARD EMPLOYEES OR MEMBERS

AN ACT Relating to health care practitioner review boards; and amending section 1, chapter 144, Laws of 1971 ex. sess. as last amended by section 1, chapter 68, Laws of 1977 and RCW 4.24.250.

Be it enacted by the Legislature of the State of Washington:

Section 1. Section 1, chapter 144, Laws of 1971 ex. sess. as last amended by section 1, chapter 68, Laws of 1977 and RCW 4.24.250 are each amended to read as follows:

Any health care practitioner as defined in RCW 7.70.020 (1) and (2) as now existing or hereafter amended who, in good faith, files charges or presents evidence against another member of their profession based on the claimed incompetency or gross misconduct of such person before a regularly constituted review committee or board of a professional society or hospital whose duty it is to evaluate the competency and qualifications of members of the profession, including limiting the extent of practice of such person in a hospital or similar institution, shall be immune from civil action for damages arising out of such activities. The written records of such committees or boards, or of a member, employee, staff person, or investigator of such a committee or board, shall not be subject to subpoena or discovery proceedings in any civil action, except actions arising out of the recommendations of such committees or boards.

Passed the Senate February 19, 1979.

Passed the House February 28, 1979.

Approved by the Governor March 7, 1979.

Filed in Office of Secretary of State March 7, 1979.

CHAPTER 18

[Senate Bill No. 2233]

CONSUMER FINANCE BUSINESS

AN ACT Relating to small loan companies; amending section 24, chapter 208, Laws of 1941 and RCW 31.08.270; amending section 27, chapter 208, Laws of 1941 and RCW 31.08-.920; amending section 13, chapter 208, Laws of 1941 as last amended by section 8,