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**SENATE BILL 5692**

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**State of Washington****54th Legislature****1995 Regular Session**

**By** Senators Smith, Winsley, Rasmussen and Haugen; by request of Secretary of State

Read first time 02/01/95. Referred to Committee on Law & Justice.

1 AN ACT Relating to business and nonprofit organizations; amending  
2 RCW 11.110.020, 23.86.090, 23.86.095, 23.86.310, 23.86.370, 24.03.307,  
3 24.03.405, 24.03.410, 24.03.430, 24.36.090, 28B.10.620, 39.34.055, and  
4 43.07.130; adding new sections to chapter 23.86 RCW; adding a new  
5 section to chapter 24.34 RCW; adding a new section to chapter 24.36  
6 RCW; adding a new section to chapter 24.06 RCW; adding a new section to  
7 chapter 24.12 RCW; adding a new section to chapter 24.20 RCW; adding a  
8 new section to chapter 24.24 RCW; adding a new section to chapter 24.28  
9 RCW; adding a new title to the Revised Code of Washington; creating new  
10 sections; recodifying RCW 24.03.060, 24.03.307, 24.03.350, 24.03.400,  
11 24.03.405, 24.03.410, 24.03.415, 24.03.430, 24.03.420, 24.03.425,  
12 24.03.435, and 24.03.480; repealing RCW 24.03.005, 24.03.010,  
13 24.03.015, 24.03.017, 24.03.020, 24.03.025, 24.03.030, 24.03.035,  
14 24.03.040, 24.03.045, 24.03.046, 24.03.047, 24.03.048, 24.03.050,  
15 24.03.055, 24.03.065, 24.03.070, 24.03.075, 24.03.080, 24.03.085,  
16 24.03.090, 24.03.095, 24.03.100, 24.03.103, 24.03.105, 24.03.110,  
17 24.03.113, 24.03.115, 24.03.120, 24.03.125, 24.03.127, 24.03.130,  
18 24.03.135, 24.03.140, 24.03.145, 24.03.150, 24.03.155, 24.03.160,  
19 24.03.165, 24.03.170, 24.03.175, 24.03.180, 24.03.183, 24.03.185,  
20 24.03.190, 24.03.195, 24.03.200, 24.03.205, 24.03.207, 24.03.210,  
21 24.03.215, 24.03.217, 24.03.220, 24.03.225, 24.03.230, 24.03.235,

1 24.03.240, 24.03.245, 24.03.250, 24.03.255, 24.03.260, 24.03.265,  
2 24.03.270, 24.03.275, 24.03.280, 24.03.285, 24.03.290, 24.03.295,  
3 24.03.300, 24.03.302, 24.03.303, 24.03.305, 24.03.310, 24.03.315,  
4 24.03.320, 24.03.325, 24.03.330, 24.03.335, 24.03.340, 24.03.345,  
5 24.03.360, 24.03.365, 24.03.370, 24.03.375, 24.03.380, 24.03.385,  
6 24.03.386, 24.03.388, 24.03.390, 24.03.395, 24.03.440, 24.03.445,  
7 24.03.450, 24.03.455, 24.03.460, 24.03.465, 24.03.470, 24.03.490,  
8 24.03.500, 24.03.510, 24.03.520, 24.03.530, 24.03.540, 24.03.900,  
9 24.03.905, 24.03.910, 24.03.915, 24.03.920, 24.03.925, 24.06.005,  
10 24.06.010, 24.06.015, 24.06.020, 24.06.025, 24.06.030, 24.06.035,  
11 24.06.040, 24.06.045, 24.06.046, 24.06.047, 24.06.048, 24.06.050,  
12 24.06.055, 24.06.060, 24.06.065, 24.06.070, 24.06.075, 24.06.080,  
13 24.06.085, 24.06.090, 24.06.095, 24.06.100, 24.06.105, 24.06.110,  
14 24.06.115, 24.06.120, 24.06.125, 24.06.130, 24.06.135, 24.06.140,  
15 24.06.145, 24.06.150, 24.06.155, 24.06.160, 24.06.165, 24.06.170,  
16 24.06.175, 24.06.180, 24.06.185, 24.06.190, 24.06.195, 24.06.200,  
17 24.06.205, 24.06.207, 24.06.210, 24.06.215, 24.06.220, 24.06.225,  
18 24.06.230, 24.06.233, 24.06.235, 24.06.240, 24.06.245, 24.06.250,  
19 24.06.255, 24.06.260, 24.06.265, 24.06.270, 24.06.275, 24.06.280,  
20 24.06.285, 24.06.290, 24.06.295, 24.06.300, 24.06.305, 24.06.310,  
21 24.06.315, 24.06.320, 24.06.325, 24.06.330, 24.06.335, 24.06.340,  
22 24.06.345, 24.06.350, 24.06.355, 24.06.360, 24.06.365, 24.06.370,  
23 24.06.375, 24.06.380, 24.06.385, 24.06.390, 24.06.395, 24.06.400,  
24 24.06.405, 24.06.410, 24.06.415, 24.06.420, 24.06.425, 24.06.430,  
25 24.06.433, 24.06.435, 24.06.440, 24.06.445, 24.06.450, 24.06.455,  
26 24.06.460, 24.06.465, 24.06.470, 24.06.475, 24.06.480, 24.06.485,  
27 24.06.490, 24.06.495, 24.06.500, 24.06.505, 24.06.510, 24.06.515,  
28 24.06.520, 24.06.525, 24.06.900, 24.06.905, 24.06.910, 24.06.915,  
29 24.06.920, 24.12.010, 24.12.020, 24.12.030, 24.12.040, 24.20.010,  
30 24.20.020, 24.20.030, 24.20.040, 24.24.010, 24.24.020, 24.24.030,  
31 24.24.040, 24.24.050, 24.24.060, 24.24.070, 24.24.080, 24.24.090,  
32 24.24.100, 24.24.110, 24.28.010, 24.28.020, 24.28.030, 24.28.040,  
33 23.86.300, 23.86.320, and 23.86.350; prescribing penalties; and  
34 providing effective dates.

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

36

**PART I**

37

**GENERAL PROVISIONS**

1        NEW SECTION.    **Sec. 101.**    SHORT TITLE.    This title may be known and  
2    cited as the "Washington Nonprofit Corporation Act."

3        NEW SECTION.    **Sec. 102.**    RESERVATION OF POWER TO AMEND OR REPEAL.  
4    The legislature of the state of Washington, or the people by initiative  
5    or referendum, have the power to amend or repeal all or part of this  
6    title at any time and all domestic and foreign corporations subject to  
7    this title are governed by the amendment or repeal.

8        NEW SECTION.    **Sec. 103.**    DEFINITIONS.    Unless the context clearly  
9    requires otherwise, the definitions in this section apply throughout  
10   this title.

11        (1) "Approved by the members" or "approval by the members" means  
12   approved or ratified by the affirmative vote of a majority of the votes  
13   represented and voting at a duly held meeting at which a quorum is  
14   present, which affirmative votes also constitute a majority of the  
15   required quorum, or by a written ballot or written consent in  
16   conformity with this title or by the affirmative vote, written ballot,  
17   or written consent of such greater proportion, including the votes of  
18   all the members of any class, unit, or grouping, as may be provided in  
19   the articles, bylaws, or this title for a specified member action.

20        (2) "Articles of incorporation" or "articles" includes amended and  
21   restated articles of incorporation and articles of merger.

22        (3) "Board" or "board of directors" means the board of directors  
23   except that no person or group of persons are the board of directors  
24   because of powers delegated to that person or group under section 801  
25   of this act.

26        (4) "Bylaws" means the code or codes of rules, other than the  
27   articles, adopted under this title for the regulation or management of  
28   the affairs of the corporation irrespective of the name or names by  
29   which the rules are designated.

30        (5) "Class" refers to a group of memberships that have the same  
31   rights with respect to voting, dissolution, redemption, and transfer.  
32   For the purpose of this subsection, rights are considered the same if  
33   they are determined by a formula applied uniformly.

34        (6) "Corporation" means a public benefit, mutual benefit, or  
35   religious corporation.

1 (7) "Delegates" means those persons elected or appointed to vote in  
2 a representative assembly for the election of a director or directors  
3 or on other matters.

4 (8) "Deliver" includes mail.

5 (9) "Directors" means individuals, designated in the articles or  
6 bylaws or elected by the incorporators, and their successors and  
7 individuals elected or appointed by any other name or title to act as  
8 members of the board.

9 (10) "Distribution" means the payment of a dividend or any part of  
10 the income or profit of a corporation to its members, directors, or  
11 officers.

12 (11) "Domestic corporation" means a corporation, except a foreign  
13 corporation.

14 (12) "Effective date of notice" is defined in section 104 of this  
15 act.

16 (13) "Employee" does not include an officer or director who is not  
17 otherwise employed by the corporation.

18 (14) "Entity" includes a: Corporation and foreign corporation;  
19 business corporation and foreign business corporation; limited  
20 liability company and foreign limited liability company; profit and  
21 nonprofit unincorporated association; corporation sole; business trust,  
22 estate, partnership, trust, and two or more persons having a joint or  
23 common economic interest; and state, United States, and foreign  
24 government.

25 (15) "File," "filed," or "filing" means filed in the office of the  
26 secretary of state.

27 (16) "Foreign corporation" means a corporation organized under a  
28 law other than the law of the state of Washington that would be a  
29 nonprofit corporation if formed under the laws of this state.

30 (17) "Governmental subdivision" includes an authority, county,  
31 city, city-county, district, and municipality.

32 (18) "Includes" denotes a partial definition.

33 (19) "Individual" includes the estate of an incompetent individual.

34 (20) "Means" denotes a complete definition.

35 (21) "Member" means, without regard to what a person is called in  
36 the articles or bylaws, a person who on more than one occasion, under  
37 a provision of a corporation's articles or bylaws, has the right to  
38 vote for the election of a director or directors. A person is not a  
39 member by virtue of any of the following:

1 (a) A right the person has as a delegate;  
2 (b) A right the person has to designate a director or directors; or  
3 (c) A right the person has as a director.  
4 (22) "Membership" refers to the rights and obligations a member or  
5 members have under a corporation's articles, bylaws, and this title.  
6 (23) "Mutual benefit corporation" means a domestic corporation that  
7 is formed as a mutual benefit corporation under chapter --- RCW  
8 (sections 201 through 207 of this act) or is required to be a mutual  
9 benefit corporation under section 1705 of this act.  
10 (24) "Notice" is defined in section 104 of this act.  
11 (25) "Person" includes an individual or entity.  
12 (26) "Principal office" means the office, in or out of Washington,  
13 so designated in the annual report filed under section 1608 of this act  
14 where the principal offices of a domestic or foreign corporation are  
15 located.  
16 (27) "Proceeding" includes civil suit and criminal, administrative,  
17 and investigatory action.  
18 (28) "Public benefit corporation" means a domestic corporation  
19 which is formed as a public benefit corporation under chapter --- RCW  
20 (sections 201 through 207 of this act) or is required to be a public  
21 benefit corporation under section 1705 of this act. If the state or a  
22 governmental subdivision having legal authority to do so acts as an  
23 incorporator of a corporation formed under this title, the corporation  
24 is a public benefit corporation.  
25 (29) "Record date" means the date established under chapter ---  
26 RCW (sections 601 through 613 of this act) or chapter --- RCW  
27 (sections 701 through 717 of this act) on which a corporation  
28 determines the identity of its members for the purposes of this title.  
29 (30) "Religious corporation" means a domestic corporation that is  
30 formed as a religious corporation under chapter --- RCW (sections 201  
31 through 207 of this act) or is required to be a religious corporation  
32 under section 1705 of this act.  
33 (31) "Secretary," except if used in the phrase, "secretary of  
34 state," means the corporate officer to whom the board of directors has  
35 delegated responsibility under section 824(2) of this act for custody  
36 of the minutes of the directors' and members' meetings and for  
37 authenticating the records of the corporation.  
38 (32) "State," if referring to a part of the United States, includes  
39 a state and commonwealth, and their agencies and governmental

1 subdivisions, and a territory and insular possession, and their  
2 agencies and governmental subdivisions, of the United States.

3 (33) "United States" includes district, authority, bureau,  
4 commission, department, and any other agency of the United States.

5 (34) "Vote" includes authorization by written ballot and written  
6 consent.

7 (35) "Voting power" means the total number of votes entitled to be  
8 cast for the election of directors at the time the determination of  
9 voting power is made, excluding a vote that is contingent upon the  
10 happening of a condition or event that has not occurred at the time.  
11 If a class is entitled to vote as a class for directors, the  
12 determination of voting power of the class is based on the percentage  
13 of the number of directors the class is entitled to elect out of the  
14 total number of authorized directors.

15 NEW SECTION. **Sec. 104.** NOTICE. (1) Notice under this title may  
16 be oral or written.

17 (2) Notice may be communicated: In person; by telephone,  
18 telegraph, teletype, electronic mail, or other form of wire or wireless  
19 communication; or by mail or private carrier. If these forms of  
20 personal notice are impracticable, notice may be communicated by a  
21 newspaper of general circulation in the area where published or by  
22 radio, television, or other form of public broadcast communication.

23 (3) Oral notice is effective when communicated if communicated in  
24 a comprehensible manner.

25 (4) Written notice, if in a comprehensible form, is effective at  
26 the earliest of the following:

27 (a) When received;

28 (b) Five days after its deposit in the United States mail, as  
29 evidenced by the postmark, if mailed correctly addressed and with first  
30 class postage affixed;

31 (c) On the date shown on the return receipt, if sent by registered  
32 or certified mail, return receipt requested, and the receipt is signed  
33 by or on behalf of the addressee; or

34 (d) Thirty days after its deposit in the United States mail, as  
35 evidenced by the postmark, if mailed correctly addressed and with other  
36 than first class, registered, or certified postage affixed.

1 (5) Written notice is correctly addressed to a member of a domestic  
2 or foreign corporation if addressed to the member's address shown in  
3 the corporation's current list of members.

4 (6) A written notice or report delivered as part of a newsletter,  
5 magazine, or other publication regularly sent to members constitutes a  
6 written notice or report if addressed or delivered to the member's  
7 address shown in the corporation's current list of members, or for  
8 members who are residents of the same household and who have the same  
9 address in the corporation's current list of members, if addressed or  
10 delivered to one of the members, at the address appearing on the  
11 current list of members.

12 (7) Written notice is correctly addressed to a domestic or foreign  
13 corporation, authorized to transact business in this state, other than  
14 in its capacity as a member, if addressed to its registered agent or to  
15 its secretary at its principal office shown in its most recent annual  
16 report or, for a foreign corporation that has not yet delivered an  
17 annual report, in its application for a certificate of authority.

18 (8) If this title prescribes notice requirements for particular  
19 circumstances, those requirements govern. If articles or bylaws  
20 prescribe notice requirements, consistent with this section or other  
21 provisions of this title, those requirements govern.

22 NEW SECTION. Sec. 105. FILING REQUIREMENTS. (1) A document must  
23 satisfy the requirements of this section, and of any other section that  
24 adds to or varies these requirements, to be entitled to filing by the  
25 secretary of state.

26 (2) This title must require or permit filing the document in the  
27 office of the secretary of state.

28 (3) The document must contain the information required by this  
29 title. It may contain other information as well.

30 (4) The document must be typewritten or printed.

31 (5) The document must be in the English language. However, a  
32 corporate name need not be in English if written in English letters or  
33 Arabic or Roman numerals, and the certificate of existence required of  
34 foreign corporations need not be in English if accompanied by a  
35 reasonably authenticated English translation.

36 (6) The document must be executed:

1 (a) By the presiding officer of its board of directors of a  
2 domestic or foreign corporation, its president, or by another of its  
3 officers;

4 (b) If directors have not been selected or the corporation has not  
5 been formed, by an incorporator; or

6 (c) If the corporation is in the hands of a receiver, trustee, or  
7 other court-appointed fiduciary, by that fiduciary.

8 (7) The person executing a document shall sign it and state beneath  
9 or opposite the signature his or her name and the capacity in which he  
10 or she signs. The document may contain:

11 (a) The corporate seal;

12 (b) An attestation by the secretary or an assistant secretary; or

13 (c) An acknowledgement, verification, or proof.

14 (8) If the secretary of state has prescribed a mandatory form for  
15 a document under section 106 of this act, the document must be in or on  
16 the prescribed form.

17 (9) The document must be delivered to the office of the secretary  
18 of state for filing and must be accompanied by one exact or conformed  
19 copy, except as provided in sections 503 and 1509 of this act, the  
20 correct filing fee, and any other license fee, penalty and service fee,  
21 and any attachments which are required for the filing.

22 NEW SECTION. Sec. 106. FORMS. (1) The secretary of state may  
23 prescribe and furnish on request, forms for: (a) An application for a  
24 certificate of existence; (b) a foreign corporation's application for  
25 a certificate of authority to transact business in Washington; (c) a  
26 foreign corporation's application for a certificate of withdrawal; and  
27 (d) the annual report. If the secretary of state so requires, use of  
28 these forms is mandatory.

29 (2) The secretary of state may prescribe and furnish on request  
30 forms for other documents required or permitted to be filed in this  
31 title but their use is not mandatory.

32 NEW SECTION. Sec. 107. EFFECTIVE DATE OF DOCUMENT. (1) Except as  
33 provided in subsection (2) of this section, a document is effective:

34 (a) At the time of filing on the date it is filed, as evidenced by  
35 the secretary of state's endorsement on the original document; or

36 (b) At the time specified in the document as its effective time on  
37 the date it is filed.

1 (2) A document may specify a delayed effective time and date and if  
2 it does so the document becomes effective at the time and date  
3 specified. If a delayed effective date but no time is specified, the  
4 document is effective at the close of business on that date. A delayed  
5 effective date for a document may not be later than the ninetieth day  
6 after the date filed.

7 NEW SECTION. Sec. 108. CORRECTING FILED DOCUMENT. (1) A domestic  
8 or foreign corporation may correct a document filed by the secretary of  
9 state if the document:

10 (a) Contains an incorrect statement; or

11 (b) Was defectively executed, attested, sealed, verified, or  
12 acknowledged.

13 (2) A document is corrected:

14 (a) By preparing articles of correction that: (i) Describe the  
15 document, including its filing date, or attach a copy of it to the  
16 articles; (ii) specify the incorrect statement and the reason it is  
17 incorrect or the manner in which the execution was defective; and (iii)  
18 correct the incorrect statement or defective execution; and

19 (b) By delivering the articles of correction to the secretary of  
20 state together with the appropriate fee.

21 (3) Articles of correction are effective on the effective date of  
22 the document they correct except as to persons relying on the  
23 uncorrected document and adversely affected by the correction. As to  
24 those persons, articles of correction are effective when filed.

25 NEW SECTION. Sec. 109. FILING DUTY OF SECRETARY OF STATE. (1) If  
26 a document delivered to the office of the secretary of state for filing  
27 satisfies the requirements of this chapter, the secretary shall file  
28 it.

29 (2) The secretary of state files a document by stamping or  
30 otherwise endorsing "filed," together with the secretary of state's  
31 name and official title and the date of receipt, on both the original  
32 and copy of the document. After filing a document, except as provided  
33 elsewhere in this title, the secretary of state shall deliver the  
34 document copy to the domestic or foreign corporation or its  
35 representative.

36 (3) Upon refusing to file a document, the secretary of state shall  
37 return it to the domestic or foreign corporation or its representative

1 together with a brief written explanation of the reason or reasons for  
2 the refusal.

3 (4) The secretary of state's duty to file documents under this  
4 section is ministerial. Filing or refusal to file a document does not:

5 (a) Affect the validity or invalidity of the document in whole or  
6 in part;

7 (b) Relate to the correctness or incorrectness of information  
8 contained in the document; or

9 (c) Create a presumption that the document is valid or invalid or  
10 that information contained in the document is correct or incorrect.

11 NEW SECTION. **Sec. 110.** APPEAL FROM SECRETARY OF STATE'S REFUSAL  
12 TO FILE DOCUMENT. (1) If the secretary of state refuses to file a  
13 document delivered for filing to the secretary of state's office, the  
14 domestic or foreign corporation may appeal the refusal to the superior  
15 court of Thurston county or of the county where the corporation's  
16 principal office or, if there is none in Washington, its registered  
17 office is or will be located. The appeal is commenced by petitioning  
18 the court to compel filing the document and by attaching to the  
19 petition the document and the secretary of state's refusal to file.

20 (2) The court may summarily order the secretary of state to file  
21 the document or take other action the court considers appropriate.

22 (3) The court's final decision may be appealed as in other civil  
23 proceedings.

24 (4) The secretary of state may, by rule adopted under chapter 34.05  
25 RCW, provide for resolution of appeals by method of alternative dispute  
26 resolution. The rules must allow for judicial review of the outcome  
27 under subsection (1) of this section.

28 NEW SECTION. **Sec. 111.** EVIDENTIARY EFFECT OF COPY OF FILED  
29 DOCUMENT. A certificate bearing the secretary of state's signature,  
30 which may be in facsimile, attached to a copy of a document and the  
31 state seal, is conclusive evidence that the original document is on  
32 file with the secretary of state.

33 NEW SECTION. **Sec. 112.** CERTIFICATE OF EXISTENCE. (1) A person  
34 may apply to the secretary of state to furnish a certificate of  
35 existence for a domestic or foreign corporation.

36 (2) The certificate of existence must set forth:

1 (a) The domestic corporation's corporate name or the foreign  
2 corporation's corporate name used in this state;

3 (b) That:

4 (i) The domestic corporation is duly incorporated under the laws of  
5 Washington and the date of its incorporation; or

6 (ii) The foreign corporation is authorized to transact business in  
7 this state;

8 (c) That its most recent annual report required by this title, and  
9 accompanying fee, has been delivered to the secretary of state;

10 (d) That articles of dissolution have not been filed; and

11 (e) Other facts of record in the office of the secretary of state  
12 that may be requested by the applicant.

13 (3) The secretary of state shall make the judgment whether or not  
14 the corporation is in existence or is authorized to transact business  
15 from public records only. If a domestic corporation is not in  
16 existence or a foreign corporation is not authorized to transact  
17 business in Washington, the secretary of state may not issue the  
18 certificate. In appropriate cases, the secretary of state may issue a  
19 certificate subject to specified qualifications.

