

## CHAPTER 74

[Senate Bill No. 4388]

## CHECK CASHING BY THE STATE TREASURER'S OFFICE

AN ACT Relating to check cashing by the state treasurer's office; and amending section 1, chapter 5, Laws of 1971 and RCW 43.08.180.

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

Sec. 1. Section 1, chapter 5, Laws of 1971 and RCW 43.08.180 are each amended to read as follows:

The state treasurer is hereby authorized, in ~~((his))~~ the treasurer's discretion and as a service to state officers and employees, and to those known by the treasurer or the treasurer's staff, to accept in exchange for cash ~~((such))~~ the checks, drafts, or Washington state warrants drawn or endorsed by ((such state officers and employees)) these authorized persons and presented to ~~((his))~~ the treasurer's office as meet each of the following conditions:

(1) The check or draft must be drawn to the order of cash or bearer and be immediately payable by a drawee ~~((bank located within the state of Washington))~~ financial institution; and

(2) ~~((The amount of the check shall not exceed two hundred and fifty dollars; and~~

~~((3)))~~ The ((drawer)) person presenting the check, draft, or Washington state warrant to the treasurer must produce such identification as the treasurer may require.

In the event that any check or draft cashed for a state officer or employee by the state treasurer under this section is dishonored by the drawee ~~((bank))~~ financial institution when presented for payment, the treasurer is authorized, after notice to the drawer or endorser of the dishonor, to withhold from the drawer's or endorser's next state salary warrant the full amount of the dishonored check or draft.

Passed the Senate February 4, 1984.

Passed the House February 24, 1984.

Approved by the Governor March 1, 1984.

Filed in Office of Secretary of State March 1, 1984.

## CHAPTER 75

[Engrossed Senate Bill No. 4513]

## CORPORATIONS—MODIFICATION OF AUTHORITY

AN ACT Relating to corporations; amending section 3, chapter 53, Laws of 1965 as last amended by section 4, chapter 35, Laws of 1982 and RCW 23A.04.010; amending section 5, chapter 53, Laws of 1965 as last amended by section 3, chapter 16, Laws of 1979 and RCW 23A.08.020; amending section 6, chapter 53, Laws of 1965 as last amended by section 1,

chapter 38, Laws of 1971 ex. sess. and RCW 23A.08.030; amending section 15, chapter 53, Laws of 1965 as amended by section 8, chapter 16, Laws of 1979 and RCW 23A.08.120; amending section 16, chapter 53, Laws of 1965 as last amended by section 9, chapter 35, Laws of 1982 and RCW 23A.08.130; amending section 5, chapter 38, Laws of 1971 ex. sess. and RCW 23A.08.135; amending section 18, chapter 53, Laws of 1965 as amended by section 9, chapter 16, Laws of 1979 and RCW 23A.08.150; amending section 19, chapter 53, Laws of 1965 and RCW 23A.08.160; amending section 21, chapter 53, Laws of 1965 and RCW 23A.08.180; amending section 22, chapter 53, Laws of 1965 as amended by section 10, chapter 16, Laws of 1979 and RCW 23A.08.190; amending section 23, chapter 53, Laws of 1965 as amended by section 11, chapter 16, Laws of 1979 and RCW 23A.08.200; amending section 33, chapter 53, Laws of 1965 as amended by section 17, chapter 16, Laws of 1979 and RCW 23A.08.300; amending section 43, chapter 53, Laws of 1965 as amended by section 7, chapter 99, Laws of 1980 and RCW 23A.08.400; amending section 45, chapter 53, Laws of 1965 as amended by section 23, chapter 16, Laws of 1979 and RCW 23A.08.420; amending section 48, chapter 53, Laws of 1965 as last amended by section 11, chapter 35, Laws of 1982 and RCW 23A.08.450; amending section 53, chapter 53, Laws of 1965 as amended by section 26, chapter 16, Laws of 1979 and RCW 23A.08.500; amending section 55, chapter 53, Laws of 1965 as last amended by section 14, chapter 35, Laws of 1982 and RCW 23A.12.020; amending section 61, chapter 53, Laws of 1965 as amended by section 30, chapter 16, Laws of 1979 and RCW 23A.16.020; amending section 63, chapter 53, Laws of 1965 as last amended by section 17, chapter 35, Laws of 1982 and RCW 23A.16.040; amending section 135, chapter 53, Laws of 1965 as last amended by section 58, chapter 35, Laws of 1982 and RCW 23A.40.020; amending section 165, chapter 53, Laws of 1965 as last amended by section 71, chapter 35, Laws of 1982 and RCW 23A.98.030; adding a new section to chapter 23A.32 RCW; adding a new section to chapter 23A.40 RCW; adding a new section to chapter 23A.44 RCW; repealing section 20, chapter 53, Laws of 1965 and RCW 23A.08.170; repealing section 46, chapter 53, Laws of 1965, section 9, chapter 190, Laws of 1967 and RCW 23A.08.430; repealing section 68, chapter 53, Laws of 1965 and RCW 23A.16.090; repealing section 69, chapter 53, Laws of 1965, section 9, chapter 193, Laws of 1977 ex. sess., section 22, chapter 35, Laws of 1982 and RCW 23A.16.100; repealing section 70, chapter 53, Laws of 1965, section 10, chapter 193, Laws of 1977 ex. sess., section 23, chapter 35, Laws of 1982 and RCW 23A.16.110; repealing section 71, chapter 53, Laws of 1965, section 11, chapter 193, Laws of 1977 ex. sess., section 24, chapter 35, Laws of 1982 and RCW 23A.16.120; and repealing section 72, chapter 53, Laws of 1965 and RCW 23A.16.130.

