

study, unless otherwise determined by the state board of education.

Sec. 2. Section 28A.05.050, chapter ..., Laws of 1969 (HB 58) and RCW 28A.05.050 are each amended to read as follows:

To promote good citizenship and a greater interest in and better understanding of our national and state institutions and system of government, the state board of education shall prescribe a one-year course of study in the history and government of the United States, and the equivalent of a one-semester course of study in the state of Washington's history and government (~~or Pacific Northwest history and government~~). No person shall be graduated from (~~any eighth-grade or~~) high school without completing such courses of study: PROVIDED, That students in the twelfth grade who have not completed such a course of study in Washington's history and state government because of previous residence outside the state (~~shall be graduated upon having received special instruction in Washington or northwest history and government as may be determined by the local school authorities as equivalent to the one-semester course required by this section~~) may have the foregoing requirement waived by their principal.

NEW SECTION. Sec. 3. The forty-first legislature has before it a bill proposing a complete revision of the education laws of this state (1969 HB 58). The provisions of section 1 of the instant bill seek to change existing laws. The provisions of section 2 seek to change correlative provisions of the proposed 1969 education code if such code becomes law. It is the intent of the legislature that the provisions of section 1 shall be effective only until the date upon which the 1969 education code shall take effect, upon which date the provisions of section 1 shall expire and the provisions of section 2 shall concomitantly become effective.

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CHAPTER 58
[Engrossed Senate Bill No. 229]
CORPORATIONS

AN ACT Relating to corporations; amending section 5, chapter 53, Laws of 1965 and RCW 23A.08.020; adding a new section to chapter 53, Laws of 1965 and to chapter 23A.08 RCW; and adding new sections to chapter 53, Laws of 1965 and to Title 23A RCW.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

Section 1. Section 5, chapter 53, Laws of 1965 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.

(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 re-invest 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.

(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 in aid of the United States in the prosecution of the war.

~~{(15)--To indemnify any director or officer or former director or officer of the corporation, or any person who may have served at its request as a director or officer of another corporation in which it owns shares of capital stock or of which it is a creditor, against expenses actually and reasonably incurred by him in connection with the defense of any action, suit or proceeding, civil or criminal, in which he is made a party by reason of being or having been such director or officer, except in relation to matters as to which he shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of duty to the corporation, and to make any other indemnification that shall be authorized~~

~~by the articles of incorporation or by any bylaw or resolution adopted by the shareholders after notice.)~~

((~~16~~)) (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.

((~~17~~)) (16) To cease its corporate activities and surrender its corporate franchise.

((~~18~~)) (17) To have and exercise all powers necessary or convenient to effect any or all of the purposes for which the corporation is organized.

NEW SECTION. Sec. 2. There is added to chapter 53, Laws of 1965 and to chapter 23A.08 RCW a new section to be known as RCW 23A.08.025 to read as follows:

(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 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 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 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 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.

NEW SECTION. Sec. 3. The provisions of section 2 of this 1969 amendatory act shall apply to any corporation, other than a municipal corporation, incorporated under any of the laws of the state of Washington.

NEW SECTION. Sec. 4. There is added to chapter 53, Laws of 1955 and to Title 23A RCW a new section to read as follows:

The enactment of chapter 53, Laws of 1965, and the repeal of any prior act thereby, shall not, with respect to any corporation in existence on July 1, 1967:

(1) Permit less than a unanimous vote of the shareholders of a corporation having cumulative voting on July 1, 1967, to limit or eliminate cumulative voting in the election of directors, or

(2) Limit or deny the right of any shareholder to demand and receive payment for his shares by reason of any corporate action, unless the shareholder and other holders of shares of the same class are entitled to vote as a class with respect to such corporate action under RCW 23A.16.030: PROVIDED, HOWEVER, That such right to demand and receive payment for shares shall be treated as a right to dissent, to be exercised and disposed of in accordance with RCW 23A.24.040, and to be denied with respect to those certain sales and mergers with respect to which RCW 23A.24.030 expressly denies the right to dissent.

The foregoing are declared to be among the rights accrued, acquired or established within the meaning of RCW 23A.44.145.

NEW SECTION. Sec. 5. There is added to chapter 53, Laws of 1965 and to Title 23A RCW a new section to read as follows:

Upon a showing to the superior court of the county in which the registered office of a corporation is situated that:

(1) The addresses of the shareholders of record are lost,

destroyed, incomplete or inadequate, and

(2) Notice of a meeting of shareholders for a purpose requiring the affirmative vote of the holders of two-thirds of any class of shares has been given in the manner required by law as nearly as may be done and has been published in a legal newspaper in Thurston county and in the county in which the registered office of the corporation is situated not less than ten nor more than fifty days before the date of the meeting, the court shall appoint a disinterested person to represent the missing shareholders of record at the meeting and to report his findings to the court which findings may include comments upon the showing made to the court as hereinabove provided. The court shall then approve any action taken at the meeting by the shareholders present in person or by proxy if the court is satisfied that it is in the best interests of the missing shareholders, and such approval shall have the same force and effect as an affirmative vote at the meeting by the missing shareholders. Said disinterested person shall receive reasonable compensation for his services from the corporation, to be fixed by the court.

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CHAPTER 59
[Engrossed Senate Bill No. 376]
COUNTIES--OFFICERS AND EMPLOYEES--
LIABILITY INSURANCE

AN ACT Relating to comprehensive liability insurance.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. Section 1. The board of county commissioners of each county may purchase liability insurance with such limits as they may deem reasonable for the purpose of protecting their officials and employees against liability for personal or bodily injuries and property damage arising from their acts or omissions while performing or in good faith purporting to perform their official duties.

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