20 (4) Subject to a qualification stated in the certificate, a  
21 certificate of existence issued by the secretary of state may be relied  
22 upon as conclusive evidence that the domestic or foreign corporation is  
23 in existence or is authorized to transact business as a corporation in  
24 this state.

25 NEW SECTION. **Sec. 113.** PENALTY FOR SIGNING FALSE DOCUMENT. A  
26 person who signs a document knowing it to be false in a material  
27 respect with intent that the document be delivered to the secretary of  
28 state for filing commits a gross misdemeanor.

29 NEW SECTION. **Sec. 114.** POWERS OF SECRETARY OF STATE. The  
30 secretary of state has the power reasonably necessary to perform the  
31 duties required of the secretary of state's office under this title.  
32 This includes the authority to adopt rules under chapter 34.05 RCW as  
33 appropriate to effectuate this title.

34 NEW SECTION. **Sec. 115.** PRIVATE FOUNDATIONS. (1) Except if  
35 otherwise determined by a court of competent jurisdiction, a

1 corporation that is a private foundation as defined in section 509(a)  
2 of the internal revenue code of 1954:

3 (a) Shall distribute such amounts for each taxable year at such  
4 time and in such manner as not to subject the corporation to tax under  
5 section 4942 of the internal revenue code of 1954;

6 (b) Shall not engage in any act of self-dealing as defined in  
7 section 4941(d) of the internal revenue code of 1954;

8 (c) Shall not retain any excess business holdings as defined in  
9 section 4943(c) of the internal revenue code of 1954;

10 (d) Shall not make any taxable expenditures as defined in section  
11 4944 of the internal revenue code of 1954;

12 (e) Shall not make any taxable expenditures as defined in section  
13 4945(d) of the internal revenue code of 1954.

14 (2) All references in this section to sections of the internal  
15 revenue code of 1954 are to sections of the internal revenue code of  
16 1954 as amended from time to time, or to corresponding provisions of  
17 subsequent internal revenue laws of the United States.

18 NEW SECTION. **Sec. 116.** JUDICIAL RELIEF. (1) If it is  
19 impractical or impossible for a corporation to call or conduct a  
20 meeting of its members, delegates, or directors, or otherwise obtain  
21 their consent, in the manner prescribed by its articles, bylaws, or  
22 this title, then, upon petition of a director, officer, delegate,  
23 member, or the attorney general, the superior court may order that the  
24 meeting be called or that a written ballot or other form of obtaining  
25 the vote of members, delegates, or directors be authorized, in a manner  
26 the court finds fair and equitable under the circumstances.

27 (2) The court shall, in an order issued under this section, provide  
28 for a method of notice reasonably designed to give actual notice to all  
29 persons who would be entitled to notice of a meeting held under the  
30 articles, bylaws, and this title, whether or not the method results in  
31 actual notice to all the persons or conforms to the notice requirements  
32 that would otherwise apply. In a proceeding under this section the  
33 court may determine who the members or directors are.

34 (3) The order issued under this section may dispense with any  
35 requirement relating to the holding of or voting at meetings or  
36 obtaining votes, including a requirement as to quorums or as to the  
37 number or percentage of votes needed for approval, that would otherwise  
38 be imposed by the articles, bylaws, or this title.

1 (4) Whenever practical, an order issued under this section must  
2 limit the subject matter of meetings or other forms of consent  
3 authorized to items, including amendments to the articles of  
4 incorporation or bylaws, the resolution of which will or might enable  
5 the corporation to continue managing its affairs without further resort  
6 to this section. However, an order under this section may also  
7 authorize the obtaining of whatever votes and approvals are necessary  
8 for the dissolution, merger, or sale of assets.

9 (5) A meeting or other method of obtaining the vote of members,  
10 delegates, or directors conducted under an order issued under this  
11 section, and that complies with all the provisions of the order, is for  
12 all purposes a valid meeting or vote, as the case may be, and shall  
13 have the same force and effect as if it complied with every requirement  
14 imposed by the articles, bylaws, and this title.

15 NEW SECTION. **Sec. 117.** ATTORNEY GENERAL. (1) The attorney  
16 general must be given notice of the commencement of a proceeding that  
17 this title authorizes the attorney general to bring but that has been  
18 commenced by another person.

19 (2) Whenever this title requires that notice be given to the  
20 attorney general before or after commencing a proceeding or permits the  
21 attorney general to commence a proceeding:

22 (a) If no proceeding has been commenced, the attorney general may  
23 take appropriate action including, but not limited to, seeking  
24 injunctive relief;

25 (b) If a proceeding has been commenced by a person other than the  
26 attorney general, the attorney general, as of right, may intervene in  
27 the proceeding.

28 NEW SECTION. **Sec. 118.** RULE-MAKING AUTHORITY OF ATTORNEY GENERAL.  
29 If this title requires notice to, or approval by, the attorney general,  
30 the attorney general may, by rule, specify categories of transactions  
31 or circumstances under which the notice or approval requirement is  
32 reduced or waived. The reduction or waiver must be narrowly construed.

33 NEW SECTION. **Sec. 119.** CONSTITUTIONAL PROTECTION OF RELIGIOUS  
34 CORPORATIONS. If religious doctrine governing the affairs of a  
35 religious corporation is inconsistent with this title on the same  
36 subject, the religious doctrine controls to the extent required by

1 either the Constitution of the United States or the Constitution of the  
2 state of Washington, or both.

3 **PART II**  
4 **ORGANIZATION**

5 NEW SECTION. **Sec. 201.** INCORPORATORS. One or more persons may  
6 act as the incorporator or incorporators of a corporation by delivering  
7 articles of incorporation to the secretary of state for filing.

8 NEW SECTION. **Sec. 202.** ARTICLES OF INCORPORATION. (1) The  
9 articles of incorporation must set forth:

10 (a) A corporate name for the corporation that satisfies section 401  
11 of this act;

12 (b) One of the following statements:

13 (i) "This corporation is a public benefit corporation";

14 (ii) "This corporation is a mutual benefit corporation"; or

15 (iii) "This corporation is a religious corporation";

16 (c) The street address of the corporation's initial registered  
17 office and the name of its initial registered agent at that office;

18 (d) The name and address of each incorporator;

19 (e) Whether or not the corporation will have members;

20 (f) The purpose or purposes for which the corporation is organized,  
21 which may be, either alone or in combination with other purposes, the  
22 transaction of any lawful activity; and

23 (g) Provisions consistent with law regarding the distribution of  
24 assets on dissolution.

25 (2) The articles of incorporation may set forth:

26 (a) The names and addresses of the individuals who are to serve as  
27 the initial directors;

28 (b) Provisions consistent with law regarding:

29 (i) Managing and regulating the affairs of the corporation;

30 (ii) Defining, limiting, and regulating the powers of the  
31 corporation, its board of directors, and members or any class of  
32 members;

33 (iii) The characteristics, qualifications, rights, limitations, and  
34 obligations attaching to each or any class of members; and

35 (c) A provision that under this title is required or permitted to  
36 be set forth in the bylaws.

1 (3) Each incorporator must sign the articles.

2 (4) The articles of incorporation need not set forth a corporate  
3 power enumerated in this title.

4 NEW SECTION. **Sec. 203.** INCORPORATION. (1) Unless a delayed  
5 effective date is specified, the corporate existence begins when the  
6 articles of incorporation are filed.

7 (2) The secretary of state's filing of the articles of  
8 incorporation is conclusive proof that the incorporator satisfied all  
9 conditions precedent to incorporation except in a proceeding by the  
10 state to cancel or revoke the incorporation or involuntarily dissolve  
11 the corporation.

12 NEW SECTION. **Sec. 204.** LIABILITY FOR PREINCORPORATION  
13 TRANSACTIONS. A person purporting to act as or on behalf of a  
14 corporation, knowing there was no incorporation under this title, is  
15 jointly and severally liable for all liabilities created while so  
16 acting.

17 NEW SECTION. **Sec. 205.** ORGANIZATION OF CORPORATION. (1) After  
18 incorporation:

19 (a) If initial directors are named in the articles of  
20 incorporation, then initial directors shall hold an organizational  
21 meeting, at the call of the majority of the directors, to complete the  
22 organization of the corporation by appointing officers, adopting  
23 bylaws, and carrying on any other business brought before the meeting;

24 (b) If initial directors are not named in the articles, the  
25 incorporator or incorporators shall hold an organizational meeting at  
26 the call of the majority of the incorporators:

27 (i) To elect directors and complete the organization of the  
28 corporation; or

29 (ii) To elect a board of directors who shall complete the  
30 organization of the corporation.

31 (2) Action required or permitted under this title to be taken by  
32 incorporators at an organizational meeting may be taken without a  
33 meeting if the action taken is evidenced by one or more written  
34 consents describing the actions taken and signed by each incorporator.

35 (3) An organizational meeting may be held in or out of this state  
36 in accordance with section 815 of this act.



1 not prohibited by or inconsistent with the statute. The corporation is  
2 subject to all limitations of the other statute.

3 NEW SECTION. **Sec. 302.** GENERAL POWERS. Unless its articles of  
4 incorporation provide otherwise, a corporation has perpetual duration  
5 and succession in its corporate name and has the same powers as an  
6 individual to do all things necessary or convenient to carry out its  
7 affairs including, without limitation, power to:

8 (1) Sue and be sued, complain, and defend in its corporate name;

9 (2) Have a corporate seal, which may be altered at will, and to use  
10 it, or a facsimile of it, by impressing or affixing or in any other  
11 manner reproducing it;

12 (3) Make and amend bylaws consistent with its articles of  
13 incorporation or with the laws of this state, for regulating and  
14 managing the affairs of the corporation;

15 (4) Purchase, receive, lease, or otherwise acquire, and own, hold,  
16 improve, use, and otherwise deal with, real or personal property, or a  
17 legal or equitable interest in property, wherever located;

18 (5) Sell, convey, mortgage, pledge, lease, exchange, and otherwise  
19 dispose of all or any part of its property;

20 (6) Purchase, receive, subscribe for, or otherwise acquire, own,  
21 hold, vote, use, sell, mortgage, lend, pledge, or otherwise dispose of,  
22 and deal in and with, shares or other interest in, or obligations of an  
23 entity;

24 (7) Make contracts and guarantees, incur liabilities, borrow money,  
25 issue notes, bonds, and other obligations, and secure its obligations  
26 by mortgage or pledge of its property, franchises, or income;

27 (8) Lend money, invest and reinvest its funds, and receive and hold  
28 real and personal property as security for repayment, except as limited  
29 by section 822 of this act;

30 (9) Be a promoter, partner, member, associate, or manager of a  
31 partnership, joint venture, trust, or other entity;

32 (10) Conduct its activities, locate its offices, and exercise the  
33 powers granted under this title in or out of the state of Washington;

34 (11) Elect or appoint directors, officers, employees, and agents of  
35 the corporation, define their duties, and fix their compensation;

36 (12) Pay pensions and establish pension plans, pension trusts, and  
37 other benefit and incentive plans for any or all of its current or  
38 former directors, officers, employees, and agents;

- 1 (13) Make donations consistent with law for the public welfare or  
2 for charitable, religious, scientific, or educational purposes and for  
3 other purposes that further the corporate interest;
- 4 (14) Impose dues, assessments, and admission and transfer fees upon  
5 its members;
- 6 (15) Establish conditions for admission of members, admit members,  
7 and issue memberships;
- 8 (16) Carry on a business; and
- 9 (17) Do all things necessary or convenient, consistent with law, to  
10 further the activities and affairs of the corporation.

11 NEW SECTION. **Sec. 303.** EMERGENCY POWERS. (1) In anticipation of  
12 or during an emergency defined in subsection (4) of this section, the  
13 board of directors of a corporation may:

14 (a) Modify lines of succession to accommodate the incapacity of a  
15 director, officer, employee, or agent; and

16 (b) Relocate the principal office, designate alternative principal  
17 offices or regional offices, or authorize the officer to do so.

18 (2) During an emergency defined in subsection (4) of this section,  
19 unless emergency bylaws provide otherwise:

20 (a) Notice of a meeting of the board of directors need be given  
21 only to those directors it is practicable to reach and may be given in  
22 a practicable manner, including by publication and radio; and

23 (b) One or more officers of the corporation present at a meeting of  
24 the board of directors may be deemed to be directors for the meeting,  
25 in order of rank and within the same rank in order of seniority, as  
26 necessary to achieve a quorum.

27 (3) Corporate action taken in good faith during an emergency under  
28 this section to further the ordinary affairs of the corporation:

29 (a) Binds the corporation; and

30 (b) May not be used to impose liability on a corporate director,  
31 officer, employee, or agent.

32 (4) An emergency exists for purposes of this section if a quorum of  
33 the corporation's directors cannot be readily assembled because of some  
34 catastrophic event.

35 NEW SECTION. **Sec. 304.** ULTRA VIRES. (1) Except as provided in  
36 subsection (2) of this section, the validity of corporate action may

1 not be challenged on the ground that the corporation lacks or lacked  
2 the power to act.

3 (2) A corporation's power to act may be challenged in a proceeding  
4 against the corporation to enjoin an act if a third party has not  
5 acquired rights. The proceeding may be brought by the attorney  
6 general, a director, or by a member or members in a derivative  
7 proceeding.

8 (3) A corporation's power to act may be challenged in a proceeding  
9 against an incumbent or former director, officer, employee, or agent of  
10 the corporation. The proceeding may be brought by a director or the  
11 corporation directly, derivatively, or through a receiver, a trustee,  
12 or other legal representative, or, for a public benefit corporation, by  
13 the attorney general.

14 NEW SECTION. **Sec. 305.** For a corporation governed by RCW  
15 64.34.300 through 64.34.376, chapter 64.34 RCW controls to the extent  
16 inconsistent with this title.

17 **PART IV**  
18 **NAMES**

19 NEW SECTION. **Sec. 401.** CORPORATE NAME. (1) A corporate name may  
20 not contain language stating or implying that the corporation is  
21 organized for a purpose other than that permitted under section 301 of  
22 this act and its articles of incorporation.

23 (2) Except as authorized under subsections (4) and (5) of this  
24 section, a corporate name must be distinguishable upon the records of  
25 the secretary of state from:

26 (a) The corporate name of a nonprofit or business corporation  
27 incorporated or authorized to do business in Washington;

28 (b) A domestic or foreign limited liability company or limited  
29 partnership;

30 (c) A name reserved or registered under section 402 or 403 of this  
31 act or RCW 23B.04.020, 23B.04.030, or 25.15.015; and

32 (d) The fictitious name of a foreign business or nonprofit  
33 corporation authorized to transact business in the state of Washington.

34 (3) The corporate name may not include or end with "incorporated,"  
35 "company," "corporation," "partnership," "limited partnership," or  
36 "Ltd.," or an abbreviation thereof, but may use "club," "league,"

1 "association," "services," "committee," "fund," "society,"  
2 "foundation," ". . . , a nonprofit corporation," or a name of like  
3 import.

4 (4) A corporation may apply to the secretary of state for  
5 authorization to use a name that is not distinguishable upon the  
6 secretary of state's records from one or more of the names described in  
7 this section. The secretary of state shall authorize use of the name  
8 applied for if:

9 (a) The other entity consents to the use in writing and submits an  
10 undertaking in a form satisfactory to the secretary of state to change  
11 its name to a name that is distinguishable upon the records of the  
12 secretary of state from the name of the applying corporation; or

13 (b) The applicant delivers to the secretary of state a certified  
14 copy of a final judgment of a court of competent jurisdiction  
15 establishing the applicant's right to use the name applied for in this  
16 state.

17 (5) A corporation may use the name, including the fictitious name,  
18 of another domestic or foreign business or nonprofit corporation that  
19 is used in the state of Washington if the other corporation is  
20 incorporated or authorized to do business in the state of Washington  
21 and the proposed user corporation:

22 (a) Has merged with the corporation;

23 (b) Has been formed by reorganization of the other corporation; or

24 (c) Has acquired all or substantially all of the assets, including  
25 the corporate name, of the other entity.

26 (6) This title does not control the use of fictitious names.

27 (7) A name may not be considered distinguishable upon the records  
28 of the secretary of state by virtue of:

29 (a) A variation in the designation, under subsection (3) of this  
30 section or of RCW 23B.04.010(1)(a), 25.10.020(1)(a), or  
31 25.15.010(1)(a);

32 (b) The addition or deletion of an article or conjunction such as  
33 "the" or "and" from the same name;

34 (c) Punctuation, capitalization, or special characters or symbols  
35 in the same name; or

36 (d) Use of abbreviation or the plural form of a word in the same  
37 name.

1        NEW SECTION.    **Sec. 402.**    RESERVED NAME.    (1) A person may reserve  
2 the exclusive use of a corporate name, including a fictitious name for  
3 a foreign corporation whose corporate name is not available, by  
4 delivering an application to the secretary of state for filing. Upon  
5 finding that the corporate name applied for is available, the secretary  
6 of state shall reserve the name for the applicant's exclusive use for  
7 a nonrenewable one hundred eighty-day period.

8        (2) The owner of a reserved corporate name may transfer the  
9 reservation to another person by delivering to the secretary of state  
10 a signed notice of the transfer that states the name and address of the  
11 transferee.

12        NEW SECTION.    **Sec. 403.**    REGISTERED NAME.    (1) A foreign  
13 corporation may register its corporate name, or its corporate name with  
14 a change required by section 1506 of this act, if the name is  
15 distinguishable upon the records of the secretary of state from:

16        (a) The corporate name of a nonprofit or business corporation  
17 incorporated or authorized to do business in Washington;

18        (b) A domestic or foreign limited liability company or limited  
19 partnership;

20        (c) A corporate name reserved or registered under this section,  
21 section 402 of this act, or RCW 23B.04.020, 23B.04.030, or 25.15.015.

22        (2) A foreign corporation registers its corporate name, or its  
23 corporate name with a change required under section 1506 of this act,  
24 by delivering to the secretary of state an application:

25        (a) Setting forth its corporate name, or its corporate name with a  
26 change required under section 1506 of this act, and the state or  
27 country and date of its incorporation; and

28        (b) Accompanied by a certificate of existence, or a document of  
29 similar import, from the state or country of incorporation.

30        (3) The name is registered for the applicant's exclusive use upon  
31 the effective date of the application.

32        (4) A foreign corporation whose registration is effective may renew  
33 it for successive years by delivering to the secretary of state for  
34 filing a renewal application, that complies with the requirements of  
35 subsection (2) of this section, annually, upon a schedule to be adopted  
36 by the secretary of state by rule.

37        (5) A foreign corporation whose registration is effective may  
38 thereafter qualify as a foreign corporation under that name or consent

1 in writing to the use of that name by a corporation thereafter  
2 incorporated under this title or by another foreign corporation  
3 thereafter authorized to transact business in Washington. The  
4 registration terminates when the domestic corporation is incorporated  
5 or the foreign corporation qualifies or consents to the qualification  
6 of another foreign corporation under the registered name.

7 **PART V**  
8 **OFFICE AND AGENT**

9 NEW SECTION. **Sec. 501.** REGISTERED NAME AND REGISTERED AGENT. (1)

10 A corporation shall continuously maintain in the state of Washington:

11 (a) A registered office with the same address as that of registered  
12 agent; and

13 (b) A registered agent, who may be:

14 (i) An individual who resides in this state and whose office is  
15 identical with the registered office;

16 (ii) A domestic business or nonprofit corporation or limited  
17 liability company whose office is identical with the registered office;  
18 or

19 (iii) A foreign business or nonprofit corporation authorized to  
20 transact business in this state whose office is identical with the  
21 registered office.

22 (2) The registered office must satisfy the requirements of RCW  
23 23B.05.010(1)(a).

24 NEW SECTION. **Sec. 502.** CHANGE OF REGISTERED OFFICE OR REGISTERED

25 AGENT. (1) A corporation may change its registered office or  
26 registered agent by delivering to the secretary of state for filing, a  
27 statement of change that sets forth:

28 (a) The name of the corporation;

29 (b) If the current registered office is to be changed, the street  
30 address of the new registered office;

31 (c) If the current registered agent is to be changed, the name of  
32 the new registered agent and the new agent's written consent, either on  
33 the statement or attached to it, to the appointment; and

34 (d) That, after the change or changes are made, the street  
35 addresses of its registered office and the office of its registered  
36 agent will be identical.

1 (2) If the street address of a registered agent's office is  
2 changed, the registered agent may change the street address of the  
3 registered office of any corporation for which the registered agent is  
4 the registered agent by notifying the corporation in writing of the  
5 change and by signing, either manually or in facsimile, and delivering  
6 to the secretary of state for filing a statement that complies with  
7 subsection (1) of this section and recites that the corporation has  
8 been notified of the change.

9 NEW SECTION. **Sec. 503.** RESIGNATION OF REGISTERED AGENT. (1) A  
10 registered agent may resign as registered agent by signing and  
11 delivering to the secretary of state the original and an exact or  
12 conformed copy of a statement of resignation. The statement may  
13 include a statement that the registered office is also discontinued.

14 (2) After filing the statement the secretary of state shall mail  
15 the copy to the corporation at its principal office as shown in the  
16 most recent annual report filed under section 1608 of this act.

17 (3) The agency appointment is terminated, and the registered office  
18 discontinued if so provided, on the thirty-first day after the date on  
19 which the statement was filed.

## 20 **PART VI**

### 21 **MEMBERS AND MEMBERSHIP**

22 NEW SECTION. **Sec. 601.** ADMISSION. (1) The articles or bylaws may  
23 establish criteria or procedures for admission of members.

24 (2) A person may not be admitted as a member without the person's  
25 consent.

26 NEW SECTION. **Sec. 602.** CONSIDERATION. Except as provided in its  
27 articles or bylaws, a corporation may admit members for no  
28 consideration or for such consideration as is determined by the board.

29 NEW SECTION. **Sec. 603.** NO REQUIREMENT OF MEMBERS. A corporation  
30 is not required to have members.

31 NEW SECTION. **Sec. 604.** DIFFERENCES IN RIGHTS AND OBLIGATIONS OF  
32 MEMBERS. All members have the same rights and obligations with respect  
33 to voting, dissolution, redemption, and transfer unless the articles or

1 bylaws establish classes of membership with different rights or  
2 obligations. All members have the same rights and obligations with  
3 respect to any other matters, except as set forth in or authorized by  
4 the articles or bylaws.