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

Sec. 1. Section 3, chapter 53, Laws of 1965 as last amended by section 4, chapter 35, Laws of 1982 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 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. 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 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.32.073 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, or one original with original signatures and one copy thereof.~~

~~((17)) (9) "Conforms to law" as used in this title in connection with duties of the secretary of state in reviewing documents for filing under this title means the secretary of state has determined the document complies as to form with the applicable requirements of this title.~~

~~((18))~~ (10) "Effective date" means, in connection with a filing made by the secretary of state, the date which is shown by affixing a "filed" stamp on the documents. When a document is received for filing by the secretary of state in a form which complies with the requirements of this title and which would entitle the document to be filed immediately upon receipt, but the secretary of state's approval action occurs subsequent to the date of receipt, the secretary of state's filing date shall relate back to the date on which the secretary of state first received the document in acceptable form. An applicant may request a specific effective date no more than thirty days later than the date of receipt which might otherwise be applied as the effective date.

~~((19))~~ (11) "Executed by an officer of the corporation," or words of similar import, means that any document signed by such person shall be and is signed by that person under penalties of perjury and in an official and authorized capacity on behalf of the corporation or person submitting the document with the secretary of state.

~~((20))~~ (12) "An officer of the corporation" means, in connection with the execution of documents submitted for filing with the secretary of state, the president, a vice president, the secretary or the treasurer of the corporation.

(13) "Distribution" means a direct or indirect transfer of money or other property (except its own shares) or incurrence of indebtedness by a corporation to or for the benefit of its shareholders in respect of any of its shares. A distribution may be in the form of a dividend; a purchase, redemption, or other acquisition of shares; or otherwise.

Sec. 2. Section 5, chapter 53, Laws of 1965 as last amended by section 3, chapter 16, Laws of 1979 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 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 make guarantees respecting the contracts, securities, or obligations of any person (including, but not limited to, any shareholder, any affiliated or unaffiliated individual, domestic or foreign corporation, partnership, association, joint venture or trust) if such guarantee may reasonably be expected to benefit, directly or indirectly, the guarantor corporation. As to the enforceability of the guarantee, the decision of the board of directors that the guarantee may be reasonably expected to benefit, directly or indirectly, the guarantor corporation shall be binding in respect to the issue of benefit to the guarantor corporation.

(10) 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.

~~((+0))~~ (11) To conduct its business, carry on its operations, and have offices and exercise the powers granted by this title, within or without this state.

~~((+1))~~ (12) To elect or appoint officers and agents of the corporation, and define their duties and fix their compensation.

~~((+2))~~ (13) 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.

~~((+3))~~ (14) 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.

~~((+4))~~ (15) To transact any lawful business which the board of directors finds will be in aid of governmental policy.

~~((+5))~~ (16) 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.

~~((+6))~~ (17) To be a promoter, partner, member, associate, or manager of any partnership, joint venture, trust, or other enterprise.

~~((+7))~~ (18) To cease its corporate activities and surrender its corporate franchise.

~~((+8))~~ (19) To have and exercise all powers necessary or convenient to effect its purposes.

Sec. 3. Section 6, chapter 53, Laws of 1965 as last amended by section 1, chapter 38, Laws of 1971 ex. sess. and RCW 23A.08.030 are each amended to read as follows:

~~(1) A corporation shall have the ((right)) power to ((purchase, take, receive or otherwise)) acquire((, hold, own, pledge, transfer or otherwise dispose of)) its own shares((, but purchases of its own shares, whether direct or indirect, shall be made only to the extent of unreserved and unrestricted earned surplus available therefor, and, if the articles of incorporation so permit or with the affirmative vote of the holders of at least a majority of all shares entitled to vote thereon, to the extent of unreserved and unrestricted capital surplus available therefor. PROVIDED, That a Regulated Investment Company registered under the Investment Company Act of 1940, or any similar federal statute, shall have the right to purchase its own shares out of unreserved and unrestricted capital surplus whether or not the articles of incorporation so provide and without prior shareholder approval.~~

~~To the extent that earned surplus or capital surplus is used as the measure of the corporation's right to purchase its own shares, such surplus shall be restricted so long as such shares are held as treasury shares, and upon the disposition or cancellation of any such shares the restriction shall be removed pro tanto.~~

~~Notwithstanding the foregoing limitation, a corporation may purchase or otherwise acquire its own shares for the purpose of:~~

~~(1) Eliminating fractional shares:~~

~~(2) Collecting or compromising indebtedness to the corporation:~~

~~(3) Paying dissenting shareholders entitled to payment for their shares under the provisions of this title:~~

~~(4) Effecting, subject to the other provisions of this title, the retirement of its redeemable shares by redemption or by purchase at not to exceed the redemption price:~~

~~No purchase of or payment for its own shares shall be made at a time when the corporation is insolvent or when such purchase or payment would make it insolvent)). All of its own shares acquired by a corporation shall, upon acquisition, constitute authorized but unissued shares, unless the articles of incorporation provide that they shall not be reissued.~~

~~(2) If the articles of incorporation prohibit the reissue of shares upon acquisition thereof by the corporation, the corporation shall, not later than the time it files its next annual report under this title with the secretary of state, file a statement of cancellation:~~

~~(a) The statement of cancellation shall be executed in duplicate by the corporation by one of its officers and shall set forth:~~

~~(i) The name of the corporation.~~

~~(ii) The number of acquired shares canceled, itemized by classes and series.~~

(iii) The number of authorized shares, itemized by classes and series, after giving effect to such cancellation.

(iv) The amount of the corporation's authorized capital stock after giving effect to such cancellation.

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

(i) Endorse on each of such originals the word "Filed," and the effective date of the filing thereof.

(ii) File one of such originals in the secretary of state's office.

(iii) Return the other original to the corporation or its representative.

(c) Upon the effective date of the filing of the statement of cancellation by the secretary of state, the corporation's articles of incorporation are deemed to have been amended to reduce the number of shares of the classes and series so canceled which the corporation is authorized to issue by the number of shares so canceled.

Sec. 4. Section 15, chapter 53, Laws of 1965 as amended by section 8, chapter 16, Laws of 1979 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. 5. Section 16, chapter 53, Laws of 1965 as last amended by section 9, chapter 35, Laws of 1982 and RCW 23A.08.130 are each amended to read as follows:

(1) If the articles of incorporation so provide, the shares of any preferred or special class may be divided into and issued in series. If the shares of any such class are to be issued in series, then each series shall be so designated as to distinguish the shares thereof from the shares of all other series and classes. Any or all of the series of any such class and the variations in the relative rights and preferences as between different series may be fixed and determined by the articles of incorporation(~~(, but all shares of the same class shall be identical except as to the following relative rights and preferences, as to which there may be variations between different series:~~

(a) ~~The rate of dividend.~~

(b) ~~Whether shares may be redeemed and, if so, the redemption price and the terms and conditions of redemption.~~

(c) ~~The amount payable upon shares in event of voluntary and involuntary liquidation.~~

(d) ~~Sinking fund provisions, if any, for the redemption or purchase of shares.~~

(e) ~~The terms and conditions, if any, on which shares may be converted.~~

(f) ~~Voting rights, if any~~)).