5 NEW SECTION. **Sec. 605.** TRANSFERS. (1) Except as set forth in or  
6 authorized by the articles or bylaws, a member of a mutual benefit  
7 corporation may not transfer a membership or a right arising therefrom.

8 (2) A member of a public benefit or religious corporation may not  
9 transfer a membership or a right arising from a membership.

10 (3) If transfer rights have been provided, a restriction on them  
11 may not be binding with respect to a member holding a membership issued  
12 before the adoption of the restriction unless the restriction is  
13 approved by the members and the affected member.

14 NEW SECTION. **Sec. 606.** MEMBER'S LIABILITY TO THIRD PARTIES. A  
15 member of a corporation is not, as such, personally liable for the  
16 acts, debts, liabilities, or obligations of the corporation.

17 NEW SECTION. **Sec. 607.** MEMBER'S LIABILITY FOR DUES, ASSESSMENTS,  
18 OR FEES. (1) A member may become liable to the corporation for dues,  
19 assessments, or fees.

20 (2) An article or bylaw provision or a resolution adopted by the  
21 board authorizing or imposing dues, assessments, or fees does not, of  
22 itself, create liability. Some consent or acquiescence by the member  
23 is necessary. Agreement to the corporation's articles and bylaws,  
24 without more, is not sufficient to establish consent or acquiescence.

25 NEW SECTION. **Sec. 608.** CREDITOR'S ACTION AGAINST MEMBER. (1) A  
26 proceeding may not be brought by a creditor to reach the liability, if  
27 any, of a member to the corporation unless final judgment has been  
28 rendered in favor of the creditor against the corporation and execution  
29 has been returned unsatisfied in whole or in part or unless the  
30 proceeding would be useless.

31 (2) A creditor of the corporation, with or without reducing its  
32 claims to judgment, may intervene in a creditor's proceeding brought  
33 under this section to reach and apply unpaid amounts due the  
34 corporation. Any members who owe amounts to the corporation may be  
35 joined in the proceeding.

1        NEW SECTION.    **Sec. 609.**    RESIGNATION.    (1) A member may resign at  
2 any time.

3        (2) The resignation of a member does not relieve the member from an  
4 obligation the member has to the corporation as a result of obligations  
5 incurred or commitments made before resignation.

6        NEW SECTION.    **Sec. 610.**    TERMINATION, EXPULSION, AND SUSPENSION.

7 (1) A member of a public benefit or mutual benefit corporation may not  
8 be expelled or suspended, and a membership or memberships in the  
9 corporation may not be terminated or suspended, except under a  
10 procedure that is fair and reasonable and is carried out in good faith.

11        (2) A procedure is fair and reasonable if either:

12        (a) The articles or bylaws set forth a procedure that provides:

13        (i) At least fifteen days prior written notice of the expulsion,  
14 suspension, or termination and the reasons therefore; and

15        (ii) An opportunity for the member to be heard, orally or in  
16 writing, at least five days before the effective date of the expulsion,  
17 suspension, or termination by a person or persons authorized to decide  
18 that the proposed expulsion, termination, or suspension not take place;  
19 or

20        (b) It is fair and reasonable taking into consideration all of the  
21 relevant facts and circumstances.

22        (3) A written notice given by mail must be given by first class or  
23 certified mail sent to the last address of the member shown on the  
24 corporation's records.

25        (4) A proceeding challenging an expulsion, suspension, or  
26 termination, including a proceeding in which defective notice is  
27 alleged, must be commenced within one year after the effective date of  
28 the expulsion, suspension, or termination.

29        (5) A member who has been expelled or suspended may be liable to  
30 the corporation for dues, assessments, or fees as a result of the  
31 obligations incurred or commitments made before expulsion or  
32 suspension.

33        NEW SECTION.    **Sec. 611.**    PURCHASE OF MEMBERSHIPS.    (1) A public  
34 benefit or religious corporation may not purchase any of its  
35 memberships or a right arising from its memberships.

36        (2) A mutual benefit corporation may purchase the membership of a  
37 member who resigns or whose membership is terminated for the amount and

1 under the conditions set forth in or authorized by its articles or  
2 bylaws. A payment may not be made in violation of chapter --- RCW  
3 (sections 1301 and 1302 of this act).

4 NEW SECTION. Sec. 612. DERIVATIVE SUITS. (1) A proceeding may be  
5 brought in the right of a domestic or foreign corporation to procure a  
6 judgment in its favor by:

7 (a) A member or members having five percent or more of the voting  
8 power or by fifty members, whichever is less; or

9 (b) A director.

10 (2) In such a proceeding, each complainant must be a member or  
11 director at the time of bringing the proceeding.

12 (3) A complaint in a proceeding brought in the right of a  
13 corporation must be verified and allege with particularity the demand  
14 made, if any, to obtain action by the directors and either why the  
15 complainants could not obtain the action or why they did not make the  
16 demand. If a demand for action was made and the corporation's  
17 investigation of the demand is in progress when the proceeding is  
18 filed, the court may stay the suit until the investigation is  
19 completed.

20 (4) On termination of the proceeding the court may require the  
21 complainants to pay any defendant's reasonable expenses, including  
22 attorneys' fees, incurred in defending the suit if it finds that the  
23 proceeding was commenced frivolously or in bad faith.

24 (5) If the proceeding on behalf of the corporation results in the  
25 corporation taking some action requested by the complainants or  
26 otherwise was successful, in whole or in part, or if anything was  
27 received by the complainants as the result of a judgment, compromise,  
28 or settlement of an action or claim, the court may award the  
29 complainants reasonable expenses, including attorneys' fees.

30 (6) The complainants shall notify the attorney general within ten  
31 days after commencing a proceeding under this section if the proceeding  
32 involves a public benefit corporation or assets held in charitable  
33 trust by a mutual benefit corporation.

34 NEW SECTION. Sec. 613. DELEGATES. (1) A corporation may provide  
35 in its articles or bylaws for delegates having some or all of the  
36 authority of members.

37 (2) The articles or bylaws may set forth provisions relating to:

- 1 (a) The characteristics, qualifications, rights, limitations, and  
2 obligations of delegates including their selection and removal;  
3 (b) Calling, noticing, holding, and conducting meetings of  
4 delegates; and  
5 (c) Carrying on corporate activities during and between meetings of  
6 delegates.

7 **PART VII**

8 **MEMBERS' MEETINGS AND VOTING**

9 NEW SECTION. **Sec. 701.** ANNUAL AND REGULAR MEETINGS. (1) A  
10 corporation with members shall hold a membership meeting annually at a  
11 time stated in or fixed in accordance with the bylaws.

12 (2) A corporation with members may hold regular membership meetings  
13 at the times stated in or fixed in accordance with the bylaws.

14 (3) Annual and regular membership meetings may be held in or out of  
15 the state of Washington at the place stated in or fixed in accordance  
16 with the bylaws. If a place is not stated in or fixed in accordance  
17 with the bylaws, annual and regular meetings must be held at the  
18 corporation's principal office.

19 (4) At the annual meeting:

20 (a) The president and chief financial officer shall report on the  
21 activities and financial condition of the corporation; and

22 (b) The members shall consider and act upon such other matters as  
23 may be raised consistent with the notice requirements of sections 705  
24 and 712(2) of this act.

25 (5) At regular meetings the members shall consider and act upon  
26 such matters as may be raised consistent with the notice requirements  
27 of sections 705 and 712(2) of this act.

28 (6) The failure to hold an annual or regular meeting at a time  
29 stated in or fixed in accordance with a corporation's bylaws does not  
30 affect the validity of a corporate action.

31 NEW SECTION. **Sec. 702.** SPECIAL MEETING. (1) A corporation with  
32 members shall hold a special meeting of members:

33 (a) On call of its board or person or persons authorized to do so  
34 by the articles or bylaws; or

35 (b) Except as provided in the articles or bylaws of a religious  
36 corporation, if the holders of at least five percent of the voting

1 power of the corporation sign, date, and deliver to a corporate officer  
2 one or more written demands for the meeting describing the purpose or  
3 purposes for which it is to be held.

4 (2) The close of business on the thirtieth day before delivery of  
5 the demand or demands for a special meeting to any corporate officer is  
6 the record date for the purpose of determining whether the five percent  
7 requirement of subsection (1) of this section has been met.

8 (3) If a notice for a special meeting demanded under subsection  
9 (1)(b) of this section is not given under section 705 of this act  
10 within thirty days after the date the written demand or demands are  
11 delivered to a corporate officer, regardless of subsection (4) of this  
12 section, a person signing the demand or demands may set the time and  
13 place of the meeting and give notice under section 705 of this act.

14 (4) Special meetings of members may be held in or out of the state  
15 of Washington at the place stated in or fixed in accordance with the  
16 bylaws. If a place is not stated in or fixed in accordance with the  
17 bylaws, special meetings must be held at the corporation's principal  
18 office.

19 (5) Only those matters that are within the purpose or purposes  
20 described in the meeting notice required under section 705 of this act  
21 may be conducted at a special meeting of members.

22 NEW SECTION. **Sec. 703.** COURT-ORDERED MEETING. (1) The superior  
23 court of the county where a corporation's principal office or, if none  
24 in this state, its registered office is located may summarily order a  
25 meeting to be held:

26 (a) On application of a member or other person entitled to  
27 participate in an annual or regular meeting, and for a public benefit  
28 corporation, the attorney general, if an annual meeting was not held  
29 within the earlier of six months after the end of the corporation's  
30 fiscal year or fifteen months after its annual meeting; or

31 (b) On application of a member or other person entitled to  
32 participate in a regular meeting, and, for a public benefit  
33 corporation, the attorney general, if a regular meeting is not held  
34 within forty days after the date it was required to be held; or

35 (c) On application of a member who signed a demand for a special  
36 meeting valid under section 702 of this act, a person or persons  
37 entitled to call a special meeting and, for a public benefit  
38 corporation, the attorney general, if:

1 (i) Notice of the special meeting was not given within thirty days  
2 after the date the demand was delivered to a corporate officer; or

3 (ii) The special meeting was not held in accordance with the  
4 notice.

5 (2) The court may fix the time and place of the meeting, specify a  
6 record date for determining members entitled to notice of and to vote  
7 at the meeting, prescribe the form and content of the meeting notice,  
8 fix the quorum required for specific matters to be considered at the  
9 meeting or direct that the votes represented at the meeting constitute  
10 a quorum for action on those matters, and enter other orders necessary  
11 to accomplish the purpose or purposes of the meeting.

12 (3) If the court orders a meeting, it may also order the  
13 corporation to pay the member's or attorney general's costs, including  
14 reasonable attorneys' fees, incurred to obtain the order.

15 NEW SECTION. **Sec. 704.** ACTION BY WRITTEN CONSENT. (1) Unless  
16 limited or prohibited by the articles or bylaws, action required or  
17 permitted by this title to be approved by the members may be approved  
18 without a meeting of the members if the action is approved by members  
19 holding at least eighty percent of the voting power. The action must  
20 be evidenced by one or more written consents describing the action  
21 taken, signed by those members representing at least eighty percent of  
22 the voting power, and delivered to the corporation for inclusion in the  
23 minutes or filing with the corporate records.

24 (2) If not otherwise determined under section 703 or 707 of this  
25 act, the record date for determining members entitled to take action  
26 without a meeting is the date the first member signs the consent under  
27 subsection (1) of this section.

28 (3) A consent signed under this section has the effect of a meeting  
29 vote and may be described as such in any document filed with the  
30 secretary of state.

31 (4) Written notice of member approval under this section must be  
32 given to all members who have not signed the written consent. If  
33 written notice is required, member approval under this section is  
34 effective ten days after the written notice is given.

35 NEW SECTION. **Sec. 705.** NOTICE OF MEETING. (1) A corporation  
36 shall give notice consistent with its bylaws of meetings of members in  
37 a fair and reasonable manner.

1 (2) A notice that conforms to subsection (3) of this section is  
2 fair and reasonable, but other means of giving notice may also be fair  
3 and reasonable when all the circumstances are considered. However,  
4 notice of matters referred to in subsection (3)(b) of this section must  
5 be given as provided in subsection (3) of this section.

6 (3) Notice is fair and reasonable if:

7 (a) The corporation notifies its members of the place, date, and  
8 time of each annual, regular, and special meeting of members no fewer  
9 than ten, or, if notice is mailed by other than first class or  
10 registered mail, thirty, nor more than sixty days before the meeting  
11 date;

12 (b) Notice of an annual or regular meeting includes a description  
13 of a matter or matters that must be approved by the members under  
14 section 821, 836, 1003, 1010, 1104, 1202, 1401, or 1402 of this act;  
15 and

16 (c) Notice of a special meeting includes a description of the  
17 matter or matters for which the meeting is called.

18 (4) Unless the bylaws require otherwise, if an annual, regular, or  
19 special meeting of members is adjourned to a different date, time, or  
20 place, notice need not be given of the new date, time, or place if the  
21 new date, time, or place is announced at the meeting before  
22 adjournment. However, if a new record date for the adjourned meeting  
23 is or must be fixed under section 707 of this act, notice of the  
24 adjourned meeting must be given under this section to the members of  
25 record as of the new record date.

26 (5) When giving notice of an annual, regular, or special meeting of  
27 members, a corporation shall give notice of a matter a member intends  
28 to raise at the meeting if: (a) Requested in writing to do so by a  
29 person entitled to call a special meeting; and (b) the request is  
30 received by the secretary or president of the corporation at least ten  
31 days before the corporation gives notice of the meeting.

32 NEW SECTION. **Sec. 706.** WAIVER OF NOTICE. (1) A member may waive  
33 a notice required under this title, the articles, or bylaws before or  
34 after the date and time stated in the notice. The waiver must be in  
35 writing, be signed by the member entitled to notice, and be delivered  
36 to the corporation for inclusion in the minutes or filing with the  
37 corporate records.

38 (2) A member's attendance at a meeting:

1 (a) Waives objection to lack of notice or defective notice of the  
2 meeting, unless the member at the beginning of the meeting objects to  
3 holding the meeting or transacting business at the meeting;

4 (b) Waives objection to consideration of a particular matter at the  
5 meeting that is not within the purpose or purposes described in the  
6 meeting notice, unless the member objects to considering the matter  
7 when it is presented.

8 NEW SECTION. Sec. 707. RECORD DATE--DETERMINING MEMBERS ENTITLED  
9 TO NOTICE AND VOTE. (1) The bylaws of a corporation may fix or provide  
10 the manner of fixing a date as the record date for determining the  
11 members entitled to notice of a members' meeting. If the bylaws do not  
12 fix or provide for fixing the record date, the board may fix a future  
13 date as the record date. If a record date is not fixed, members at the  
14 close of business on the business day preceding the day on which notice  
15 is given or, if notice is waived, at the close of business on the  
16 business day preceding the day on which the meeting is held are  
17 entitled to notice of the meeting.

18 (2) The bylaws of a corporation may fix or provide the manner of  
19 fixing a date as the record date for determining the members entitled  
20 to vote at a members' meeting. If the bylaws do not fix or provide for  
21 fixing the record date, the board may fix a future date as the record  
22 date. If the record date is not fixed, members on the date of the  
23 meeting who are otherwise eligible to vote are entitled to vote at the  
24 meeting.

25 (3) The bylaws may fix or provide the manner for determining a date  
26 as the record date for the purpose of determining the members entitled  
27 to exercise any rights in respect of any other lawful action. If the  
28 bylaws do not fix or provide for fixing the record date, the board may  
29 fix in advance the record date. If the record date is not fixed,  
30 members at the close of business on the day on which the board adopts  
31 the resolution relating thereto, or the sixtieth day before the date of  
32 the other action, whichever is later, are entitled to exercise the  
33 rights.

34 (4) A record date fixed under this section may not be more than  
35 seventy days before the meeting or action requiring a determination of  
36 members occurs.

37 (5) A determination of members entitled to notice of or to vote at  
38 a membership meeting is effective for any adjournment of the meeting

1 unless the board fixes a new date for determining the right to notice  
2 or the right to vote, which it must do if the meeting is adjourned to  
3 a date more than seventy days after the record date for determining  
4 members entitled to notice of the original meeting.

5 (6) If a court orders a meeting adjourned to a date more than one  
6 hundred twenty days after the date for the original meeting, it may  
7 provide that the original record date for notice or voting continues in  
8 effect or it may fix a new record date for notice and voting.

9 NEW SECTION. **Sec. 708.** ACTION BY WRITTEN BALLOT. (1) Unless  
10 prohibited or limited by the articles or bylaws, an action that may be  
11 taken at an annual, regular, or special meeting of members may be taken  
12 without a meeting if the corporation delivers a written ballot to every  
13 member entitled to vote on the matter.

14 (2) A written ballot must:

15 (a) Set forth each proposed action; and

16 (b) Provide an opportunity to vote for or against each proposed  
17 action.

18 (3) Approval by written ballot under this section is valid only  
19 when the number of votes cast by ballot equals or exceeds the quorum  
20 required to be present at a meeting authorizing the action and the  
21 number of approvals equals or exceeds the number of votes that would be  
22 required to approve the matter at a meeting at which the total number  
23 of votes cast was the same as the number of votes cast by ballot.

24 (4) A solicitation for votes by written ballot must:

25 (a) Indicate the number of responses needed to meet the quorum  
26 requirements;

27 (b) State the percentage of approvals necessary to approve each  
28 matter other than election of directors; and

29 (c) Specify the time by which a ballot must be received by the  
30 corporation in order to be counted.

31 (5) Except as otherwise provided in the articles or bylaws, a  
32 written ballot may not be revoked.

33 NEW SECTION. **Sec. 709.** MEMBERS' LIST FOR MEETING. (1) After  
34 fixing a record date for notice of a meeting, a corporation shall  
35 prepare an alphabetical list of the names of all its members who are  
36 entitled to notice of the meeting. This list must show the address and  
37 number of votes each member is entitled to vote at the meeting. The

1 corporation shall prepare on a current basis through the time of the  
2 membership meeting a list of members, if any, who are entitled to vote  
3 at the meeting, but not entitled to notice of the meeting. This list  
4 must be prepared on the same basis and be part of the list of members.

5 (2) The list of members must be available for inspection by a  
6 member for the purpose of communication with other members concerning  
7 the meeting, beginning two business days after notice is given of the  
8 meeting for which the list was prepared and continuing through the  
9 meeting, at the corporation's principal office or at a reasonable place  
10 identified in the meeting notice in the city where the meeting will be  
11 held. A member, a member's agent, or attorney is entitled on written  
12 demand to inspect and, subject to the limitations of sections 1602(3)  
13 and 1605 of this act, to copy the list, at a reasonable time and at the  
14 member's expense, during the period it is available for inspection.

15 (3) The corporation shall make the list of members available at the  
16 meeting, and a member, a member's agent, or attorney is entitled to  
17 inspect the list at any time during the meeting or an adjournment.

18 (4) If the corporation refuses to allow a member, a member's agent,  
19 or attorney to inspect the list of members before or at the meeting or  
20 copy the list as permitted by subsection (2) of this section, the  
21 superior court of the county where a corporation's principal office or,  
22 if none in the state of Washington, its registered office is located,  
23 on application of the member, may summarily order the inspection or  
24 copying at the corporation's expense and may postpone the meeting for  
25 which the list was prepared until the inspection or copying is complete  
26 and may order the corporation to pay the member's costs, including  
27 reasonable attorneys' fees, incurred to obtain the order.

28 (5) Unless a written demand to inspect and copy a membership list  
29 has been made under subsection (2) of this section before the  
30 membership meeting and a corporation improperly refuses to comply with  
31 the demand, refusal, or failure to comply with this section does not  
32 affect the validity of action taken at the meeting.

33 (6) The articles or bylaws of a religious corporation may limit or  
34 abolish the rights of a member under this section to inspect and copy  
35 a corporate record.

36 NEW SECTION. **Sec. 710.** VOTING ENTITLEMENT GENERALLY. (1) Unless  
37 the articles or bylaws provide otherwise, each member is entitled to  
38 one vote on each matter voted on by the members.

1 (2) Unless the articles or bylaws provide otherwise, if a  
2 membership stands of record in the names of two or more persons, their  
3 acts with respect to voting have the following effect:

4 (a) If only one votes, the act binds all; and

5 (b) If more than one votes, the vote must be divided on a pro rata  
6 basis.

7 NEW SECTION. **Sec. 711.** QUORUM REQUIREMENTS. (1) Unless this  
8 title, the articles, or bylaws provide for a higher or lower quorum,  
9 ten percent of the votes entitled to be cast on a matter must be  
10 represented at a meeting of members to constitute a quorum on that  
11 matter.

12 (2) A bylaw amendment to decrease the quorum for any member action  
13 may be approved by the members or, unless prohibited by the bylaws, by  
14 the board.

15 (3) A bylaw amendment to increase the quorum required for any  
16 member action must be approved by the members.

17 (4) Unless one-third or more of the voting power is present in  
18 person or by proxy, the only matters that may be voted upon at an  
19 annual or regular meeting of members are those matters that are  
20 described in the meeting notice.

21 NEW SECTION. **Sec. 712.** VOTING REQUIREMENTS. (1) Unless this  
22 title, the articles, or the bylaws require a greater vote or voting by  
23 class, if a quorum is present, the affirmative vote of the votes  
24 represented and voting, which affirmative votes also constitute a  
25 majority of the required quorum, is the act of the members.

26 (2) A bylaw amendment to increase or decrease the vote required for  
27 a member action must be approved by the members.

28 NEW SECTION. **Sec. 713.** PROXIES. (1) Unless the articles or  
29 bylaws prohibit or limit proxy voting, a member may appoint a proxy to  
30 vote or otherwise act for the member by signing an appointment form  
31 either personally or by an attorney-in-fact.

32 (2) An appointment of a proxy is effective when received by the  
33 secretary or other officer or agent authorized to tabulate votes. An  
34 appointment is valid for eleven months unless a different period is  
35 expressly provided in the appointment form. However, a proxy may not  
36 be valid for more than three years from its date of execution.