(2) If the articles of incorporation shall expressly vest authority in the board of directors, then, to the extent that the articles of incorporation shall not have established series and fixed and determined the variations in the relative rights and preferences as between series, the board of directors shall have authority to divide any or all of such classes into series and, within the limitations set forth in this section and in the articles of incorporation, to fix and determine or to amend the relative rights and preferences of the shares of any series ((so)) that is wholly unissued or to be established. Within the limits stated in the articles of incorporation or the resolution of the board of directors establishing the series, the board of directors may, after the issue of shares of a series whose number it is authorized to designate, amend the resolution establishing the series to decrease (but not below the number of shares of such series then outstanding) the number of shares of that series, and the number of shares constituting the decrease shall resume the status which they had before the adoption of the resolution establishing the series.

(3) In order for the board of directors to establish or amend a series, where authority so to do is contained in the articles of incorporation, the board of directors shall adopt a resolution setting forth the designation or amendment of the series and fixing and determining or amending the relative rights and preferences thereof, or so much thereof as shall not be fixed and determined by the articles of incorporation.

(4) (~~Prior to the issue of any shares of a~~) For any series established or amended by resolution adopted by the board of directors, the corporation shall file and execute in the manner hereinafter provided a statement setting forth:

(a) The name of the corporation.

(b) A copy of the resolution amending, or establishing and designating, the series(;) and fixing and determining the relative rights and preferences thereof.

(c) The date of adoption of such resolution.

(d) That such resolution was duly adopted by the board of directors.

(5) Such statement shall be executed in duplicate by the corporation by one of its officers, and shall be delivered to the secretary of state. If the secretary of state finds that such statement conforms to law, the secretary of state shall, when all fees have been paid as in this title prescribed:

(a) Endorse on each of such duplicate originals the word "Filed," and the effective date of the filing thereof.

(b) File one of such originals.

(c) Return the other original to the corporation or its representative.

(6) Upon the filing of such statement by the secretary of state, the resolution amending, or establishing and designating, the series and fixing and determining the relative rights and preferences thereof shall become effective and shall constitute an amendment of the articles of incorporation.

Sec. 6. Section 5, chapter 38, Laws of 1971 ex. sess. and RCW 23A-.08.135 are each amended to read as follows:

Subject to any provisions in respect thereof set forth in its articles of incorporation, a corporation may create and issue, whether or not in connection with the issuance and sale of any of its shares or other securities, rights or options entitling the holders thereof to purchase from the corporation shares of any class or classes. Such rights or options shall be evidenced in such manner as the board of directors shall approve and, subject to the provisions of the articles of incorporation, shall set forth the terms upon which, the time or times within which and the price or prices at which such shares may be purchased from the corporation upon the exercise of any such right or option. If such rights or options are to be issued to directors, officers or employees as such of the corporation or of any subsidiary thereof, and not to the shareholders generally, their issuance shall be approved by the affirmative vote of the holders of a majority of the shares entitled to vote thereon or shall be authorized by and consistent with a plan approved

or ratified by such a vote of shareholders. In the absence of fraud in the transaction, the judgment of the board of directors as to the adequacy of the consideration received for such rights or options shall be conclusive. ~~((The price or prices to be received for any shares having a par value, other than treasury shares to be issued upon the exercise of such rights or options, shall not be less than the par value thereof:))~~

Sec. 7. Section 18, chapter 53, Laws of 1965 as amended by section 9, chapter 16, Laws of 1979 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:))~~

Subject to any restrictions in the articles of incorporation:

(1) 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 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)) as shall be authorized by the board of directors establishing a price (in money or other consideration) or a minimum price or general formula or method by which the price will be determined; and~~

(2) Upon authorization by the board of directors, the corporation may issue its own shares in exchange for or in conversion of its outstanding shares, or distribute its own shares, pro rata to its shareholders or the shareholders of one or more classes or series, to effectuate stock dividends or splits, and any such transaction shall not require consideration. However, such issuance of shares of any class or series shall not be made to the holders of shares of any other class or series unless it is either expressly provided

for in the articles of incorporation, or is authorized by an affirmative vote or the written consent of the holders of at least a majority of the outstanding shares of the class or series in which the distribution is to be made.

Sec. 8. Section 19, chapter 53, Laws of 1965 and RCW 23A.08.160 are each amended to read as follows:

The consideration for the issuance of shares may be paid in whole or in part, in money, in other property, tangible or intangible, or in labor or services actually performed for the corporation. When payment of the consideration for which shares are to be issued shall have been received by the corporation, such shares shall be ~~((deemed to be fully paid and))~~ nonassessable.

Neither promissory notes nor future services shall constitute payment or part payment, for shares of a corporation.

In the absence of fraud in the transaction, the judgment of the board of directors or the shareholders, as the case may be, as to the value of the consideration received for shares shall be conclusive.

Sec. 9. Section 21, chapter 53, Laws of 1965 and RCW 23A.08.180 are each amended to read as follows:

The reasonable charges and expenses of organization or reorganization of a corporation, and the reasonable expenses of and compensation for the sale or underwriting of its shares, may be paid or allowed by such corporation out of the consideration received by it in payment for its shares without thereby rendering such shares ~~((not fully paid or))~~ assessable.

Sec. 10. Section 22, chapter 53, Laws of 1965 as amended by section 10, chapter 16, Laws of 1979 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 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.))~~

Each certificate representing shares may state upon the face thereof the par value of each share, or a statement that the shares are without par value.

No certificate shall be issued for any share until ~~((such share is fully paid))~~ the consideration established for its issuance has been paid.

Sec. 11. Section 23, chapter 53, Laws of 1965 as amended by section 11, chapter 16, Laws of 1979 and RCW 23A.08.200 are each amended to read as follows:

A corporation may (1) issue fractions of a share, (2) arrange for the disposition of fractional interests by those entitled thereto, (3) pay in ~~((cash))~~ money 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 33, chapter 53, Laws of 1965 as amended by section 17, chapter 16, Laws of 1979 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 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 not 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. 13. Section 43, chapter 53, Laws of 1965 as amended by section 7, chapter 99, Laws of 1980 and RCW 23A.08.400 are each amended to read as follows:

If the articles of incorporation or the bylaws so provide, the board of directors, by resolution adopted by a majority of the full board of directors, may designate from among its members an executive committee and one or more other committees each of which, to the extent provided in such resolution or in the articles of incorporation or the bylaws of the corporation, shall have and may exercise all the authority of the board of directors, except that no such committee shall have the authority to: (1) ~~((Declare dividends or))~~ Authorize distributions, except at a rate or in periodic amount determined by the board of directors, (2) approve or recommend to shareholders actions or proposals required by this title to be approved by shareholders, (3) fill vacancies on the board of directors or any committee thereof, (4) amend the bylaws, (5) ~~((authorize or approve the reacquisition of shares unless pursuant to general formula or method specified by the board of directors, (6)))~~ fix compensation of any director for serving on the board of directors or on any committee, ~~((7))~~ (6) approve a plan of merger, consolidation, or exchange of shares not requiring shareholder approval, ~~((8) reduce earned or capital surplus;)~~ or ~~((9))~~ (7) appoint other committees of the board of directors or the members thereof.

Sec. 14. Section 45, chapter 53, Laws of 1965 as amended by section 23, chapter 16, Laws of 1979 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~~

~~(b) the unreserved and unrestricted net earnings of the current fiscal year and the next preceding fiscal year taken as a single period. No 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) 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.~~

~~(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 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:))~~

(1) Subject to restriction by the articles of incorporation and the limitation in subsection (2) of this section, a board of directors may authorize and the corporation may make distributions to its shareholders.

(2) No distribution may be made if, after giving it effect, either:

(a) The corporation would not be able to pay its debts as they become due in the usual course of business; or

(b) The corporation's total assets would be less than the sum of its total liabilities plus (unless the articles of incorporation permit otherwise) the amount which would be needed to satisfy any shareholder's preferential rights in liquidation were the corporation in liquidation at the time of the distribution.



(3) A board of directors may base a determination that a distribution may be made under subsection (2) of this section either on financial statements prepared on the basis of accounting practices and principles that are reasonable in the circumstances, or on a fair valuation or other method that is reasonable in the circumstances.

(4) The effect of a distribution under subsection (2) of this section is measured:

(a) In the case of distribution by purchase, redemption, or other acquisition of the corporation's shares, as of the earlier of (i) the date money or other property is transferred or debt is incurred by the corporation; or (ii) the date the shareholder ceases to be a shareholder with respect to the acquired shares; and

(b) In all other cases, as of (i) the date of its authorization if payment occurs within one hundred twenty days after the date of authorization; or (ii) the date of payment if payment occurs more than one hundred twenty days after the date of authorization.

(5) A corporation's indebtedness to a shareholder incurred by reason of a distribution made in accordance with this section is at parity with the corporation's indebtedness to its general, unsecured creditors except to the extent provided otherwise by agreement.