1 (3) An appointment of a proxy is revocable by the member.

2 (4) The death or incapacity of the member appointing a proxy does  
3 not affect the right of the corporation to accept the proxy's authority  
4 unless notice of the death or incapacity is received by the secretary  
5 or other officer or agent authorized to tabulate votes before the proxy  
6 exercises authority under the appointment.

7 (5) Appointment of a proxy is revoked by the person appointing the  
8 proxy by:

9 (a) Attending a meeting and voting in person; or

10 (b) Signing and delivering to the secretary or other officer or  
11 agent authorized to tabulate proxy votes either a writing stating that  
12 the appointment of the proxy is revoked or a subsequent appointment  
13 form.

14 (6) Subject to section 716 of this act and an express limitation on  
15 the proxy's authority appearing on the face of the appointment form, a  
16 corporation is entitled to accept the proxy's vote or other action as  
17 that of the member making the appointment.

18 NEW SECTION. **Sec. 714.** CUMULATIVE VOTING FOR DIRECTORS. (1) If  
19 the articles or bylaws provide for cumulative voting by members,  
20 members may so vote by multiplying the number of votes the members are  
21 entitled to cast by the number of directors for whom they are entitled  
22 to vote and cast the product for a single candidate or distribute the  
23 product among two or more candidates.

24 (2) Cumulative voting is not authorized at a particular meeting  
25 unless:

26 (a) The meeting notice or statement accompanying the notice states  
27 that cumulative voting will take place; or

28 (b) A member gives notice during the meeting and before the vote is  
29 taken of the member's intent to cumulate votes and, if one member gives  
30 this notice, all other members participating in the election are  
31 entitled to cumulate their votes without giving further notice.

32 (3) A director elected by cumulative voting may be removed by the  
33 members without cause if section 808 of this act is met unless the  
34 votes cast against removal, or not consenting in writing to the  
35 removal, would be sufficient to elect the director if voted  
36 cumulatively at an election at which the same total number of votes  
37 were cast, or, if the action is taken by written ballot, all  
38 memberships entitled to vote were voted, and the entire number of

1 directors authorized at the time of the director's most recent election  
2 were then being elected.

3 (4) Members may not cumulatively vote if the directors and members  
4 are identical.

5 NEW SECTION. **Sec. 715.** OTHER METHODS OF ELECTING DIRECTORS. A  
6 corporation may provide in its articles or bylaws for election of  
7 directors by members or delegates: (1) On the basis of chapter or  
8 other organizational unit; (2) by region or other geographic unit; (3)  
9 by preferential voting; or (4) by another reasonable method.

10 NEW SECTION. **Sec. 716.** CORPORATION'S ACCEPTANCE OF VOTES. (1) If  
11 the name signed on a vote, consent, waiver, or proxy appointment  
12 corresponds to the name of a member, the corporation if acting in good  
13 faith is entitled to accept the vote, consent, waiver, or proxy  
14 appointment and give it effect as the act of the member.

15 (2) If the name signed on a vote, consent, waiver, or proxy  
16 appointment does not correspond to the record name of a member, the  
17 corporation if acting in good faith is nevertheless entitled to accept  
18 the vote, consent, waiver, or proxy appointment and give it effect as  
19 the act of the member if:

20 (a) The member is an entity and the name signed purports to be that  
21 of an officer or agent of the entity;

22 (b) The name signed purports to be that of an attorney-in-fact of  
23 the member and, if the corporation requests, evidence acceptable to the  
24 corporation of the signatory's authority to sign for the member has  
25 been presented with respect to the vote, consent, waiver, or proxy  
26 appointment;

27 (c) Two or more persons hold the membership as cotenants or  
28 fiduciaries and the name signed purports to be the name of at least one  
29 of the coholders and the person signing appears to be acting on behalf  
30 of all the coholders; and

31 (d) For a mutual benefit corporation:

32 (i) The name signed purports to be that of an administrator,  
33 executor, guardian, or conservator representing the member and, if the  
34 corporation requests, evidence of fiduciary status acceptable to the  
35 corporation has been presented with respect to the vote, consent,  
36 waiver, or proxy appointment; or

1 (ii) The name signed purports to be that of a receiver or trustee  
2 in bankruptcy of the member, and, if the corporation requests, evidence  
3 of this status acceptable to the corporation has been presented with  
4 respect to the vote, consent, waiver, or proxy appointment.

5 (3) The corporation is entitled to reject a vote, consent, waiver,  
6 or proxy appointment if the secretary or other officer or agent  
7 authorized to tabulate votes, acting in good faith, has reasonable  
8 basis for doubt about the validity of the signature on it or about the  
9 signatory's authority to sign for the member.

10 (4) The corporation and its officer or agent who accepts or rejects  
11 a vote, consent, waiver, or proxy appointment in good faith and in  
12 accordance with the standards of this section are not liable in damages  
13 to the member in consequence of the acceptance or rejection.

14 (5) Corporate action based upon the acceptance or rejection of a  
15 vote, consent, waiver, or proxy appointment under this section is valid  
16 unless a court of competent jurisdiction determines otherwise.

17 NEW SECTION. **Sec. 717.** VOTING AGREEMENTS. (1) Two or more  
18 members may provide for the manner in which they will vote by signing  
19 an agreement for that purpose. The agreement may be valid for a period  
20 of up to ten years. For a public benefit corporation, the agreement  
21 must have a reasonable purpose consistent with the corporation's public  
22 or charitable purposes.

23 (2) A voting agreement created under this section is specifically  
24 enforceable.

25 **PART VIII**

26 **DIRECTORS AND OFFICERS**

27 NEW SECTION. **Sec. 801.** REQUIREMENT FOR AND DUTIES OF BOARD. (1)  
28 A corporation shall have a board of directors.

29 (2) Except as provided in this title or subsection (3) of this  
30 section, all corporate power must be exercised by or under the  
31 authority of, and the affairs of the corporation managed under the  
32 direction of, its board.

33 (3) The articles may authorize a person or persons to exercise some  
34 or all of the powers that would otherwise be exercised by a board. To  
35 the extent so authorized, the person or persons have the duties and

1 responsibilities of the directors, and the directors are relieved to  
2 that extent from the duties and responsibilities.

3 NEW SECTION. **Sec. 802.** QUALIFICATIONS OF DIRECTORS. A director  
4 must be an individual. The articles or bylaws may prescribe other  
5 qualifications for a director.

6 NEW SECTION. **Sec. 803.** NUMBER OF DIRECTORS. (1) A board of  
7 directors must consist of one or more individuals, with the number  
8 specified in or fixed in accordance with the articles or bylaws.

9 (2) The number of directors may be increased or decreased from time  
10 to time by amendment to or in the manner prescribed in the articles or  
11 bylaws.

12 NEW SECTION. **Sec. 804.** ELECTION, DESIGNATION, AND APPOINTMENT OF  
13 DIRECTORS. (1) If the corporation has members, all the directors,  
14 except the initial directors, must be elected at the first annual  
15 meeting of members, and at each annual meeting thereafter, unless the  
16 articles or bylaws provide some other time or method of election or  
17 provide that some of the directors are appointed by some other person  
18 or designated.

19 (2) If the corporation does not have members, all of the directors,  
20 except the initial directors, must be elected, appointed, or designated  
21 as provided in the articles or bylaws. If a method of designation or  
22 appointment is not set forth in the articles or bylaws, the directors,  
23 other than the initial directors, must be elected by the board.

24 NEW SECTION. **Sec. 805.** TERMS OF DIRECTORS GENERALLY. (1) The  
25 articles or bylaws must specify the terms of directors. Except for  
26 designated or appointed directors, the terms of directors may not  
27 exceed five years. In the absence of a term specified in the articles  
28 or bylaws, the term of a director must be one year. A director may be  
29 elected for successive terms.

30 (2) A decrease in the number of directors or terms of office does  
31 not shorten an incumbent director's term.

32 (3) Except as provided in the articles or bylaws:

33 (a) The term of a director filling a vacancy in the office of a  
34 director elected by members expires at the next election of directors  
35 by members; and

1 (b) The term of a director filling another vacancy expires at the  
2 end of the unexpired term that the director is filling.

3 (4) Despite the expiration of a director's term, the director  
4 continues to serve until the director's successor is elected,  
5 designated, or appointed and qualifies, or until there is a decrease in  
6 the number of directors.

7 NEW SECTION. **Sec. 806.** STAGGERED TERMS FOR DIRECTORS. The  
8 articles or bylaws may provide for staggering the terms of directors by  
9 dividing the total number of directors into groups. The terms of  
10 office of the several groups need not be uniform.

11 NEW SECTION. **Sec. 807.** RESIGNATION OF DIRECTORS. (1) A director  
12 may resign at any time by delivering a written notice to the board of  
13 directors, its presiding officer, or to the president or secretary. In  
14 addition, a director may file a notification of resignation with the  
15 secretary of state.

16 (2) A resignation is effective when the notice is effective unless  
17 the notice specifies a later effective date. If a resignation is made  
18 effective at a later date, the board may fill the pending vacancy  
19 before the effective date if the board provides that the successor does  
20 not take office until the effective date.

21 NEW SECTION. **Sec. 808.** REMOVAL OF DIRECTORS ELECTED BY MEMBERS OR  
22 DIRECTORS. (1) The members may remove one or more directors elected by  
23 them without cause.

24 (2) If a director is elected by class, chapter, or other  
25 organizational unit or by region or other geographic grouping, the  
26 director may be removed only by the members of that class, chapter,  
27 unit, or grouping.

28 (3) Except as provided in subsection (9) of this section, a  
29 director may be removed under subsection (1) or (2) of this section  
30 only if the number of votes cast to remove the director would be  
31 sufficient to elect the director at a meeting to elect directors.

32 (4) If cumulative voting is authorized, a director may not be  
33 removed if the number of votes, or if the director was elected by a  
34 class, chapter, unit, or grouping of members, the number of votes of  
35 that class, chapter, unit, or grouping sufficient to elect the director  
36 under cumulative voting, is voted against the director's removal.

1 (5) A director elected by members may be removed by the members  
2 only at a meeting called for the purpose of removing the director and  
3 the meeting notice must state that the purpose, or one of the purposes,  
4 of the meeting is removal of the director.

5 (6) In computing whether a director is protected from removal under  
6 subsections (2) through (4) of this section, it should be assumed that  
7 the votes against removal are cast in an election for the number of  
8 directors of the class to which the director to be removed belonged on  
9 the date of that director's election.

10 (7) An entire board of directors may be removed under subsections  
11 (1) through (5) of this section.

12 (8) A director elected by the board may be removed without cause by  
13 the vote of two-thirds of the directors then in office or such greater  
14 number as is set forth in the articles or bylaws. However, a director  
15 elected by the board to fill the vacancy of a director may be removed  
16 without cause by the members but not the board.

17 (9) If, at the beginning of a director's term on the board, the  
18 articles or bylaws provide that the director may be removed for missing  
19 a specified number of board meetings, the board may remove the director  
20 for failing to attend the specified number of meetings. The director  
21 may be removed only if the majority of the directors then in office  
22 vote for the removal.

23 (10) The articles or bylaws of a religious corporation may:

24 (a) Limit the application of this section; and

25 (b) Set forth the vote and procedures by which the board or a  
26 person may remove with or without cause a director elected by the  
27 members or the board.

28 NEW SECTION. **Sec. 809.** REMOVAL OF DESIGNATED OR APPOINTED  
29 DIRECTORS. (1) A designated director may be removed by amendment to  
30 the articles or bylaws deleting or changing the designation.

31 (2) Appointed directors:

32 (a) Except as otherwise provided in the articles or bylaws, an  
33 appointed director may be removed without cause by the person  
34 appointing the director;

35 (b) The person removing the director shall do so by giving written  
36 notice of the removal to the director and either the presiding officer  
37 of the board or the corporation's president or secretary; and

1 (c) A removal is effective when the notice is effective unless the  
2 notice specifies a future effective date.

3 NEW SECTION. **Sec. 810.** REMOVAL OF DIRECTORS BY JUDICIAL  
4 PROCEEDING. (1) The superior court of the county where a corporation's  
5 principal office is located may remove a director of the corporation  
6 from office in a proceeding commenced either by the corporation, its  
7 members holding at least ten percent of the voting power of any class,  
8 or, for a public benefit corporation, the attorney general, if the  
9 court finds that:

10 (a) The director engaged in fraudulent or dishonest conduct, or  
11 gross abuse of authority or discretion, with respect to the  
12 corporation, that section 813 of this act has been violated, or a final  
13 judgment has been entered finding that the director has violated a duty  
14 under sections 820 through 823 of this act; and

15 (b) Removal is in the best interest of the corporation.

16 (2) The court that removes a director may prohibit the director  
17 from serving on the board for a period prescribed by the court.

18 (3) If members or the attorney general commence a proceeding under  
19 subsection (1) of this section, the corporation must be made a party  
20 defendant.

21 (4) If a public benefit corporation or its members commence a  
22 proceeding under subsection (1) of this section, they shall give the  
23 attorney general written notice of the proceeding.

24 (5) The articles or bylaws of a religious corporation may limit or  
25 prohibit the application of this section.

26 NEW SECTION. **Sec. 811.** VACANCY ON BOARD. (1) Unless the articles  
27 or bylaws provide otherwise, and except as provided in subsections (2)  
28 and (3) of this section, if a vacancy occurs on a board of directors,  
29 including a vacancy resulting from an increase in the number of  
30 directors:

31 (a) The members, if any, may fill the vacancy. If the vacant  
32 office was held by a director elected by a class, chapter, or other  
33 organizational unit or by region or other geographic grouping, only  
34 members of the class, chapter, unit, or grouping are entitled to vote  
35 to fill the vacancy if it is filled by the members;

36 (b) The board of directors may fill the vacancy; or

1 (c) If the directors remaining in office constitute fewer than a  
2 quorum of the board, they may fill the vacancy by the affirmative vote  
3 of a majority of all the directors remaining in office.

4 (2) Unless the articles or bylaws provide otherwise, if a vacant  
5 office was held by an appointed director, only the person who appointed  
6 the director may fill the vacancy.

7 (3) If a vacant office was held by a designated director, the  
8 vacancy must be filled as provided in the articles or bylaws. In the  
9 absence of an applicable article or bylaw provision, the board may not  
10 fill the vacancy.

11 (4) A vacancy that will occur at a specific later date, by reason  
12 of a resignation effective at a later date under section 807(2) of this  
13 act or otherwise, may be filled before the vacancy occurs but the new  
14 director may not take office until the vacancy occurs.

15 NEW SECTION. **Sec. 812.** COMPENSATION OF DIRECTORS. Unless the  
16 articles or bylaws provide otherwise, a board of directors may fix the  
17 compensation of directors.

18 NEW SECTION. **Sec. 813.** FINANCIAL DISINTERESTED MAJORITY--PUBLIC  
19 BENEFIT CORPORATIONS. (1) No more than forty-nine percent of the  
20 individuals serving on the board of a public benefit corporation may be  
21 financially interested persons.

22 (2) For the purposes of this section "financially interested  
23 person" means:

24 (a) An individual who has received or is entitled to receive  
25 compensation, directly or indirectly, from the corporation for services  
26 rendered to it within the previous twelve months, whether as a full-  
27 time or part-time employee, independent contractor, consultant, or  
28 otherwise, excluding reasonable payments made to a director for serving  
29 as a director; or

30 (b) A spouse, brother, sister, parent, or child of an individual  
31 under (a) of this subsection.

32 (3) Failure to comply with this section does not effect the  
33 validity or enforceability of a transaction entered into by a  
34 corporation.

35 NEW SECTION. **Sec. 814.** REGULAR AND SPECIAL MEETINGS. (1) If the  
36 time and place of a director's meeting is fixed by the bylaws or the

1 board, the meeting is a regular meeting. All other meetings are  
2 special meetings.

3 (2) A board of directors may hold regular or special meetings in or  
4 out of the state of Washington.

5 (3) Unless the articles or bylaws provide otherwise, a board may  
6 permit any or all directors to participate in a regular or special  
7 meeting by, or conduct the meeting through the use of, a means of  
8 communication by which all directors participating can simultaneously  
9 hear each other during the meeting. A director participating in a  
10 meeting by this method is deemed to be present in person at the  
11 meeting.

12 NEW SECTION. **Sec. 815.** ACTION WITHOUT MEETING. (1) Unless the  
13 articles or bylaws provide otherwise, action required or permitted by  
14 this title to be taken at a board of directors' meeting may be taken  
15 without a meeting if the action is taken by all members of the board.  
16 The action must be evidenced by one or more written consents describing  
17 the action taken, signed by each director, and included in the minutes  
18 filed with the corporate records reflecting the action taken.

19 (2) Action taken under this section is effective when the last  
20 director signs the consent unless the consent specifies a different  
21 effective date.

22 (3) A consent signed under this section has the effect of a meeting  
23 vote and may be described as such in any document.

24 NEW SECTION. **Sec. 816.** CALL AND NOTICE OF MEETINGS. (1) Unless  
25 the articles, bylaws, or subsection (3) of this section provide  
26 otherwise, regular meetings of the board may be held without notice.

27 (2) Unless the articles, bylaws, or subsection (3) of this section  
28 provide otherwise, special meetings of the board must be preceded by at  
29 least two days' notice to each director of the date, time, and place,  
30 but not the purpose, of the meeting.

31 (3) In corporations without members a board action to remove a  
32 director or to approve a matter that would require approval by the  
33 members if the corporation had members is not valid unless each  
34 director is given at least seven days' written notice that the matter  
35 will be voted upon at a directors' meeting or unless notice is waived  
36 under section 817 of this act.

1 (4) Unless the articles or bylaws provide otherwise, the presiding  
2 officer of the board, the president, or twenty percent of the directors  
3 then in office may call and give notice of a meeting of the board.

4 NEW SECTION. **Sec. 817.** WAIVER OF NOTICE. (1) A director may at  
5 any time waive a notice required under this title, the articles, or  
6 bylaws. Except as provided in subsection (2) of this section, the  
7 waiver must be in writing, signed by the director entitled to the  
8 notice, and filed with the minutes or the corporate records.

9 (2) A director's attendance at or participation in a meeting waives  
10 a required notice of the meeting unless the director upon arriving at  
11 the meeting or before the vote on a matter noticed not in conformity  
12 with this title, the articles, or bylaws objects to lack of notice and  
13 does not thereafter vote for or assent to the objected action.

14 NEW SECTION. **Sec. 818.** QUORUM AND VOTING. (1) Except as  
15 otherwise provided in this title, the articles, or bylaws, a quorum of  
16 a board of directors consists of the majority of directors in office  
17 immediately before the meeting begins. The articles or bylaws may not  
18 authorize a quorum of fewer than the greater of one-third of the number  
19 of directors in office or two directors.

20 (2) If a quorum is present when a vote is taken, the affirmative  
21 vote of a majority of directors present is the act of the board unless  
22 this title, the articles, or bylaws require the vote of a greater  
23 number of directors.

24 NEW SECTION. **Sec. 819.** COMMITTEES OF THE BOARD. (1) Unless  
25 prohibited or limited by the articles or bylaws, a board of directors  
26 may create one or more committees of the board and appoint members of  
27 the board to serve on them. A committee must have two or more  
28 directors, who serve at the pleasure of the board.

29 (2) The creation of a committee and appointment of members to it  
30 must be approved by the greater of:

31 (a) A majority of all the directors in office when the action is  
32 taken; or

33 (b) The number of directors required by the articles or bylaws to  
34 take action under section 818 of this act.

35 (3) Sections 814 through 818 of this act, which govern meetings,  
36 action without meetings, notice and waiver of notice, and quorum and

1 voting requirements of the board, apply to committees of the board and  
2 their members as well.

3 (4) To the extent specified by the board of directors or in the  
4 articles or bylaws, a committee of the board may exercise the board's  
5 authority under section 801 of this act.

6 (5) A committee of the board may not:

7 (a) Authorize distributions;

8 (b) Approve or recommend to members dissolution, merger, or the  
9 sale, pledge, or transfer of all or substantially all of the  
10 corporation's assets;

11 (c) Elect, appoint, or remove directors or fill vacancies on the  
12 board or on its committees; or

13 (d) Adopt, amend, or repeal the articles or bylaws.

14 (6) The creation of, delegation of authority to, or action by a  
15 committee does not alone constitute compliance by a director with the  
16 standards of conduct described in section 820 of this act.

17 NEW SECTION. **Sec. 820.** GENERAL STANDARDS FOR DIRECTORS. (1) A  
18 director shall discharge his or her duties as director, including  
19 duties as a member of a committee:

20 (a) In good faith;

21 (b) With the care an ordinarily prudent person in a like position  
22 would exercise under similar circumstances; and

23 (c) In a manner the director reasonably believes to be in the best  
24 interests of the corporation.

25 (2) In discharging his or her duties, a director is entitled to  
26 rely on information, opinions, reports, or statements, including  
27 financial statements and other financial data, if prepared or presented  
28 by:

29 (a) One or more officers or employees of the corporation whom the  
30 director reasonably believes to be reliable and competent in the  
31 matters presented;

32 (b) Legal counsel, public accountants, or other persons as to  
33 matters the director reasonably believes are within the person's  
34 professional or expert competence;

35 (c) A committee of the board of which the director is not a member,  
36 as to matters within its jurisdiction, if the director reasonably  
37 believes the committee merits confidence; or

1 (d) For religious corporations, religious authorities and  
2 ministers, priests, rabbis, or other persons whose position or duties  
3 in the religious organization the director believes justify reliance  
4 and confidence and whom the director believes to be reliable and  
5 competent in the matters presented.

6 (3) A director is not acting in good faith if the director has  
7 knowledge concerning the matter in question that makes reliance  
8 otherwise permitted by subsection (2) of this section unwarranted.

9 (4) A director is not liable to the corporation, a member, or  
10 another person for an action taken or not taken as a director if the  
11 director acted in compliance with this section.

12 (5) A director may not be deemed to be a trustee with respect to  
13 the corporation or with respect to property held or administered by the  
14 corporation including, without limit, property that might be subject to  
15 restrictions imposed by the donor or transferor of the property.