Sec. 15. Section 48, chapter 53, Laws of 1965 as last amended by section 11, chapter 35, Laws of 1982 and RCW 23A.08.450 are each amended to read as follows:

In addition to any other liabilities, directors shall be liable in the following circumstances unless they comply with the standard provided in RCW 23A.08.343 for the performance of the duties of directors:

~~(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)) Directors of a corporation who vote for or assent to any distribution contrary to the provisions of this title, or contrary to any restrictions contained in the articles of incorporation, shall be liable to the corporation, jointly and severally with all other directors so voting or assenting, for the amount of such distribution in excess of the amount of such distribution which could have been made without a violation of the provisions of this title or the restrictions in the articles of incorporation.

(2) 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.

Any director against whom a claim shall be asserted under or pursuant to this section for the ((payment)) making 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)) distribution, 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)) any other director((s)) who voted for or assented to the action upon which the claim is asserted and who did not comply with the standard provided in this title for the performance of the duties of directors.

Sec. 16. Section 53, chapter 53, Laws of 1965 as amended by section 26, chapter 16, Laws of 1979 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 holder of record 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))~~ each corporation shall provide to such shareholder or holder of voting trust certificates the financial statements for its most recent fiscal year including at least a balance sheet as of the end of such fiscal year and a statement of income for such fiscal year. If, for any purpose, the corporation, or the corporation and one or more of its subsidiaries, prepares financial statements for such fiscal year on the basis of generally accepted accounting principles, it shall provide a copy of those statements to any shareholder or holder of voting trust certificates who requests them. In the

case of statements audited by a public accountant, each copy shall be accompanied by a report setting forth the accountant's opinion thereon; in other cases, each copy shall be accompanied by a statement of the president or the person in charge of the corporation's financial accounting records: (1) Stating that person's reasonable belief as to whether or not the financial statements were prepared in accordance with generally accepted accounting principles and, if not, describing the basis of presentation; and (2) describing any respects in which the financial statements were not prepared on a basis consistent with those prepared for the previous year. If a corporation fails to provide the financial statements to any shareholder requesting them pursuant to this section, in any action to compel a corporation to provide such statements, the costs and expenses of any such proceeding (including reasonable fees and expenses for counsel for any such shareholder) shall be determined by the court and may be assessed by the court in its discretion on any corporation which fails to provide such statements or on one or more officers of the corporation. This shall be in addition to any other damages or remedies afforded by law.

Sec. 17. Section 55, chapter 53, Laws of 1965 as last amended by section 14, chapter 35, Laws of 1982 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 or for a stated term of years.
- (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 statement 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) Any provision limiting or denying to shareholders the preemptive right to acquire additional shares of the corporation.

~~(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.~~

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

~~((11))~~ (10) 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.

~~((12))~~ (11) The name and address of each incorporator.

In addition to the provisions required under this section, the articles of incorporation may also contain provisions not inconsistent with law regarding:

(a) The direction of the management of the business and the regulation of the affairs of the corporation;

(b) The definition, limitation, and regulation of the powers of the corporation, the directors, and the shareholders, or any class of the shareholders, including restrictions on the transfer of shares; and

(c) Any provision which under this title is required or permitted to be set forth in the bylaws.

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

Sec. 18. Section 61, chapter 53, Laws of 1965 as amended by section 30, chapter 16, Laws of 1979 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. If the corporation has only one class of shares outstanding, an amendment solely to provide, change, or eliminate any provision with respect to the par value of any class of shares, or solely to change the number of authorized shares to effectuate a split of, or stock dividend in, the corporation's own shares, or solely to do so and to change the number of authorized shares in proportion thereto, may be

adopted by the board of directors; and the provisions for adoption by shareholders shall not apply, unless otherwise provided by the articles of incorporation. 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. 19. Section 63, chapter 53, Laws of 1965 as last amended by section 17, chapter 35, Laws of 1982 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 one of its officers, 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))~~ RCW 23A-16.020 authorizes amendment without shareholder approval.

(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~~) the corporation's authorized capital stock, then a statement of the manner in which the same is effected and a statement, expressed in dollars, of the amount of (~~stated capital~~) the authorized capital stock as changed by such amendment.

NEW SECTION. Sec. 20. There is added to chapter 23A.32 RCW a new section to read as follows:

For the purposes of RCW 23A.32.073, 23A.32.075, and 23A.32.077, the term or terms:

(1) "Stock" means shares.