16 NEW SECTION. **Sec. 821.** DIRECTOR CONFLICT OF INTEREST. (1) A  
17 conflict of interest transaction is a transaction with the corporation  
18 in which a director of the corporation has a direct or indirect  
19 interest. A conflict of interest transaction is not voidable or the  
20 basis for imposing liability on the director if the transaction was  
21 fair at the time it was entered into or is approved as provided in  
22 subsection (2) or (3) of this section.

23 (2) A transaction in which a director of a public benefit or  
24 religious corporation has a conflict of interest may be approved:

25 (a) In advance by the vote of the board of directors or a committee  
26 of the board if:

27 (i) The material facts of the transaction and the director's  
28 interest are disclosed or known to the board or a committee of the  
29 board; and

30 (ii) The directors approving the transaction in good faith  
31 reasonably believe that the transaction is fair to the corporation; or

32 (b) Before or after it is consummated by obtaining approval of the:

33 (i) Attorney general; or

34 (ii) Superior court in an action in which the attorney general is  
35 joined as a party.

36 (3) A transaction in which the director of a mutual benefit  
37 corporation has a conflict of interest may be approved if:

1 (a) The material facts of the transaction and the director's  
2 interest were disclosed or known to the board of directors or a  
3 committee of the board and the board or a committee of the board  
4 authorized, approved, or ratified the transaction; or

5 (b) The material facts of the transaction and the director's  
6 interest were disclosed or known to the members and they authorized,  
7 approved, or ratified the transaction.

8 (4) For purposes of this section, a director of the corporation has  
9 an indirect interest in a transaction if:

10 (a) Another entity in which the director has a material interest or  
11 in which the director is a general partner is a party to the  
12 transaction; or

13 (b) Another entity of which the director is a director, officer, or  
14 trustee is a party to the transaction.

15 (5) For purposes of subsections (2) and (3) of this section, a  
16 conflict of interest transaction is authorized, approved, or ratified  
17 if it receives the affirmative vote of the majority of the directors on  
18 the board or on the committee who have no direct or indirect interest  
19 in the transaction, but a transaction may not be authorized, approved,  
20 or ratified under this section by a single director. If a majority of  
21 the directors on the board who do not have a direct or indirect  
22 interest in the transaction vote to authorize, approve, or ratify the  
23 transaction, a quorum is present for the purpose of taking action under  
24 this section. The presence of, or a vote cast by, a director with a  
25 direct or indirect interest in the transaction does not affect the  
26 validity of an action taken under subsection (2)(a) or (3)(a) of this  
27 section if the transaction is otherwise approved as provided in  
28 subsection (2) or (3) of this section.

29 (6) For purposes of subsection (2)(b) of this section, a conflict  
30 of interest transaction is authorized, approved, or ratified by the  
31 members if it receives a majority of the votes entitled to be counted  
32 under this subsection. Votes cast by or voted under the control of a  
33 director who has a direct or indirect interest in the transaction, and  
34 votes cast by or voted under the control of an entity described in  
35 subsection (4)(a) of this section, may not be counted in a vote of  
36 members to determine whether to authorize, approve, or ratify a  
37 conflict of interest transaction under subsection (3)(b) of this  
38 section. However, the vote of the members is counted in determining  
39 whether the transaction is approved under other sections of this title.

1 A majority of the voting power, whether or not present, that are  
2 entitled to be counted in a vote on the transaction under this  
3 subsection constitutes a quorum for the purpose of taking action under  
4 this section.

5 (7) The articles, bylaws, or a resolution of the board may impose  
6 additional requirements on conflict of interest transactions.

7 NEW SECTION. **Sec. 822.** LOANS TO OR GUARANTEES FOR DIRECTORS AND  
8 OFFICERS. (1) A corporation may not lend money to or guarantee the  
9 obligation of a director or officer of the corporation.

10 (2) The fact that a loan or guarantee is made in violation of this  
11 section does not affect the borrower's liability on the loan.

12 NEW SECTION. **Sec. 823.** LIABILITY FOR UNLAWFUL DISTRIBUTIONS. (1)  
13 Unless a director complies with the applicable standards of conduct  
14 described in section 820 of this act, a director who votes for or  
15 assents to a distribution made in violation of this title is personally  
16 liable to the corporation for the amount of the distribution that  
17 exceeds what could have been distributed without violating this title.

18 (2) A director held liable for an unlawful distribution under  
19 subsection (1) of this section is entitled to contribution:

20 (a) From every other director who voted for or assented to the  
21 distribution without complying with the applicable standards or conduct  
22 described in section 820 of this act; and

23 (b) From each person who received an unlawful distribution for the  
24 amount of the distribution whether or not the person receiving the  
25 distribution knew it was made in violation of this title.

26 NEW SECTION. **Sec. 824.** REQUIRED OFFICERS. (1) Unless otherwise  
27 provided in the articles or bylaws, a corporation shall have a  
28 president, a secretary, a treasurer, and such other officers as are  
29 appointed by the board.

30 (2) The bylaws or the board shall delegate to one of the officers  
31 responsibility for preparing meetings of the directors' and members'  
32 meetings and for authenticating records of the corporation.

33 (3) The same individual may simultaneously hold more than one  
34 office in a corporation.

1        NEW SECTION.    **Sec. 825.**    DUTIES AND AUTHORITY OF OFFICERS.    An  
2 officer shall perform the duties set forth in the bylaws or, to the  
3 extent consistent with the bylaws, the duties and authority in a  
4 resolution of the board or by direction of an officer authorized by the  
5 board to prescribe the duties and authority of other officers.

6        NEW SECTION.    **Sec. 826.**    STANDARDS OF CONDUCT FOR OFFICERS.    (1) An  
7 officer with discretionary authority shall discharge his or her duties  
8 under that authority:

9            (a) In good faith;

10           (b) With the care an ordinarily prudent person in a like position  
11 would exercise under similar circumstances; and

12           (c) In a manner the officer reasonably believes to be in the best  
13 interests of the corporation and its members, if any.

14           (2) In discharging his or her duties an officer is entitled to rely  
15 on information, opinions, reports, or other statements, including  
16 financial statements and other financial data, if prepared or presented  
17 by:

18           (a) One or more officers or employees of the corporation who the  
19 officer reasonably believes to be reliable and competent in the matters  
20 presented;

21           (b) Legal counsel, public accountants, or other persons as to  
22 matters the officer reasonably believes are within the person's  
23 professional competence; or

24           (c) For religious corporations, religious authorities and  
25 ministers, priests, rabbis, or other persons whose position or duties  
26 in the religious organization the officer believes justify reliance and  
27 confidence and who the officer believes to be reliable and competent in  
28 the matters presented.

29           (3) An officer is not acting in good faith if the officer has  
30 knowledge concerning the matter in question that makes reliance  
31 otherwise permitted by subsection (2) of this section unwarranted.

32           (4) An officer is not liable to the corporation, a member, or other  
33 person for an action taken or not taken as an officer if the officer  
34 acted in compliance with this section.

35        NEW SECTION.    **Sec. 827.**    RESIGNATION AND REMOVAL OF OFFICERS.    (1)  
36 An officer may resign at any time by delivering notice to the  
37 corporation.    A resignation is effective when the notice is effective

1 unless the notice specifies a future effective date. If a resignation  
2 is made effective at a future date and the corporation accepts the  
3 future effective date, its board of directors may fill the pending  
4 vacancy before the effective date if the board provides that the  
5 successor does not take office until the effective date. In addition,  
6 the office may file a notification with the secretary of state.

7 (2) A board may remove an officer at any time with or without  
8 cause.

9 NEW SECTION. **Sec. 828.** CONTRACT RIGHTS OF OFFICERS. (1) The  
10 appointment of an officer does not itself create contract rights.

11 (2) An officer's removal does not affect the officer's contract  
12 rights with the corporation. An officer's resignation does not affect  
13 the corporation's contract rights with the officer.

14 NEW SECTION. **Sec. 829.** OFFICERS' AUTHORITY TO EXECUTE DOCUMENTS.

15 A contract or other instrument in writing executed or entered into  
16 between a corporation and another person is not invalidated as to the  
17 corporation by a lack of authority of the signing officers in the  
18 absence of actual knowledge on the part of the other person that the  
19 signing officers had no authority to execute the contract or other  
20 instrument.

21 NEW SECTION. **Sec. 830.** DEFINITIONS FOR SECTIONS 830 THROUGH 838  
22 OF THIS ACT. Unless the context clearly requires otherwise, the  
23 definitions in this section apply throughout sections 830 through 838  
24 of this act.

25 (1) "Corporation" includes a domestic or foreign predecessor entity  
26 of a corporation in a merger or other transaction in which the  
27 predecessor's existence ceased upon consummation of the transaction.

28 (2) "Director" means an individual who is or was a director of a  
29 corporation or an individual who, while the director of a corporation,  
30 is or was serving at the corporation's request as a director, officer,  
31 partner, trustee, employee, or agent of another foreign or domestic  
32 business or nonprofit corporation, partnership, joint venture, trust,  
33 employee benefit plan, or other enterprise. A director is considered  
34 to be serving an employee benefit plan at the corporation's request if  
35 the director's duties to the corporation also imposed duties on, or  
36 otherwise involved services by, the director to the plan or to the

1 participants in or beneficiaries of the plan. "Director" includes the  
2 estate or personal representative of a director.

3 (3) "Expenses" include attorneys' fees.

4 (4) "Liability" means the obligation to pay a judgment, settlement,  
5 penalty, fine including an excise tax assessed with respect to an  
6 employee benefit plan, or reasonable expenses actually incurred with  
7 respect to a proceeding.

8 (5) "Official capacity" means:

9 (a) If used with respect to a director, the office of director in  
10 a corporation; and

11 (b) If used with respect to an individual other than a director, as  
12 contemplated in section 836 of this act, the office in a corporation  
13 held by the officer or the employment or agency relationship undertaken  
14 by the employee or agent on behalf of the corporation. "Official  
15 capacity" does not include service for another foreign or domestic  
16 business or nonprofit corporation or a partnership, joint venture,  
17 trust, employee benefit plan, or enterprise.

18 (6) "Party" includes an individual who was or is threatened to be  
19 made a named defendant or respondent in a proceeding.

20 (7) "Proceeding" means a threatened, pending, or contemplated  
21 action, suit, or proceeding whether civil, criminal, administrative, or  
22 investigative and whether formal or informal.

23 NEW SECTION. **Sec. 831.** AUTHORITY TO INDEMNIFY. (1) Except as  
24 provided in subsection (4) of this section, a corporation may indemnify  
25 an individual made a party to a proceeding because the individual is or  
26 was a director against liability incurred in the proceeding if the  
27 individual:

28 (a) Conducted himself or herself in good faith; and

29 (b) Reasonably believed:

30 (i) For conduct in the individual's official capacity with the  
31 corporation, that the individual's conduct was in the corporation's  
32 best interest; and

33 (ii) In all other cases, that the individual's conduct was at least  
34 not opposed to its best interest; and

35 (c) For a criminal proceeding, had no reasonable cause to believe  
36 the individual's conduct was unlawful.

37 (2) A director's conduct with respect to an employee benefit plan  
38 for a purpose the director reasonably believed to be in the interest of

1 the participants in and beneficiaries of the plan, is conduct that  
2 satisfies subsection (1)(b)(ii) of this section.

3 (3) The termination of a proceeding by judgment, order, settlement,  
4 conviction, or upon a plea nolo contendere or its equivalent is not, of  
5 itself, determinative that the director did not meet the standard of  
6 conduct described in this action.

7 (4) A corporation may not indemnify a director under this section:

8 (a) In connection with a proceeding by or in the right of the  
9 corporation in which the director was adjudged liable to the  
10 corporation; or

11 (b) In connection with another proceeding charging improper  
12 personal benefit to the director, whether or not involving action in  
13 the director's official capacity, in which the director was adjudged  
14 liable on the basis that personal benefit was improperly received by  
15 the director.

16 (5) Indemnification permitted under this section in connection with  
17 a proceeding by or in the right of the corporation is limited to  
18 reasonable expenses incurred in connection with the proceeding.

19 NEW SECTION. **Sec. 832.** MANDATORY INDEMNIFICATION. Unless limited  
20 by its articles of incorporation, a corporation shall indemnify a  
21 director who is wholly successful, on the merits or otherwise, in the  
22 defense of a proceeding to which the director was a party because the  
23 director is or was a director of the corporation against reasonable  
24 expenses actually incurred by the director in connection with the  
25 proceeding.

26 NEW SECTION. **Sec. 833.** ADVANCE FOR EXPENSES. (1) A corporation  
27 may pay or reimburse the reasonable expenses incurred by a director who  
28 is a party to a proceeding in advance of final disposition of the  
29 proceeding if:

30 (a) The director furnishes the corporation a written affirmation of  
31 his or her good faith belief that the director has met the standard of  
32 conduct described in section 831 of this act;

33 (b) The director furnishes the corporation a written undertaking,  
34 executed personally or on the director's behalf, to repay the advance  
35 if it is ultimately determined that the director did not meet the  
36 standard of conduct; and

1 (c) A determination is made that the facts then known to those  
2 making the determination would not preclude indemnification under  
3 sections 830 through 838 of this act.

4 (2) The undertaking required under subsection (1)(b) of this  
5 section must be an unlimited general obligation of the director but  
6 need not be secured and may be accepted without reference to financial  
7 ability to make repayment.

8 (3) Determinations and authorizations of payment under this section  
9 must be made in the manner specified in section 835 of this act.

10 NEW SECTION. **Sec. 834.** COURT-ORDERED INDEMNIFICATION. Unless  
11 limited by a corporation's articles of incorporation, a director of the  
12 corporation who is a party to a proceeding may apply for  
13 indemnification to the court conducting the proceeding or to another  
14 court of competent jurisdiction. On receipt of an application, the  
15 court after giving any notice the court considers necessary may order  
16 indemnification in the amount it considers proper if it determines:

17 (1) The director is entitled to mandatory indemnification under  
18 section 832 of this act, in which case the court shall also order the  
19 corporation to pay the director's reasonable expenses incurred to  
20 obtain court-ordered indemnification; or

21 (2) The director is fairly and reasonably entitled to  
22 indemnification in view of all the relevant circumstances, whether or  
23 not the director met the standard of conduct set forth in section  
24 831(1) of this act or was adjudged liable as described in section  
25 831(4) of this act, but if the director was adjudged so liable,  
26 indemnification is limited to reasonable expenses incurred.

27 NEW SECTION. **Sec. 835.** DETERMINATION AND AUTHORIZATION OF  
28 INDEMNIFICATION. (1) A corporation may not indemnify a director under  
29 section 831 of this act unless authorized in the specific case after  
30 determination has been made that indemnification of the director is  
31 permissible in the circumstances because the director has met the  
32 standard of conduct set forth in section 831 of this act.

33 (2) The determination must be made:

34 (a) By the board of directors by majority vote if a quorum  
35 consisting of directors not at the time parties to the proceedings;

36 (b) If a quorum can not be obtained under (a) of this subsection,  
37 by majority vote of a committee duly designated by the board of

1 directors, in which designation directors who are parties may  
2 participate, consisting solely of two or more directors not at the time  
3 parties to the proceeding;

4 (c) By special legal counsel:

5 (i) Selected by the board of directors or its committee in the  
6 manner prescribed in (a) or (b) of this subsection; or

7 (ii) If a quorum of the board can not be obtained under (a) of this  
8 subsection and a committee can not be designated under (b) of this  
9 subsection, selected by a majority vote of the full board in which  
10 selection directors who are parties may participate; or

11 (d) By the members of a mutual benefit corporation, but directors  
12 who are at the time parties to the proceeding may not vote on the  
13 determination.

14 (3) Authorization of indemnification and evaluation as to  
15 reasonableness of expenses must be made in the same manner as the  
16 determination that indemnification is permissible, except that if the  
17 determination is made by special legal counsel, authorization of  
18 indemnification and evaluation as to reasonableness of expenses shall  
19 be made by those entitled under subsection (2)(c) of this section to  
20 select counsel.

21 (4) A director of a public benefit corporation may not be  
22 indemnified until twenty days after the effective date of written  
23 notice to the attorney general of the proposed indemnification.

24 NEW SECTION. **Sec. 836.** INDEMNIFICATION OF OFFICERS, EMPLOYEES,  
25 AND AGENTS. Unless limited by a corporation's articles of  
26 incorporation:

27 (1) An officer of the corporation who is not a director is entitled  
28 to mandatory indemnification under section 832 of this act, and is  
29 entitled to apply for court-ordered indemnification under section 834  
30 of this act. In each case, to the same extent as a director;

31 (2) The corporation may indemnify and advance expenses under  
32 sections 830 through 838 of this act to an officer, employee, or agent  
33 of the corporation who is not a director to the same extent as to a  
34 director; and

35 (3) A corporation may also indemnify and advance expenses to an  
36 officer, employee, or agent who is not a director to the extent,  
37 consistent with public policy, that it may be provided by its articles

1 of incorporation, bylaws, general or specific action of its board of  
2 directors, or contract.

3 NEW SECTION. **Sec. 837.** INSURANCE. A corporation may purchase and  
4 maintain insurance on behalf of an individual who is or was a director,  
5 officer, employee, or agent of the corporation or who, while a  
6 director, officer, employee, or agent of the corporation, is or was  
7 serving at the request of the corporation as a director, officer,  
8 partner, trustee, employee, or agent of another foreign or domestic  
9 business or nonprofit corporation, partnership, joint venture, trust,  
10 limited liability company, employee benefit plan, or other enterprise,  
11 against liability asserted against or incurred by the individual in  
12 that capacity or arising from the individual's status as a director,  
13 officer, employee, or agent, whether or not the corporation would have  
14 power to indemnify the person against the same liability under section  
15 831 or 832 of this act.

16 NEW SECTION. **Sec. 838.** APPLICATION OF SECTIONS 830 THROUGH 838 OF  
17 THIS ACT. (1) A provision treating a corporation's indemnification of  
18 or advance for expenses to directors that is contained in its articles  
19 of incorporation, bylaws, a resolution of its members or board of  
20 directors, or in a contract or otherwise, is valid only if and to the  
21 extent the provision is consistent with sections 830 through 838 of  
22 this act. If articles of incorporation limit indemnification or  
23 advance for expenses, indemnification and advance for expenses are  
24 valid only to the extent consistent with the articles.

25 (2) Sections 830 through 838 of this act do not limit a  
26 corporation's power to pay or reimburse expenses incurred by a director  
27 in connection with appearing as a witness in a proceeding at a time  
28 when the director has not been made a named defendant or respondent to  
29 the proceeding.

30 **PART IX**  
31 **RESERVED**

32 **PART X**  
33 **AMENDMENT OF ARTICLES OF INCORPORATION AND BYLAWS**

1        NEW SECTION.    **Sec. 1001.**    AUTHORITY TO AMEND.    A corporation may  
2 amend its articles of incorporation at any time to add or change a  
3 provision that is required or permitted in the articles or to delete a  
4 provision not required in the articles.    Whether a provision is  
5 required or permitted in the articles is determined as of the effective  
6 date of the amendment.

7        NEW SECTION.    **Sec. 1002.**    AMENDMENT BY DIRECTORS.    (1) Unless the  
8 articles provide otherwise, a corporation's board of directors may  
9 adopt one or more amendments to the corporation's articles without  
10 member approval:

11        (a) To extend the duration of the corporation if it was  
12 incorporated at a time when limited duration was required by law;

13        (b) To delete the names and addresses of the initial directors;

14        (c) To delete the name and address of the initial registered agent  
15 or registered office if a statement of change is on file with the  
16 secretary of state;

17        (d) To change the corporate name by adding, deleting, or changing  
18 a geographical attribution to the name; or

19        (e) To make any other change expressly permitted by this title to  
20 be made by director action.

21        (2) If a corporation has no members, its incorporators, until  
22 directors have been chosen, and thereafter its board of directors, may  
23 adopt one or more amendments to the corporation's articles subject to  
24 approval required under section 1012 of this act.    The corporation  
25 shall provide notice of a meeting at which an amendment is to be voted  
26 upon.    The notice must be in accordance with section 816(3) of this  
27 act.    The notice must also state that the purpose, or one of the  
28 purposes, of the meeting is to consider a proposed amendment to the  
29 articles and contain or be accompanied by a copy or summary of the  
30 amendment or state the general nature of the amendment.    The amendment  
31 must be approved by a majority of the directors in office at the time  
32 the amendment is adopted.

33        NEW SECTION.    **Sec. 1003.**    AMENDMENT BY DIRECTORS AND MEMBERS.    (1)  
34 Unless this title, the articles, bylaws, the members acting under  
35 subsection (2) of this section, or the board of directors acting under  
36 subsection (3) of this section require a greater vote or voting by

1 class, an amendment to a corporation's articles to be adopted must be  
2 approved:

3 (a) By the board if the corporation is a public benefit or  
4 religious corporation and the amendment does not relate to the number  
5 of directors, the composition of the board, the term of office of  
6 directors, or the method or way in which directors are elected or  
7 selected;

8 (b) Except as provided in section 1002(1) of this act, by the  
9 members by either two-thirds of the votes cast or a majority of the  
10 voting power, whichever is less; and

11 (c) In writing by a person or persons whose approval is required by  
12 a provision of the articles authorized under section 1012 of this act.

13 (2) The members may condition the amendment's adoption on receipt  
14 of a higher percentage of affirmative votes or on another basis.

15 (3) If the board initiates an amendment to the articles or board  
16 approval is required under subsection (1) of this section to adopt an  
17 amendment to the articles, the board may condition the amendment's  
18 adoption on receipt of a higher percentage of affirmative votes or  
19 another basis.

20 (4) If the board or the members seek to have the amendment approved  
21 by the members at a membership meeting, the corporation shall give  
22 notice to its members of the proposed membership meeting in writing in  
23 accordance with section 705 of this act. The notice must state that  
24 the purpose, or one of the purposes, of the meeting is to consider the  
25 proposed amendment and contain or be accompanied by a copy or summary  
26 of the amendment.

27 (5) If the board or the members seek to have the amendment approved  
28 by the members by written consent or written ballot, the material  
29 soliciting the approval shall contain or be accompanied by a copy or  
30 summary of the amendment.

31 NEW SECTION. **Sec. 1004.** CLASS VOTING BY MEMBERS ON AMENDMENTS.

32 (1) The members of a class in a public benefit corporation may vote as  
33 a class on a proposed amendment to the articles if the amendment would  
34 change the rights of that class as to voting in a manner different than  
35 such amendment affects another class or members of another class.

36 (2) The members of a class in a mutual benefit corporation may vote  
37 as a class on a proposed amendment to the articles if the amendment  
38 would:

1 (a) Affect the rights, privileges, preferences, restrictions, or  
2 conditions of that class as to voting, dissolution, redemption, or  
3 transfer of memberships in a manner different than the amendment would  
4 affect another class;

5 (b) Change the rights, privileges, preferences, restrictions, or  
6 conditions of that class as to voting, dissolution, redemption, or  
7 transfer by changing the rights, privileges, preferences, restrictions,  
8 or conditions of another class;

9 (c) Increase or decrease the number of memberships authorized for  
10 that class;

11 (d) Increase the number of memberships authorized for another  
12 class;

13 (e) Effect an exchange, reclassification, or termination of the  
14 memberships of that class; or

15 (f) Authorize a new class of memberships.

16 (3) The members of a class of a religious corporation are entitled  
17 to vote as a class on a proposed amendment to the articles only if a  
18 class vote is provided for in the articles or bylaws.

19 (4) If a class is to be divided into two or more classes as a  
20 result of an amendment to the articles of a public benefit or mutual  
21 benefit corporation, the amendment must be approved by the members of  
22 each class that would be created by the amendment.

23 (5) Except as provided in the articles or bylaws of a religious  
24 corporation, if a class vote is required to approve an amendment to the  
25 articles of a corporation, the amendment must be approved by the  
26 members of the class by either two-thirds of the votes cast by the  
27 class or a majority of the voting power of the class, whichever is  
28 less.

29 (6) A class of members of a public benefit or mutual benefit  
30 corporation is entitled to the voting rights granted by this section  
31 although the articles or bylaws provide that the class may not vote on  
32 the proposed amendment.

33 NEW SECTION. **Sec. 1005.** ARTICLES OF AMENDMENT. A corporation  
34 amending its articles shall deliver to the secretary of state articles  
35 of amendment setting forth:

36 (1) The name of the corporation;

37 (2) The text of each amendment adopted;

38 (3) The date of each amendment's adoption;

1 (4) If approval of members was not required, a statement to that  
2 effect and a statement that the amendment was approved by a sufficient  
3 vote of the board of directors or incorporators;

4 (5) If approval by members was required:

5 (a) The designation, number of memberships outstanding, number of  
6 votes entitled to be cast by each class entitled to vote separately on  
7 the amendment, and number of votes of each class indisputably voting on  
8 the amendment; and

9 (b) Either the total number of votes cast for and against the  
10 amendment by each class entitled to vote separately on the amendment or  
11 the total number of undisputed votes cast for the amendment by each  
12 class and a statement that the number cast for the amendment by each  
13 class was sufficient for approval by that class; and

14 (6) If approval of the amendment by some person or persons other  
15 than the members, the board or the incorporators is required under  
16 section 1012 of this act, a statement that the approval was obtained.

17 NEW SECTION. **Sec. 1006.** RESTATED ARTICLES OF INCORPORATION. (1)  
18 A corporation's board of directors may restate its articles of  
19 incorporation at any time with or without approval by members or  
20 another person.

21 (2) The restatement may include one or more amendments to the  
22 articles. If the restatement includes an amendment requiring approval  
23 by the members or another person, it must be adopted as provided in  
24 section 1003 of this act.

25 (3) If the restatement includes an amendment requiring approval by  
26 the members, the board must submit the restatement to the members for  
27 their approval.

28 (4) If the board seeks to have the restatement approved by the  
29 members at a membership meeting, the corporation shall notify each of  
30 its members of the proposed membership meeting in writing in accordance  
31 with section 705 of this act. The notice must also state that the  
32 purpose, or one of the purposes, of the meeting is to consider the  
33 proposed restatement and contain or be accompanied by a copy or summary  
34 of the restatement that identifies any amendments or other change it  
35 would make in the articles.

36 (5) If the board seeks to have the restatement approved by the  
37 members by written ballot or written consent, the material soliciting  
38 the approval shall contain or be accompanied by a copy or summary of

1 the restatement that identifies any amendments or other change it would  
2 make in the articles.

3 (6) A restatement requiring approval by the members must be  
4 approved by the same vote as an amendment to articles under section  
5 1003 of this act.

6 (7) If the restatement includes an amendment requiring approval  
7 under section 1012 of this act, the board must submit the restatement  
8 for such approval.

9 (8) A corporation restating its articles shall deliver to the  
10 secretary of state executed articles of restatement setting forth the  
11 name of the corporation and the text of the restated articles of  
12 incorporation together with an executed certificate setting forth:

13 (a) Whether the restatement contains an amendment to the articles  
14 requiring approval by the members or any other person other than the  
15 board of directors and, if it does not, that the board of directors  
16 adopted the restatement;

17 (b) If the restatement contains an amendment to the articles  
18 requiring approval by the members, the information required under  
19 section 1005 of this act; and

20 (c) If the restatement contains an amendment to the articles  
21 requiring approval by a person whose approval is required under section  
22 1012 of this act, a statement that such approval was obtained.

23 (9) Duly adopted restated articles of incorporation supersede the  
24 original articles of incorporation and all amendments to them.

25 (10) The secretary of state may certify restated articles of  
26 incorporation, as the articles of incorporation currently in effect,  
27 without including the certificate of information required under  
28 subsection (8) of this section.

29 NEW SECTION. **Sec. 1007.** AMENDMENT PURSUANT TO JUDICIAL  
30 REORGANIZATION. (1) A corporation's articles may be amended without  
31 board approval or approval by the members or approval required under  
32 section 1012 of this act to carry out a plan of reorganization under  
33 federal statute if the articles after amendment contain only provisions  
34 required or permitted under section 202 of this act.

35 (2) The individual or individuals designated by the court shall  
36 deliver to the secretary of state articles of amendment setting forth:

37 (a) The name of the corporation;

38 (b) The text of each amendment approved by the court;

1 (c) The date of the court's order or decree approving the articles  
2 of amendment;

3 (d) The title of the reorganization proceeding in which the order  
4 or decree was entered; and

5 (e) A statement that the court had jurisdiction of the proceeding  
6 under federal statute.

7 (3) This section does not apply after entry of a final decree in  
8 the reorganization proceeding even though the court retains  
9 jurisdiction of the proceeding for limited purposes unrelated to  
10 consummation of the reorganization plan.

11 NEW SECTION. **Sec. 1008.** EFFECT OF AMENDMENT AND RESTATEMENT. An  
12 amendment to articles of incorporation does not affect a cause of  
13 action existing against or in favor of the corporation, a proceeding to  
14 which the corporation is a party, a requirement or limitation imposed  
15 upon the corporation or property held by it by virtue of a trust upon  
16 which the property is held by the corporation, or the existing rights  
17 of persons other than members of the corporation. An amendment  
18 changing a corporation's name does not abate a proceeding brought by or  
19 against the corporation in its former name.

20 NEW SECTION. **Sec. 1009.** AMENDMENT BY DIRECTORS. If a corporation  
21 has no members, its incorporators, until directors have been chosen,  
22 and thereafter its board of directors, may adopt one or more amendments  
23 to the corporation's bylaws subject to any approval required under  
24 section 1012 of this act. The corporation shall provide notice of a  
25 meeting of directors at which an amendment is to be approved. The  
26 notice must be in accordance with section 816(3) of this act. The  
27 notice must also state that the purpose, or one of the purposes, of the  
28 meeting is to consider a proposed amendment to the bylaws and contain  
29 or be accompanied by a copy or summary of the amendment or state the  
30 general nature of the amendment. The amendment must be approved by a  
31 majority of the directors in office at the time the amendment is  
32 adopted.

33 NEW SECTION. **Sec. 1010.** AMENDMENT BY DIRECTORS AND MEMBERS. (1)  
34 Unless this title, the articles, bylaws, the members acting under  
35 subsection (2) of this section, or the board of directors acting under  
36 subsection (3) of this section require a greater vote or voting by

1 class, an amendment to a corporation's bylaws to be adopted must be  
2 approved:

3 (a) By the board if the corporation is a public benefit or  
4 religious corporation and the amendment does not relate to the number  
5 of directors, the composition of the board, the term of office of  
6 directors, or the method or way in which directors are elected or  
7 selected;

8 (b) By the members by either two-thirds of the votes cast or a  
9 majority of the voting power, whichever is less; and

10 (c) In writing by a person or persons whose approval is required by  
11 a provision of the articles authorized by section 1012 of this act.

12 (2) The members may condition the amendment's adoption on its  
13 receipt of a higher percentage of affirmative votes or on any other  
14 basis.

15 (3) If the board initiates an amendment to the bylaws or board  
16 approval is required under subsection (1) of this section to adopt an  
17 amendment to the bylaws, the board may condition the amendment's  
18 adoption on receipt of a higher percentage of affirmative votes or any  
19 other basis.

20 (4) If the board or the members seek to have the amendment approved  
21 by the members at a membership meeting, the corporation shall give  
22 notice to its members of the proposed membership meeting in writing in  
23 accordance with section 705 of this act. The notice must state that  
24 the purpose, or one of the purposes, of the meeting is to consider the  
25 proposed amendment and contain or be accompanied by a copy or summary  
26 of the amendment.

27 (5) If the board or the members seek to have the amendment approved  
28 by the members by written consent or written ballot, the material  
29 soliciting the approval must contain or be accompanied by a copy or  
30 summary of the amendment.

31 NEW SECTION. **Sec. 1011.** CLASS VOTING BY MEMBERS ON AMENDMENTS.

32 (1) The members of a class in a public benefit corporation are entitled  
33 to vote as a class on a proposed amendment to the bylaws if the  
34 amendment would change the rights of that class as to voting in a  
35 manner different than such amendment affects another class or members  
36 of another class.

1 (2) The members of a class in a mutual benefit corporation are  
2 entitled to vote as a class on a proposed amendment to the bylaws if  
3 the amendment would:

4 (a) Affect the rights, privileges, preferences, restrictions, or  
5 conditions of that class as to voting, dissolution, redemption, or  
6 transfer of memberships in a manner different than such amendment would  
7 affect another class;

8 (b) Change the rights, privileges, preferences, restrictions, or  
9 conditions of that class as to voting, dissolution, redemption, or  
10 transfer by changing the rights, privileges, preferences, restrictions,  
11 or conditions of another class;

12 (c) Increase or decrease the number of memberships authorized for  
13 that class;

14 (d) Increase the number of memberships authorized for another  
15 class;

16 (e) Effect an exchange, reclassification, or termination of the  
17 memberships of that class; or

18 (f) Authorize a new class of memberships.

19 (3) The members of a class of a religious corporation are entitled  
20 to vote as a class on a proposed amendment to the bylaws only if a  
21 class vote is provided for in the articles or bylaws.

22 (4) If a class is to be divided into two or more classes as a  
23 result of an amendment to the bylaws of a public benefit or mutual  
24 benefit corporation, the amendment must be approved by the members of  
25 each class that would be created by the amendment.

26 (5) If a class vote is required to approve an amendment to the  
27 bylaws, the amendment must be approved by the members of the class by  
28 two-thirds of the votes cast by the class or a majority of the voting  
29 power of the class, whichever is less.

30 (6) A class of members of a public benefit or mutual benefit  
31 corporation is entitled to the voting rights granted under this section  
32 although the bylaws provide that the class may not vote on the proposed  
33 amendment.

34 NEW SECTION. **Sec. 1012.** APPROVAL BY THIRD PERSONS. The articles  
35 may require an amendment to the articles or bylaws to be approved in  
36 writing by a specified person or persons other than the board. Such an  
37 article provision may only be amended with the approval in writing of  
38 the specified person or persons.



1 (c) The manner and basis, if any, of converting the memberships of  
2 each public benefit or religious corporation into memberships of the  
3 surviving corporation; and

4 (d) If the merger involves a mutual benefit corporation, the manner  
5 and basis, if any, of converting memberships of each merging  
6 corporation into memberships, obligations, or securities of the  
7 surviving or any other corporation or into cash or other property in  
8 whole or part.

9 (3) The plan of merger may set forth:

10 (a) Amendments to the articles of incorporation or bylaws of the  
11 surviving corporation to be effected by the planned merger; and

12 (b) Other provisions relating to the planned merger.

13 NEW SECTION. **Sec. 1102.** LIMITATIONS ON MERGERS BY PUBLIC BENEFIT  
14 OR RELIGIOUS CORPORATIONS. (1) Without the prior approval of the  
15 superior court in a proceeding of which the attorney general has been  
16 given notice, a public benefit or religious corporation may merge only  
17 with:

18 (a) A public benefit or religious corporation;

19 (b) A foreign corporation that would qualify under this title as a  
20 public benefit or religious corporation;

21 (c) A wholly owned foreign or domestic business or mutual benefit  
22 corporation, if the public benefit or religious corporation is the  
23 surviving corporation and continues to be a public benefit or religious  
24 corporation after the merger; or

25 (d) A business or mutual benefit corporation, if:

26 (i) On or before the effective date of the merger, assets with a  
27 value equal to the greater of the fair market value of the net tangible  
28 and intangible assets, including goodwill, of the public benefit  
29 corporation or the fair market value of the public benefit corporation  
30 if it were to be operated as a business concern are transferred or  
31 conveyed to one or more persons who would have received its assets  
32 under section 1406(1) (e) and (f) of this act had it dissolved;

33 (ii) It returns, transfers, or conveys assets held by it upon  
34 condition requiring return, transfer, or conveyance, which condition  
35 occurs by reason of the merger, in accordance with the condition; and

36 (iii) The merger is approved by a majority of directors of the  
37 public benefit or religious corporation who are not and will not become

1 members or shareholders in or officers, employees, agents, or  
2 consultants of the surviving corporation.

3 (2) At least twenty days before consummation of a merger of a  
4 public benefit corporation or a religious corporation under subsection  
5 (1)(d) of this section, notice, including a copy of the proposed plan  
6 of merger, must be delivered to the attorney general.

7 (3) Without the prior written consent of the attorney general or of  
8 the superior court in a proceeding in which the attorney general has  
9 been given notice, a member of a public benefit or religious  
10 corporation may not receive or keep anything as a result of a merger  
11 other than a membership or membership in the surviving public benefit  
12 or religious corporation. The court shall approve the transaction if  
13 it is in the public interest.

14 NEW SECTION. Sec. 1103. ACTION ON PLAN BY BOARD, MEMBERS, AND  
15 THIRD PERSONS. (1) Unless this title, the articles, bylaws, or the  
16 board of directors or members acting under subsection (3) of this  
17 section require a greater vote or voting by class, a plan of merger to  
18 be adopted must be approved:

19 (a) By the board;

20 (b) By the members, if any, by either two-thirds of the votes cast  
21 or a majority of the voting power, whichever is less; and

22 (c) In writing by a person or persons whose approval is required by  
23 a provision of the articles authorized under section 1012 of this act  
24 for an amendment to the articles or bylaws.

25 (2) If the corporation does not have members, the merger must be  
26 approved by a majority of the directors in office at the time the  
27 merger is approved. In addition, the corporation shall provide notice  
28 of a directors' meeting at which the approval is to be obtained in  
29 accordance with section 816(3) of this act. The notice must also state  
30 that the purpose, or one of the purposes, of the meeting is to consider  
31 the proposed merger.

32 (3) The board may condition its submission of the proposed merger,  
33 and the members may condition their approval of the merger, on receipt  
34 of a higher percentage of affirmative votes or on any other basis.

35 (4) If the board seeks to have the plan approved by the members at  
36 a membership meeting, the corporation shall give notice to its members  
37 of the proposed membership meeting in accordance with section 705 of  
38 this act. The notice must also state that the purpose, or one of the

1 purposes, of the meeting is to consider the plan of merger and contain  
2 or be accompanied by a copy or summary of the plan. The copy or  
3 summary of the plan for members of the surviving corporation must  
4 include any provision that, if contained in a proposed amendment to the  
5 articles of incorporation or bylaws, would entitle members to vote on  
6 the provision. The copy or summary of the plan for members of the  
7 disappearing corporation must include a copy or summary of the articles  
8 and bylaws that will be in effect immediately after the merger takes  
9 effect.

10 (5) If the board seeks to have the plan approved by the members by  
11 written consent or written ballot, the material soliciting the approval  
12 must contain or be accompanied by a copy or summary of the plan. The  
13 copy or summary of the plan for members of the surviving corporation  
14 must include any provision that, if contained in a proposed amendment  
15 to the articles of incorporation or bylaws, would entitle members to  
16 vote on the provision. The copy or summary of the plan for members of  
17 the disappearing corporation must include a copy or summary of the  
18 articles and bylaws that will be in effect immediately after the merger  
19 takes effect.

20 (6) Voting by a class of members is required on a plan of merger if  
21 the plan contains a provision that, if contained in a proposed  
22 amendment to articles of incorporation or bylaws, would entitle the  
23 class of members to vote as a class on the proposed amendment under  
24 section 1004 or 1011 of this act. The plan is approved by a class of  
25 members by either two-thirds of the votes cast by the class or a  
26 majority of the voting power of the class, whichever is less.

27 (7) After a merger is adopted, and at any time before articles of  
28 merger are filed, the planned merger may be abandoned, subject to  
29 contractual rights, without further action by members or other persons  
30 who approved the plan in accordance with the procedure set forth in the  
31 plan of merger or, if none is set forth, in the manner determined by  
32 the board of directors.

33 NEW SECTION. **Sec. 1104.** ARTICLES OF MERGER. After a plan of  
34 merger is approved by the board of directors, and if required under  
35 section 1103 of this act, by the members and other persons, the  
36 surviving or acquiring corporation shall deliver to the secretary of  
37 state articles of merger setting forth:

38 (1) The plan of merger;

1 (2) If approval of members was not required, a statement to that  
2 effect and a statement that the plan was approved by a sufficient vote  
3 of the board of directors;

4 (3) If approval by members was required:

5 (a) The designation, number of memberships outstanding, number of  
6 votes entitled to be cast by each class entitled to vote separately on  
7 the plan, and number of votes of each class indisputably voting on the  
8 plan; and

9 (b) Either the total number of votes cast for and against the plan  
10 by each class entitled to vote separately on the plan or the total  
11 number of undisputed votes cast for the plan by each class and a  
12 statement that the number cast for the plan by each class was  
13 sufficient for approval by that class;

14 (4) If approval of the plan by some person or persons other than  
15 the members or the board is required under section 1103(1)(c) of this  
16 act, a statement that the approval was obtained.

17 NEW SECTION. **Sec. 1105.** EFFECT OF MERGER. When a merger takes  
18 effect:

19 (1) Every other corporation party to the merger merges into the  
20 surviving corporation and the separate existence of every corporation  
21 except the surviving corporation ceases;

22 (2) The title to all real estate and other property owned by each  
23 corporation party to the merger is vested in the surviving corporation  
24 without reversion or impairment subject to all conditions to which the  
25 property was subject before the merger;

26 (3) The surviving corporation has all liabilities and obligations  
27 of each corporation party to the merger;

28 (4) A proceeding pending against a corporation party to the merger  
29 may be continued as if the merger did not occur or the surviving  
30 corporation may be substituted in the proceeding for the corporation  
31 whose existence ceased; and

32 (5) The articles of incorporation and bylaws of the surviving  
33 corporation are amended to the extent provided in the plan of merger.

34 NEW SECTION. **Sec. 1106.** MERGER WITH FOREIGN CORPORATION. (1)  
35 Except as provided in section 1102 of this act, one or more foreign  
36 business or nonprofit corporations may merge with one or more domestic  
37 nonprofit corporations if:

1 (a) The merger is permitted by the law of the state or country  
2 under whose law each foreign corporation is incorporated and each  
3 foreign corporation complies with that law in effecting the merger;

4 (b) The foreign corporation complies with section 1104 of this act  
5 if it is the surviving corporation of the merger; and

6 (c) Each domestic nonprofit corporation complies with the  
7 applicable provisions of sections 1101 through 1103 of this act and, if  
8 it is the surviving corporation of the merger, with section 1104 of  
9 this act.

10 (2) Upon the merger taking effect, the surviving foreign business  
11 or nonprofit corporation is deemed to have irrevocably appointed the  
12 secretary of state as its agent for service of process in any  
13 proceeding brought against it.

14 NEW SECTION. **Sec. 1107.** BEQUESTS, DEVISES, AND GIFTS. Any  
15 bequest, devise, gift, grant, or promise contained in a will or other  
16 instrument of donation, subscription, or conveyance, that is made to a  
17 constituent corporation and that takes effect or remains payable after  
18 the merger, inures to the surviving corporation unless the will or  
19 other instrument otherwise specifically provides.

20 **PART XII**  
21 **SALE OF ASSETS**

22 NEW SECTION. **Sec. 1201.** SALE OF ASSETS IN REGULAR COURSE OF  
23 ACTIVITIES AND MORTGAGE OF ASSETS. (1) A corporation may on the terms  
24 and conditions and for the consideration determined by the board of  
25 directors:

26 (a) Sell, lease, exchange, or otherwise dispose of all, or  
27 substantially all, of its property in the usual and regular course of  
28 its activities; or

29 (b) Mortgage, pledge, dedicate to the repayment of indebtedness,  
30 whether with or without recourse, or otherwise encumber any or all of  
31 its property whether or not in the usual and regular course of its  
32 activities.

33 (2) Unless the articles require it, approval of the members or  
34 another person of a transaction described in subsection (1) of this  
35 section is not required.

1        NEW SECTION.    **Sec. 1202.**    SALE OF ASSETS OTHER THAN IN REGULAR

2 COURSE OF ACTIVITIES. (1) A corporation may sell, lease, exchange, or  
3 otherwise dispose of all, or substantially all, of its property, with  
4 or without the goodwill, other than in the usual and regular course of  
5 its activities on the terms and conditions and for the consideration  
6 determined by the corporation's board if the proposed transaction is  
7 authorized under subsection (2) of this section.