(2) "Capital" and "capital stock" and "authorized capital stock" mean the sum of (a) the par value of all shares of the corporation having a par value that the corporation is authorized to issue, and (b) 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.

(3) "Capitalization" means stated capital.

(4) "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.

(5) "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.

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

Sec. 21. Section 135, chapter 53, Laws of 1965 as last amended by section 58, chapter 35, Laws of 1982 and RCW 23A.40.020 are each amended to read as follows:

The secretary of state shall charge and collect for:

(1) Filing articles of amendment or supplemental articles and issuing a certificate of amendment, twenty-five dollars;

(2) Filing restated articles of incorporation, twenty-five dollars;

(3) Filing articles of merger or consolidation and issuing a certificate of merger or consolidation, twenty-five dollars;

(4) Filing an application to reserve a corporate name, ten dollars;

(5) Filing a notice of transfer of a reserved corporate name, five dollars;

(6) Filing a statement of change of address of registered office, revocation, resignation, change of registered agent, affidavit of nonappointment, or any combination of these, five dollars. A separate fee for filing such statement shall not be charged if the statement appears in an amendment to the articles of incorporation or in conjunction with the filing of the annual report;

(7) Filing a statement of the establishment of a series of shares, ten dollars;

(8) Filing a statement of cancellation of shares, ten dollars;

(9) ~~((Filing a statement of reduction of stated capital, ten dollars;~~

~~(+0)))~~ Filing a statement of intent to dissolve, no fee;

~~((+1)))~~ (10) Filing a statement of revocation of voluntary dissolution proceedings, no fee;

~~((+2)))~~ (11) Filing articles of dissolution, no fee;

~~((+3)))~~ (12) Filing an application of a foreign corporation for an amended certificate of authority to transact business in this state and issuing an amended certificate of authority, twenty-five dollars;

~~((+4)))~~ (13) Filing a copy of an amendment to the articles of incorporation of a foreign corporation holding a certificate of authority to transact business in this state, twenty-five dollars;

~~((+5)))~~ (14) Filing a copy of articles of merger of a foreign corporation holding a certificate of authority to transact business in this state, twenty-five dollars;

~~((+6)))~~ (15) Filing an application for withdrawal of a foreign corporation and issuing a certificate of withdrawal, no fee;

~~((+7)))~~ (16) Filing an annual report, five dollars, but a separate fee for filing such report shall not be charged for an annual report filed in conjunction with and part of the same forms or billing for the annual license renewal;

~~((+8)))~~ (17) Filing any other statement or report, ten dollars;

~~((+9)))~~ (18) Such other filings as are provided for by this title.

NEW SECTION. Sec. 22. There is added to chapter 23A.40 RCW a new section to read as follows:

For the purposes of RCW 23A.40.040, 23A.40.050, and 23A.40.060, the term or terms:

(1) "Stock" means shares.

(2) "Capital" and "capital stock" and "authorized capital stock" mean the sum of (a) the par value of all shares of the corporation having a par value that the corporation is authorized to issue, and (b) 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.

(3) "Capitalization" means stated capital.



(4) "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.

(5) "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.

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

NEW SECTION. Sec. 23. There is added to chapter 23A.44 RCW a new section to read as follows:

In circumstances to which RCW 23A.08.420 and related sections of this title are applicable, such provisions supersede the applicability of any other statutes of this state with respect to the legality of distributions.

Sec. 24. Section 165, chapter 53, Laws of 1965 as last amended by section 71, chapter 35, Laws of 1982 and RCW 23A.98.030 are each amended to read as follows:

Nothing contained in this title as now or hereafter amended 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))~~) (12) 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.32.073 and 23A.32.075 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. 25. Any person who files a false statement, which he or she knows to be false, in the articles of incorporation or in any other materials required to be filed with the Secretary of State shall be guilty of a gross misdemeanor punishable under chapter 9A.20 RCW.

NEW SECTION. Sec. 26. The following acts or parts of acts are each repealed:

(1) Section 20, chapter 53, Laws of 1965 and RCW 23A.08.170;

(2) Section 46, chapter 53, Laws of 1965, section 9, chapter 190, Laws of 1967 and RCW 23A.08.430;

(3) Section 68, chapter 53, Laws of 1965 and RCW 23A.16.090;

(4) Section 69, chapter 53, Laws of 1965, section 9, chapter 193, Laws of 1977 ex. sess., section 22, chapter 35, Laws of 1982 and RCW 23A.16.100;

(5) Section 70, chapter 53, Laws of 1965, section 10, chapter 193, Laws of 1977 ex. sess., section 23, chapter 35, Laws of 1982 and RCW 23A.16.110;

(6) Section 71, chapter 53, Laws of 1965, section 11, chapter 193, Laws of 1977 ex. sess., section 24, chapter 35, Laws of 1982 and RCW 23A.16.120; and

(7) Section 72, chapter 53, Laws of 1965 and RCW 23A.16.130.