8        (2) Unless this title, the articles, bylaws, or the board of  
9 directors or members acting under subsection (4) of this section,  
10 require a greater vote or voting by class, the proposed transaction to  
11 be authorized must be approved:

12        (a) By the board;

13        (b) By the members by either two-thirds of the votes cast or a  
14 majority of the voting power, whichever is less; and

15        (c) In writing by a person or persons whose approval is required by  
16 a provision of the articles authorized under section 1012 of this act  
17 for an amendment to the articles or bylaws.

18        (3) If the corporation does not have members, the transaction must  
19 be approved by a vote of a majority of the directors in office at the  
20 time the transaction is approved. In addition, the corporation shall  
21 provide notice of a directors' meeting at which the approval is to be  
22 obtained in accordance with section 816(3) of this act. The notice  
23 must also state that the purpose, or one of the purposes, of the  
24 meeting is to consider the sale, lease, exchange, or other disposition  
25 of all, or substantially all, of the property or assets of the  
26 corporation and contain or be accompanied by a copy or summary of a  
27 description of the transaction.

28        (4) The board may condition its submission of the proposed  
29 transaction, and the members may condition their approval of the  
30 transaction, on receipt of a higher percentage of affirmative votes or  
31 on any other basis.

32        (5) If the corporation seeks to have the transaction approved by  
33 the members at a membership meeting, the corporation shall give notice  
34 to its members of the proposed membership meeting in accordance with  
35 section 705 of this act. The notice must also state that the purpose,  
36 or one of the purposes, of the meeting is to consider the sale, lease,  
37 exchange, or other disposition of all, or substantially all, of the  
38 property or assets of the corporation and contain or be accompanied by  
39 a copy or summary of a description of the transaction.

1 (6) If the board needs to have the transaction approved by the  
2 members by written consent or written ballot, the material soliciting  
3 the approval must contain or be accompanied by a copy or summary of a  
4 description of the transaction.

5 (7) A public benefit or religious corporation shall give written  
6 notice to the attorney general twenty days before it sells, leases,  
7 exchanges, or otherwise disposes of all, or substantially all, of its  
8 property if the transaction is not in the usual and regular course of  
9 its activities unless the attorney general has given the corporation a  
10 written waiver of this subsection.

11 (8) After a sale, lease, exchange, or other disposition of property  
12 is authorized, the transaction may be abandoned, subject to contractual  
13 rights, without further action by the members or other person who  
14 approved the transaction in accordance with the procedure set forth in  
15 the resolution proposing the transaction or, if none is set forth, in  
16 the manner determined by the board of directors.

17 **PART XIII**  
18 **DISTRIBUTIONS**

19 NEW SECTION. **Sec. 1301.** PROHIBITED DISTRIBUTIONS. Except as  
20 authorized under section 1302 of this act, a corporation may not make  
21 distributions.

22 NEW SECTION. **Sec. 1302.** AUTHORIZED DISTRIBUTIONS. (1) A mutual  
23 benefit corporation may purchase its memberships if after the purchase  
24 is completed:

25 (a) The corporation would be able to pay its debts as they become  
26 due in the usual course of its activities; and

27 (b) The corporation's total assets would at least equal the sum of  
28 its total liabilities.

29 (2) Corporations may make distributions upon dissolution in  
30 conformity with chapter --.-- RCW (sections 1401 through 1417 of this  
31 act).

32 **PART XIV**  
33 **DISSOLUTION**

1        NEW SECTION.    **Sec. 1401.**    DISSOLUTION BY INCORPORATORS OR DIRECTORS  
2    AND THIRD PERSONS.    (1) A majority of the incorporators or directors of  
3    a corporation that has no members may, subject to approval required by  
4    the articles or bylaws, dissolve the corporation by delivering to the  
5    secretary of state articles of dissolution.

6        (2) The corporation shall give notice of a meeting at which  
7    dissolution will be approved. The notice must be in accordance with  
8    section 816(3) of this act. The notice must also state that the  
9    purpose, or one of the purposes, of the meeting is to consider  
10   dissolution of the corporation.

11       (3) The incorporators or directors in approving dissolution shall  
12   adopt a plan of dissolution indicating to whom the assets owned or held  
13   by the corporation will be distributed after all creditors have been  
14   paid.

15       NEW SECTION.    **Sec. 1402.**    DISSOLUTION BY DIRECTORS, MEMBERS, AND  
16   THIRD PERSONS.    (1) Unless this title, the articles, bylaws, or the  
17   board of directors or members, acting under subsection (3) of this  
18   section, require a greater vote or voting by class, dissolution is  
19   authorized if it is approved:

20        (a) By the board;

21        (b) By the members, if any, by either two-thirds of the votes cast  
22   or a majority of the voting power, whichever is less;

23        (c) In writing by a person or persons whose approval is required  
24   under the articles authorized under section 1012 of this act, or an  
25   amendment to the articles or bylaws.

26        (2) If the corporation does not have members, dissolution must be  
27   approved by a vote of the majority of the directors in office at the  
28   time the transaction is approved. In addition, the corporation shall  
29   provide notice of any directors' meeting at which the approval is to be  
30   obtained in accordance with section 816(3) of this act. The notice  
31   must also state that the purpose, or one of the purposes, of the  
32   meeting is to consider dissolution of the corporation and contain or be  
33   accompanied by a copy or summary of the plan of dissolution.

34        (3) The board may condition its submission of the proposed  
35   dissolution, and the members may condition their approval of the  
36   dissolution on receipt of a higher percentage of affirmative votes or  
37   on another basis.

1 (4) If the board seeks to have dissolution approved by the members  
2 at a membership meeting, the corporation shall give notice to its  
3 members of the proposed membership meeting in accordance with section  
4 705 of this act. The notice must also state that the purpose, or one  
5 of the purposes, of the meeting is to consider dissolving the  
6 corporation and contain or be accompanied by a copy or summary of the  
7 plan of dissolution.

8 (5) If the board seeks to have dissolution approved by the members  
9 by written consent or written ballot, the material soliciting the  
10 approval must contain or be accompanied by a copy or summary of the  
11 plan of dissolution.

12 (6) The plan of dissolution must indicate to whom the assets owned  
13 or held by the corporation will be distributed after all creditors have  
14 been paid.

15 NEW SECTION. **Sec. 1403.** NOTICES TO THE ATTORNEY GENERAL. (1) A  
16 public benefit or religious corporation shall give the attorney general  
17 written notice that it intends to dissolve at or before the time it  
18 delivers articles of dissolution to the secretary of state. The notice  
19 must include a copy or summary of the plan of dissolution.

20 (2) An asset may not be transferred or conveyed by a public benefit  
21 or religious corporation as part of the dissolution process until  
22 twenty days after it has given the written notice required under  
23 subsection (1) of this section to the attorney general or until the  
24 attorney general has consented in writing to the dissolution, or  
25 indicated in writing that the attorney general will take no action in  
26 respect to, either the transfer or conveyance, whichever is earlier.

27 (3) When all or substantially all of the assets of a public benefit  
28 corporation have been transferred or conveyed following approval of  
29 dissolution, the board shall deliver to the attorney general a list  
30 showing those, other than creditors, to whom assets were transferred or  
31 conveyed. The list must indicate the addresses of each person, other  
32 than creditors, who received assets and indicate what assets each  
33 received.

34 NEW SECTION. **Sec. 1404.** ARTICLES OF DISSOLUTION. (1) At any time  
35 after dissolution is authorized, the corporation may dissolve by  
36 delivering to the secretary of state articles of dissolution setting  
37 forth:

- 1 (a) The name of the corporation;
- 2 (b) The date dissolution was authorized;
- 3 (c) A statement that dissolution was approved by a sufficient vote  
4 of the board;
- 5 (d) If approval of members was not required, a statement to that  
6 effect and a statement that dissolution was approved by a sufficient  
7 vote of the board of directors or incorporators;
- 8 (e) If approval by members was required:
- 9 (i) The designation, number of memberships outstanding, number of  
10 votes entitled to be cast by each class entitled to vote separately on  
11 dissolution, and number of votes of each class indisputably voting on  
12 dissolution; and
- 13 (ii) Either the total number of votes cast for and against  
14 dissolution by each class entitled to vote separately on dissolution or  
15 the total number of undisputed votes cast for dissolution by each class  
16 and a statement that the number cast for dissolution by each class was  
17 sufficient for approval by that class;
- 18 (f) If approval of dissolution by some person or persons other than  
19 the members, the board, or the incorporators is required under section  
20 1402(1)(c) of this act, a statement that the approval was obtained; and
- 21 (g) If the corporation is a public benefit or religious  
22 corporation, that the notice to the attorney general required under  
23 section 1403(1) of this act has been given.
- 24 (2) The secretary of state may not accept articles of dissolution  
25 for filing unless accompanied by a copy of a revenue clearance  
26 certificate issued under RCW 82.32.260.
- 27 (3) A corporation is dissolved upon the effective date of its  
28 articles of dissolution.

29 NEW SECTION. **Sec. 1405.** REVOCATION OF DISSOLUTION. (1) A  
30 corporation may revoke its dissolution within one hundred twenty days  
31 of the revocation's effective date.

32 (2) Revocation of dissolution must be authorized in the same manner  
33 as the dissolution was authorized unless that authorization permitted  
34 revocation by action of the board of directors alone, in which event  
35 the board of directors may revoke the dissolution without action by the  
36 members or another person.

37 (3) After the revocation of dissolution is authorized, the  
38 corporation may revoke the dissolution by delivering to the secretary

1 of state for filing articles of revocation of dissolution, together  
2 with a copy of its articles of dissolution, that set forth:

3 (a) The name of the corporation;

4 (b) The effective date of the dissolution that was revoked;

5 (c) The date that the revocation of dissolution was authorized;

6 (d) If the corporation's board of directors or incorporators  
7 revoked the dissolution, a statement to that effect;

8 (e) If the corporation's board of directors revoked a dissolution  
9 authorized by the members alone or in conjunction with another person  
10 or persons, a statement that revocation was permitted by action of the  
11 board of directors alone pursuant to that authorization; and

12 (f) If a member or third person was required to revoke the  
13 dissolution, the information required under section 1404(1) (e) and (f)  
14 of this act.

15 (4) Revocation of dissolution is effective upon the effective date  
16 of the articles of revocation of dissolution.

17 (5) When the revocation of dissolution is effective, it relates  
18 back to and takes effect as of the effective date of the dissolution  
19 and the corporation resumes carrying on its activities as if  
20 dissolution had never occurred.

21 NEW SECTION. **Sec. 1406.** EFFECT OF DISSOLUTION. (1) A dissolving  
22 corporation continues its corporate existence but may not carry on  
23 activities except those appropriate to wind up and liquidate its  
24 affairs, including:

25 (a) Preserving and protecting its assets and minimizing its  
26 liabilities;

27 (b) Discharging or making provision for discharging its liabilities  
28 and obligations;

29 (c) Disposing of its properties that will not be distributed in  
30 kind;

31 (d) Returning, transferring, or conveying assets held by the  
32 corporation upon a condition requiring return, transfer, or conveyance,  
33 which condition occurs by reason of the dissolution, in accordance with  
34 the condition;

35 (e) Transferring, subject to contractual legal requirements, its  
36 assets as provided in or authorized by its articles of incorporation or  
37 bylaws;

1 (f) If the corporation is a public benefit or religious corporation  
2 and no provision has been made in its articles or bylaws for  
3 distribution of assets on dissolution, transferring, subject to  
4 contractual or legal requirement, its assets:

5 (i) To one or more persons described in section 501(c)(3) of the  
6 internal revenue code of 1954; or

7 (ii) If the dissolved corporation is not described in section  
8 501(c)(3) of the internal revenue code of 1954, to one or more public  
9 benefit or religious corporations;

10 (g) If the corporation is a mutual benefit corporation and no  
11 provision has been made in its articles or bylaws for distribution of  
12 assets on dissolution, transferring its assets to its members or, if it  
13 has no members, to those persons whom the corporation holds itself out  
14 as benefiting or serving; and

15 (h) Doing every other act necessary to wind up and liquidate its  
16 assets and affairs.

17 (2) Dissolution of a corporation does not:

18 (a) Transfer title to the corporation's property;

19 (b) Subject its directors or officers to standards of conduct  
20 different from those prescribed in chapter --- RCW (sections 801  
21 through 838 of this act);

22 (c) Change: Quorum or voting requirements for its board or  
23 members; provisions for selection, resignation, or removal of either  
24 its directors or officers, or both; or provisions for amending its  
25 bylaws;

26 (d) Prevent commencement of a proceeding by or against the  
27 corporation in its corporate name;

28 (e) Abate or suspend a proceeding pending by or against the  
29 corporation on the effective date of dissolution; or

30 (f) Terminate the authority of the registered agent.

31 NEW SECTION. **Sec. 1407.** KNOWN CLAIMS AGAINST DISSOLVED  
32 CORPORATION. (1) A dissolved corporation may dispose of the known  
33 claims against it by following the procedure described in this section.

34 (2) The dissolved corporation shall notify its known claimants in  
35 writing of the dissolution at any time after the dissolution's  
36 effective date. The written notice must:

37 (a) Describe information that must be included in a claim;

38 (b) Provide a mailing address where a claim may be sent;

1 (c) State the deadline, which may not be fewer than one hundred  
2 twenty days from the effective date of the written notice, by which the  
3 dissolved corporation must receive the claim; and

4 (d) State that the claim will be barred if not received by the  
5 deadline.

6 (3) A claim against the dissolved corporation is barred:

7 (a) If a claimant who was given written notice under subsection (2)  
8 of this section does not deliver the claim to the dissolved corporation  
9 by the deadline; or

10 (b) If a claimant whose claim was rejected by the dissolved  
11 corporation does not commence a proceeding to enforce the claim within  
12 ninety days from the effective date of the rejection notice.

13 (4) For purposes of this section, "claim" does not include a  
14 contingent liability or a claim based on an event occurring after the  
15 effective date of dissolution.

16 NEW SECTION. **Sec. 1408.** UNKNOWN CLAIMS AGAINST DISSOLVED  
17 CORPORATION. (1) A dissolved corporation may also publish notice of  
18 its dissolution and request that persons with claims against the  
19 corporation present them in accordance with the notice.

20 (2) The notice must:

21 (a) Be published one time in a newspaper of general circulation in  
22 the county where the dissolved corporation's principal office or, if  
23 none in the state of Washington, its registered office is or was last  
24 located;

25 (b) Describe the information that must be included in a claim and  
26 provide a mailing address where the claim may be sent; and

27 (c) State that a claim against the corporation will be barred  
28 unless a proceeding to enforce the claim is commenced within five years  
29 after publication of the notice.

30 (3) If the dissolved corporation publishes a newspaper notice under  
31 subsection (2) of this section, the claim of each of the following  
32 claimants is barred unless the claimant commences a proceeding to  
33 enforce the claim against the dissolved corporation within five years  
34 after the publication date of the newspaper notice:

35 (a) A claimant who did not receive written notice under section  
36 1407 of this act;

37 (b) A claimant whose claim was timely sent to the dissolved  
38 corporation but not acted on; and

1 (c) A claimant whose claim is contingent or based on an event  
2 occurring after the effective date of dissolution.

3 (4) A claim may be enforced under this section:

4 (a) Against the dissolved corporation, to the extent of its  
5 undistributed assets; or

6 (b) If the assets have been distributed in liquidation, against a  
7 person, other than a creditor of the corporation, to whom the  
8 corporation distributed its property to the extent of either the  
9 distributee's pro rata share of the claim or the corporate assets  
10 distributed to such person in liquidation, whichever is less, but the  
11 distributee's total liability for all claims under this section may not  
12 exceed the total amount of assets distributed to the distributee.

13 NEW SECTION. **Sec. 1409.** GROUNDS FOR ADMINISTRATIVE DISSOLUTION.

14 The secretary of state may commence a proceeding under section 1410 of  
15 this act to administratively dissolve a corporation if:

16 (1) The corporation does not pay within sixty days after they are  
17 due any taxes or penalties imposed by this title or other law;

18 (2) The corporation does not deliver its annual report to the  
19 secretary of state within sixty days after it is due;

20 (3) The corporation is without a registered agent or registered  
21 office in this state for sixty days or more;

22 (4) The corporation does not notify the secretary of state within  
23 sixty days that its registered agent or registered office has been  
24 changed, that its registered agent has resigned, or that its registered  
25 office has been discontinued; or

26 (5) The corporation's period of duration, if any, stated in its  
27 articles of incorporation expires.

28 NEW SECTION. **Sec. 1410.** PROCEDURE FOR AND EFFECT OF

29 ADMINISTRATIVE DISSOLUTION. (1) Upon determining that one or more  
30 grounds exist under section 1409 of this act for dissolving a  
31 corporation, the secretary of state shall serve the corporation with  
32 written notice of that determination by first class mail, addressed to  
33 the registered agent or to the secretary of the corporation at its  
34 principal office as it appears on the records of the secretary of  
35 state.

36 (2) If the corporation does not correct each ground for dissolution  
37 or demonstrate to the reasonable satisfaction of the secretary of state

1 that each ground determined by the secretary of state does not exist  
2 within at least sixty days after service of the notice is perfected  
3 under subsection (1) of this section, the secretary of state may  
4 administratively dissolve the corporation by signing a certificate of  
5 dissolution that recites the ground or grounds for dissolution and its  
6 effective date. The secretary of state shall file the original  
7 certificate and serve a copy on the corporation under subsection (1) of  
8 this section.

9 (3) A corporation administratively dissolved continues its  
10 corporate existence but may not carry on any activities except those  
11 necessary to wind up and liquidate its affairs under section 1406 of  
12 this act and notify its claimants under sections 1407 and 1408 of this  
13 act.

14 (4) The administrative dissolution of a corporation does not  
15 terminate the authority of its registered agent.

16 NEW SECTION. **Sec. 1411.** REINSTATEMENT FOLLOWING ADMINISTRATIVE  
17 DISSOLUTION. (1) A corporation administratively dissolved under  
18 section 1410 of this act may apply to the secretary of state for  
19 reinstatement within three years after the effective date of  
20 dissolution. The application must:

21 (a) Recite the name of the corporation and the effective date of  
22 its administrative dissolution;

23 (b) State that the ground or grounds for dissolution either did not  
24 exist or have been eliminated;

25 (c) State that the corporation's name satisfies the requirements of  
26 section 401 of this act; and

27 (d) If the secretary of state included the failure of the  
28 corporation to pay any tax or penalty as a ground for administrative  
29 dissolution, contain a certificate from the appropriate taxing  
30 authority reciting that all taxes owed by the corporation have been  
31 paid.

32 (2) If the secretary of state determines that the application  
33 contains the information required under subsection (1) of this section  
34 and that the information is correct, the secretary of state shall  
35 cancel the certificate of dissolution and prepare a certificate of  
36 reinstatement reciting that determination and the effective date of  
37 reinstatement, file the original of the certificate, and serve a copy  
38 on the corporation under section 1410(1) of this act.

1 (3) When reinstatement is effective, it relates back to and takes  
2 effect as of the effective date of the administrative dissolution and  
3 the corporation may resume carrying on its activities as if the  
4 administrative dissolution had never occurred.

5 NEW SECTION. **Sec. 1412.** APPEAL FROM DENIAL OF REINSTATEMENT. (1)  
6 The secretary of state, upon denying a corporation's application for  
7 reinstatement following administrative dissolution, shall serve the  
8 corporation under section 1410(1) of this act with a written notice  
9 that explains the reason or reasons for denial.

10 (2) The corporation may appeal the denial of reinstatement to the  
11 superior court of Thurston county or of the county in which the  
12 corporation's principal office or, if none in the state of Washington,  
13 the registered office is located within ninety days after service of  
14 the notice of denial is perfected. The corporation appeals by  
15 petitioning the court to set aside the dissolution and attaching to the  
16 petition copies of the secretary of state's certificate of dissolution,  
17 the corporation's application for reinstatement, and the secretary of  
18 state's notice of denial.

19 (3) The court may summarily order the secretary of state to  
20 reinstate the dissolved corporation or may take other action the court  
21 considers appropriate.

22 (4) The court's final decision may be appealed as in other civil  
23 proceedings.

24 NEW SECTION. **Sec. 1413.** GROUNDS FOR JUDICIAL DISSOLUTION. (1)  
25 The superior court may dissolve a corporation:

26 (a) In a proceeding by the attorney general if it is established  
27 that:

28 (i) The corporation obtained its articles of incorporation through  
29 fraud;

30 (ii) The corporation has continued to exceed or abuse the authority  
31 conferred upon it by law;

32 (iii) The corporation is a public benefit corporation and the  
33 corporate assets are being misapplied or wasted; or

34 (iv) The corporation is a public benefit corporation and is no  
35 longer able to carry out its purposes;

36 (b) Except as provided in the articles or bylaws of a religious  
37 corporation, in a proceeding by either fifty members or members holding

1 five percent of the voting power, whichever is less, or by a director  
2 or a person specified in the articles, if it is established that:

3 (i) The directors are deadlocked in the management of the corporate  
4 affairs and the members, if any, are unable to breach the deadlock;

5 (ii) The directors or those in control of the corporation have  
6 acted, are acting, or will act in a manner that is illegal, oppressive,  
7 or fraudulent;

8 (iii) The members are deadlocked in voting power and have failed,  
9 for a period that includes at least two consecutive annual meeting  
10 dates, to elect successors to directors whose terms have, or would  
11 otherwise have, expired;

12 (iv) The corporate assets are being misapplied or wasted; or

13 (v) The corporation is a public benefit or religious corporation  
14 and is no longer able to carry out its purposes;

15 (c) In a proceeding by a creditor if it is established that:

16 (i) The creditor's claim has been reduced to judgment, the  
17 execution on the judgment returned unsatisfied, and the corporation is  
18 insolvent; or

19 (ii) The corporation has admitted in writing that the creditor's  
20 claim is due and owing and the corporation is insolvent; or

21 (d) In a proceeding by the corporation to have its voluntary  
22 dissolution continued under court supervision.

23 (2) Before dissolving a corporation, the court shall consider  
24 whether:

25 (a) There are reasonable alternatives to dissolution;

26 (b) Dissolution is in the public interest if the corporation is a  
27 public benefit corporation; and

28 (c) Dissolution is the best way of protecting the interest of  
29 members, if the corporation is a mutual benefit corporation.