Passed the Senate February 3, 1984.

Passed the House February 23, 1984.

Approved by the Governor March 1, 1984.

filed in Office of Secretary of State March 1, 1984.

## CHAPTER 76

[Senate Bill No. 4439]

### STATUTES SUPERSEDED BY COURT RULE—AMENDMENT OR REPEAL

AN ACT Relating to the amendment or repeal of statutes superseded by court rule; amending section 2, page 363, Laws of 1854 as last amended by section 1, chapter 105, Laws of 1980 and RCW 4.16.020; amending section 15, chapter 127, Laws of 1893 as amended by section 4, chapter 86, Laws of 1895 and RCW 4.28.020; amending section 68, page 144, Laws of 1854 as last amended by section 107, Code of 1881 and RCW 4.36.200; amending section 198, page 167, Laws of 1854 as last amended by section 240, Code of 1881 and RCW 4.44-.410; amending section 3, chapter 65, Laws of 1921 and RCW 4.64.100; amending section 318, page 64, Laws of 1877 as amended by section 314, Code of 1881 and RCW 4.68.010; amending section 93, page 116, Laws of 1854 as last amended by section 1, chapter 143, Laws of 1969 ex. sess. and RCW 10.52.040; amending section 7, chapter 94, Laws of 1969 and RCW 36.26.070; amending section 9, chapter 94, Laws of 1969 as amended by section 76, chapter 36, Laws of 1983 and RCW 36.26.090; repealing section 1, page 131, Laws of 1854, section 1, page 5, Laws of 1860, section 1, page 3, Laws of 1871, section 2, page 3, Laws of 1877, section 2, Code of 1881 and RCW 4.04.020; repealing section 2, page 131, Laws of 1854, section 4, page 3, Laws of 1877, section 3, Code of 1881 and RCW 4.04.030; repealing section 4, page 131, Laws of 1854, section 5, page 4, Laws of 1869, section 5, page 4, Laws of 1877, section 5, Code of 1881 and RCW 4.08.020; repealing section 10, page 132, Laws of 1854, section 16, page 6, Laws of 1877, section 16, Code of 1881 and RCW 4.08.090; repealing section 20, page 6, Laws of 1869, section 20, page 6, Laws of 1877, section 20, Code of 1881 and RCW 4.08-.130; repealing section 23, page 7, Laws of 1877, section 23, Code of 1881 and RCW 4.08.190; repealing section 1, page 362, Laws of 1854, section 1, page 289, Laws of 1860, section 16, page 85, Laws of 1863, section 25, page 8, Laws of 1869, section 25, page 8, Laws of 1873, section 25, Code of 1881, section 1, page 74, Laws of 1885, section 1, chapter 51, Laws of 1891 and RCW 4.16.010; repealing section 1, chapter 127, Laws of 1893, section 1, chapter 86, Laws of 1895, section 2, chapter 131, Laws of 1971 ex. sess. and RCW 4.28.010; repealing section 2, chapter 127, Laws of 1893 and RCW 4.28.030; repealing section 3, chapter 127, Laws of 1893 and RCW 4.28.040; repealing section 4, chapter 127, Laws of 1893 and RCW 4.28.050; repealing section 5, chapter 127, Laws of 1893 and RCW 4.28.060; repealing section 6, chapter 127, Laws of 1893, section 4, chapter 292, Laws of 1971 ex. sess. and RCW 4.28-.070; repealing section 1, chapter 144, Laws of 1903 and RCW 4.28.130; repealing section 13, chapter 127, Laws of 1893 and RCW 4.28.190; repealing section 2140, Code of 1881, section 1, chapter 95, Laws of 1897 and RCW 4.28.220; repealing section 18, chapter 127, Laws of 1893 and RCW 4.28.230; repealing section 19, chapter 127, Laws of 1893 and RCW 4.28.240; repealing section 20, chapter 127, Laws of 1893 and RCW 4.28.250; repealing section 21,