30 NEW SECTION. Sec. 1414. PROCEDURE FOR JUDICIAL DISSOLUTION. (1)  
31 Venue for a proceeding brought under section 1413 of this act lies in  
32 Thurston county or in the county where a corporation's principal office  
33 or, if none in the state of Washington, its registered office is or was  
34 last located.

35 (2) It is not necessary to make directors or members parties to a  
36 proceeding to dissolve a corporation unless relief is sought against  
37 them individually.

1 (3) A court in a proceeding brought to dissolve a corporation may  
2 issue injunctions, appoint a receiver or custodian pen dente lite with  
3 all powers and duties the court directs, take other action required to  
4 preserve the corporate assets wherever located, and carry on the  
5 activities of the corporation until a full hearing can be held.

6 (4) A person other than the attorney general who brings an  
7 involuntary dissolution proceeding for a public benefit or religious  
8 corporation shall without delay give notice of the proceeding to the  
9 attorney general who may intervene as of right.

10 NEW SECTION. **Sec. 1415.** RECEIVERSHIP OR CUSTODIANSHIP. (1) A  
11 court in a judicial proceeding brought to dissolve a public benefit or  
12 a municipal benefit corporation may appoint one or more receivers to  
13 wind up and liquidate, or one or more custodians to manage, the affairs  
14 of the corporation. The court shall hold a hearing, after notifying  
15 all parties to the proceeding and any interested persons designated by  
16 the court, before appointing a receiver or custodian. The court  
17 appointing a receiver or custodian has exclusive jurisdiction over the  
18 corporation and all of its property wherever located.

19 (2) The court may appoint an individual, or a domestic or foreign  
20 business or nonprofit corporation authorized to transact business in  
21 this state, as a receiver or custodian. The court may require the  
22 receiver or custodian to post bond, with or without sureties, in an  
23 amount the court directs.

24 (3) The court shall describe the powers and duties of the receiver  
25 or custodian in its appointing order, which may be amended from time to  
26 time. Among other powers:

27 (a) The receiver:

28 (i) May dispose of all or any part of the assets of the corporation  
29 wherever located, at a public or private sale, if authorized by the  
30 court. However, the receiver's power to dispose of the assets of the  
31 corporation is subject to any trust and other restrictions that would  
32 be applicable to the corporation; and

33 (ii) May sue and defend in the receiver's or custodian's name as  
34 receiver or custodian of the corporation in all courts of this state;  
35 and

36 (b) The custodian may exercise all of the powers of the  
37 corporation, through or in place of its board of directors or officers,

1 to the extent necessary to manage the affairs of the corporation in the  
2 best interests of its members and creditors.

3 (4) The court during a receivership may redesignate the receiver a  
4 custodian, and during a custodianship may redesignate the custodian a  
5 receiver, if doing so is in the best interests of the corporation, its  
6 members, and creditors.

7 (5) The court from time to time during the receivership or  
8 custodianship may order compensation paid and expense disbursements or  
9 reimbursements made to the receiver or custodian and the receiver or  
10 custodian's counsel from the assets of the corporation or proceeds from  
11 the sale of the assets.

12 NEW SECTION. Sec. 1416. DECREE OF DISSOLUTION. (1) If after a  
13 hearing the court determines that one or more grounds for judicial  
14 dissolution described in section 1413 of this act exist, the court may  
15 enter a decree dissolving the corporation and specifying the effective  
16 date of the dissolution. The clerk of the court shall deliver a  
17 certified copy of the decree to the secretary of state, who shall file  
18 the copy.

19 (2) After entering the decree of dissolution, the court shall  
20 direct the winding up and liquidation of the corporation's affairs  
21 under section 1406 of this act and the notification of its claimants  
22 under sections 1407 and 1408 of this act.

23 NEW SECTION. Sec. 1417. DEPOSIT WITH STATE TREASURER. (1) Assets  
24 of a dissolved corporation that should be transferred to a creditor,  
25 claimant, or member of the corporation who cannot be found or who is  
26 not competent to receive them must be reduced to cash subject to known  
27 trust restrictions and deposited with the state treasurer for safe  
28 keeping. However, in the state treasurer's discretion property may be  
29 received and held in kind. When the creditor, claimant, or member  
30 furnishes satisfactory proof of entitlement to the amount deposited or  
31 property held in kind, the state treasurer shall deliver to the  
32 creditor, member, or other person or his or her representative that  
33 amount of property.

34 (2) All money or other property remaining unclaimed for five years  
35 after deposit escheats to the state for the benefit of the permanent  
36 school fund. It is not necessary to have the escheat adjudged in a  
37 suit or action.



1 (2) The successor to a foreign corporation that transacted business  
2 in this state without a certificate of authority and the assignee of a  
3 cause of action arising out of that business may not maintain a  
4 proceeding on that cause of action in a court in the state of  
5 Washington until the foreign corporation or its successor obtains a  
6 certificate of authority.

7 (3) A court may stay a proceeding commenced by a foreign  
8 corporation, its successor, or assignee until it determines whether the  
9 foreign corporation or its successor requires a certificate of  
10 authority. If it so determines, the court may further stay the  
11 proceeding until the foreign corporation or its successor obtains the  
12 certificate.

13 (4) A foreign corporation that transacts business in the state of  
14 Washington without a certificate of authority is liable to this state,  
15 for the years or parts of years during which it transacted business in  
16 this state without a certificate of authority, in an amount equal to  
17 all fees that would have been imposed under this title upon the  
18 corporation had it applied for and received a certificate of authority  
19 as required under this title and thereafter filed all reports required  
20 under this title, plus all penalties imposed under this title for  
21 failure to pay the fees.

22 (5) Notwithstanding subsections (1) and (2) of this section, the  
23 failure of a foreign corporation to obtain a certificate of authority  
24 does not impair the validity of its corporate acts or prevent it from  
25 defending a proceeding in this state.

26 NEW SECTION. **Sec. 1503.** APPLICATION FOR CERTIFICATE OF AUTHORITY.

27 (1) A foreign corporation may apply for a certificate of authority to  
28 transact business in this state by delivering an application to the  
29 secretary of state. The application must set forth:

30 (a) The name of the foreign corporation or, if its name is  
31 unavailable for use in this state, a corporate name that satisfies  
32 section 1506 of this act;

33 (b) The name of the state or country under whose law it is  
34 incorporated;

35 (c) The date of incorporation and period of duration;

36 (d) The street address of its principal office;

37 (e) The address of its registered office in this state and the name  
38 of its registered agent at that office;

1 (f) The names and usual business or home addresses of its current  
2 directors and officers;

3 (g) Whether the foreign corporation has members; and

4 (h) Whether the corporation, if it had been incorporated in the  
5 state of Washington, would be a public benefit, mutual benefit, or  
6 religious corporation.

7 (2) The foreign corporation must deliver with the completed  
8 application a certificate of existence, or a document of similar  
9 import, duly authenticated by the secretary of state or other official  
10 having custody of corporate records in the state or country under whose  
11 law it is incorporated.

12 NEW SECTION. Sec. 1504. AMENDED CERTIFICATE OF AUTHORITY. (1) A  
13 foreign corporation authorized to transact business in this state shall  
14 obtain an amended certificate of authority from the secretary of state  
15 if it changes:

16 (a) Its corporate name;

17 (b) The period of its duration; or

18 (c) The state or country of its incorporation.

19 (2) The requirements of section 1503 of this act for obtaining an  
20 original certificate of authority apply to obtaining an amended  
21 certificate under this section.

22 NEW SECTION. Sec. 1505. EFFECT OF CERTIFICATE OF AUTHORITY. (1)  
23 A certificate of authority authorizes the foreign corporation to which  
24 it is issued to transact business in the state of Washington subject,  
25 however, to the right of the state to revoke the certificate as  
26 provided in this title.

27 (2) A foreign corporation with a valid certificate of authority has  
28 the same rights and enjoys the same privileges as and, except as  
29 otherwise provided by this title, is subject to the same duties,  
30 restrictions, penalties, and liabilities of a domestic corporation of  
31 like character.

32 (3) This title does not authorize this state to regulate the  
33 organization or internal affairs of a foreign corporation authorized to  
34 transact business in the state of Washington.

35 NEW SECTION. Sec. 1506. CORPORATE NAME OF FOREIGN CORPORATION.  
36 (1) If the corporate name of a foreign corporation does not satisfy

1 section 401 of this act, the foreign corporation, to obtain or maintain  
2 a certificate of authority to transact business in the state of  
3 Washington, may use a fictitious name to transact business in this  
4 state if its real name is unavailable and it delivers to the secretary  
5 of state for filing a copy of the resolution of its board of directors,  
6 certified by its secretary, adopting the fictitious name.

7 (2) Except as authorized under subsections (3) and (4) of this  
8 section, the corporate name, including a fictitious name, of a foreign  
9 corporation must be distinguishable upon the records of the secretary  
10 of state from:

11 (a) The corporate name of a nonprofit or business corporation  
12 incorporated or authorized to do business in Washington;

13 (b) A domestic or foreign limited liability company or limited  
14 partnership;

15 (c) A corporate name reserved or registered under section 402 or  
16 403 of this act, RCW 23B.04.020, 23B.04.030, or 25.15.015; and

17 (d) The fictitious name of another foreign business or nonprofit  
18 corporation authorized to transact business in Washington.

19 (3) A foreign corporation may apply to the secretary of state for  
20 authorization to use a name that is not distinguishable upon the  
21 secretary of state's records from the name applied for. The secretary  
22 of state shall authorize use of the name applied for if:

23 (a) The other entity consents to the use in writing and submits an  
24 undertaking in form satisfactory to the secretary of state to change  
25 its name to a name that is distinguishable upon the records of the  
26 secretary of state from the name of the applying corporation; or

27 (b) The applicant delivers to the secretary of state a certified  
28 copy of a final judgment of a court of competent jurisdiction  
29 establishing the applicant's right to use the name applied for in this  
30 state.

31 (4) A corporation may use the name, including the fictitious name,  
32 of another domestic or foreign business or nonprofit corporation that  
33 is used in the state of Washington if the other corporation is  
34 incorporated or authorized to do business in the state of Washington  
35 and the proposed user corporation:

36 (a) Has merged with the corporation;

37 (b) Has been formed by reorganization of the other corporation; or

38 (c) Has acquired all or substantially all of the assets, including  
39 the corporate name, of the other entity.

1 (5) If a foreign corporation authorized to transact business in  
2 this state changes its corporate name to one that does not satisfy  
3 section 401 of this act, it may not transact business in this state  
4 under the changed name until it adopts a name satisfying section 401 of  
5 this act and obtains an amended certificate of authority under section  
6 1504 of this act.

7 NEW SECTION. Sec. 1507. REGISTERED OFFICE AND REGISTERED AGENT OF  
8 FOREIGN CORPORATION. (1) A foreign corporation authorized to transact  
9 business in this state shall continuously maintain in this state:

10 (a) A registered office with the same address as that of its  
11 registered agent; and

12 (b) A registered agent, who may be:

13 (i) An individual who resides in this state and whose office is  
14 identical with the registered office;

15 (ii) A domestic business or nonprofit corporation or limited  
16 liability company whose office is identical with the registered office;

17 or

18 (iii) A foreign business or nonprofit corporation authorized to  
19 transact business in the state of Washington whose office is identical  
20 with the registered office.

21 (2) The registered office must satisfy the requirements of RCW  
22 23B.15.070(1)(a).

23 NEW SECTION. Sec. 1508. CHANGE OF REGISTERED OFFICE OR REGISTERED  
24 AGENT OF FOREIGN CORPORATION. (1) A foreign corporation authorized to  
25 transact business in the state of Washington may change its registered  
26 office or registered agent by delivering to the secretary of state for  
27 filing a statement of change that sets forth:

28 (a) Its name;

29 (b) If the current registered office is to be changed, the street  
30 address of its new registered office;

31 (c) If the current registered agent is to be changed, the name of  
32 its new registered agent and the new agent's written consent, either on  
33 the statement or attached to it, to the appointment; and

34 (d) That after the change or changes are made, the street addresses  
35 of its registered office and the office of its registered agent will be  
36 identical.

1 (2) If a registered agent changes the street address of its  
2 business office, the agent may change the address of the registered  
3 office of a foreign corporation for which the agent is the registered  
4 agent by notifying the corporation in writing of the change and  
5 signing, either manually or in facsimile, and delivering to the  
6 secretary of state for filing a statement of change that complies with  
7 subsection (1) of this section and recites that the corporation has  
8 been notified of the change.

9 NEW SECTION. **Sec. 1509.** RESIGNATION OF REGISTERED AGENT OF  
10 FOREIGN CORPORATION. (1) The registered agent of a foreign corporation  
11 may resign as agent by signing and delivering to the secretary of state  
12 for filing the original and an exact or conformed copy of a statement  
13 of resignation. The statement of resignation may include a statement  
14 that the registered office is also discontinued.

15 (2) After filing the statement the secretary of state shall mail  
16 the copy to the foreign corporation at its principal office address  
17 shown in its most recent annual report.

18 (3) The agency is terminated, and the registered office  
19 discontinued if so provided, on the thirty-first day after the date on  
20 which the statement was filed.

21 NEW SECTION. **Sec. 1510.** WITHDRAWAL OF FOREIGN CORPORATION. (1)  
22 A foreign corporation authorized to transact business in the state of  
23 Washington may not withdraw from this state until it obtains a  
24 certificate of withdrawal from the secretary of state.

25 (2) A foreign corporation authorized to transact business in the  
26 state of Washington may apply for a certificate of withdrawal by  
27 delivering an application to the secretary of state for filing. The  
28 application must set forth:

29 (a) The name of the foreign corporation and the name of the state  
30 or country under whose law it is incorporated;

31 (b) That it is not transacting business in the state of Washington  
32 and that it surrenders its authority to transact business in the state  
33 of Washington;

34 (c) That it revokes the authority of its registered agent to accept  
35 service of process in a proceeding based on a cause of action arising  
36 during the time it was authorized to do business in this state;

1 (d) A mailing address to which the secretary of state may mail a  
2 copy of a process served on the secretary of state under subsection (3)  
3 of this section; and

4 (e) A commitment to notify the secretary of state in the future of  
5 any change in the mailing address.

6 (3) The secretary of state may not accept articles of dissolution  
7 for filing unless accompanied by a copy of a revenue clearance  
8 certificate issued under RCW 82.32.260.

9 (4) After the withdrawal of the corporation is effective, service  
10 of process on the secretary of state under this section is service on  
11 the foreign corporation. Upon receipt of process, the secretary of  
12 state shall mail a copy of the process to the foreign corporation at  
13 the post office address set forth in its application for withdrawal or  
14 subsequent update.

15 NEW SECTION. **Sec. 1511.** GROUNDS FOR REVOCATION. (1) The  
16 secretary of state may commence a proceeding under section 1512 of this  
17 act to revoke the certificate of authority of a foreign corporation  
18 authorized to transact business in this state if:

19 (a) The foreign corporation does not deliver the annual report to  
20 the secretary of state within sixty days after it is due;

21 (b) The foreign corporation does not pay within sixty days after  
22 they are due franchise taxes or penalties imposed under this title or  
23 other law;

24 (c) The foreign corporation is without a registered agent or  
25 registered office in this state for sixty days or more;

26 (d) The foreign corporation does not inform the secretary of state  
27 under section 1508 or 1509 of this act that its registered agent or  
28 registered office has changed, that its registered agent has resigned,  
29 or that its registered office has been discontinued within ninety days  
30 of the change, resignation, or discontinuance;

31 (e) An incorporator, director, officer, or agent of the foreign  
32 corporation signed a document the person knew was false in a material  
33 respect with intent that the document be delivered to the secretary of  
34 state for filing; or

35 (f) The secretary of state received a duly authenticated  
36 certificate from the secretary of state or other official having  
37 custody of corporate records in the state or country under whose law

1 the foreign corporation is incorporated stating that it has been  
2 dissolved or disappeared as the result of a merger.

3 (2) The attorney general may commence a proceeding under section  
4 1512 of this act to revoke the certificate of authority of a foreign  
5 corporation authorized to transact business in this state if:

6 (a) The corporation has continued to exceed or abuse the authority  
7 conferred upon it by law;

8 (b) The corporation would have been a public benefit corporation  
9 had it been incorporated in the state of Washington and its corporate  
10 assets in this state are being misapplied or wasted; or

11 (c) The corporation would have been a public benefit corporation  
12 had it been incorporated in the state of Washington and it is no longer  
13 able to carry out its purposes.

14 NEW SECTION. **Sec. 1512.** PROCEDURE AND EFFECT OF REVOCATION. (1)  
15 The secretary of state, upon determining that one or more grounds exist  
16 under section 1511(1) of this act for revocation of a certificate of  
17 authority shall serve the foreign corporation with written notice of  
18 that determination by registered or certified mail, return receipt  
19 requested, addressed to the registered agent or to the secretary of the  
20 corporation at its principal office as it appears on the records of the  
21 secretary of state.

22 (2) The attorney general upon determining that one or more grounds  
23 exist under section 1511(2) of this act for revocation of a certificate  
24 of authority shall request the secretary of state to serve, and the  
25 secretary of state shall serve, the foreign corporation with written  
26 notice of that determination as provided in subsection (1) of this  
27 section.

28 (3) If the foreign corporation does not correct each ground for  
29 revocation or demonstrate to the reasonable satisfaction of the  
30 secretary of state or attorney general that each ground for revocation  
31 determined by the secretary of state or attorney general does not exist  
32 within sixty days after service of the notice is perfected under  
33 subsection (1) of this section, the secretary of state may revoke the  
34 foreign corporation's certificate of authority by signing a certificate  
35 of revocation that recites the ground or grounds for revocation and its  
36 effective date. The secretary of state shall file the original of the  
37 certificate and serve a copy on the foreign corporation under  
38 subsection (1) of this section.

1 (4) The authority of a foreign corporation to transact business in  
2 the state of Washington ceases on the date shown on the certificate  
3 revoking its certificate of authority.

4 (5) The secretary of state's revocation of a foreign corporation's  
5 certificate of authority appoints the secretary of state the foreign  
6 corporation's agent for service of process in a proceeding based on a  
7 cause of action that arose during the time the foreign corporation was  
8 authorized to transact business in this state. Service of process on  
9 the secretary of state under this subsection is service on the foreign  
10 corporation. Upon receipt of process, the secretary of state shall  
11 mail a copy of the process to the secretary of the foreign corporation  
12 at its principal office shown in its most recent annual report or in  
13 any subsequent communications received from the corporation stating the  
14 current mailing address of its principal office, or, if none are on  
15 file, in its application for a certificate of authority.

16 (6) Revocation of a foreign corporation's certificate of authority  
17 does not terminate the authority of the registered agent of the  
18 corporation.

19 NEW SECTION. **Sec. 1513.** APPEAL FROM REVOCATION. (1) A foreign  
20 corporation may appeal the secretary of state's revocation of its  
21 certificate of authority to the superior court of Thurston county  
22 within thirty days after the service of the certificate of revocation  
23 is perfected under section 1512(1) of this act. The foreign  
24 corporation appeals by petitioning the court to set aside the  
25 revocation and attaching to the petition copies of its certificate of  
26 authority and the secretary of state's certificate of revocation.

27 (2) The court may summarily order the secretary of state to  
28 reinstate the certificate of authority or may take any other action the  
29 court considers appropriate.

30 (3) The court's final decision may be appealed as in other civil  
31 proceedings.

32 **PART XVI**  
33 **RECORDS AND REPORTS**

34 NEW SECTION. **Sec. 1601.** CORPORATE RECORDS. (1) A corporation  
35 shall keep as permanent records minutes of all meetings of its members  
36 and board of directors, a record of all actions taken by the members or

1 directors without a meeting, and a record of all actions taken by  
2 committees of the board of directors as authorized under section 819(4)  
3 of this act.

4 (2) A corporation shall maintain appropriate accounting records.

5 (3) A corporation or its agent shall maintain a record of its  
6 members in a form that permits preparation of a list of the name and  
7 address of all members, in alphabetical order by class, showing the  
8 number of votes each member is entitled to cast.

9 (4) A corporation shall maintain its records in written form or in  
10 another form capable of conversion into written form within a  
11 reasonable time.

12 (5) A corporation shall keep a copy of the following records at its  
13 principal office:

14 (a) Its articles or restated articles of incorporation and all  
15 amendments to them currently in effect;

16 (b) Its bylaws or restated bylaws and all amendments to them  
17 currently in effect;

18 (c) Resolutions adopted by its board of directors relating to the  
19 characteristics, qualifications, rights, limitations, and obligations  
20 of members or any class or category of members;

21 (d) The minutes of all meetings of members for the past three  
22 years;

23 (e) All written communications to members generally within the past  
24 three years, including the financial statements furnished for the past  
25 three years under section 1606 of this act;

26 (f) A list of the names and business or home addresses of its  
27 current directors and officers; and

28 (g) Its most recent annual report delivered to the secretary of  
29 state under section 1608 of this act.

30 NEW SECTION. **Sec. 1602.** INSPECTION OF RECORDS BY MEMBERS. (1)  
31 Subject to subsection (5) of this section and section 1603(3) of this  
32 act, a member may inspect and copy, at a reasonable time and location  
33 specified by the corporation, the records of the corporation described  
34 in section 1601(5) of this act if the member gives the corporation  
35 written notice or a written demand at least five business days before  
36 the date on which the member wishes to inspect and copy.

37 (2) Subject to subsection (5) of this section, a member may inspect  
38 and copy, at a reasonable time and location specified by the

1 corporation, any of the following records of the corporation if a  
2 member meets the requirements of subsection (3) of this section and  
3 gives the corporation written notice at least five business days before  
4 the date on which the member wishes to inspect and copy:

5 (a) Excerpts from records required to be maintained under section  
6 1601(1) of this act, to the extent not subject to inspection under  
7 section 1602(1) of this act;

8 (b) Accounting records of the corporation; and

9 (c) Subject to section 1605 of this act, the membership list.

10 (3) A member may inspect and copy the records identified in  
11 subsection (2) of this section only if:

12 (a) The member's demand is made in good faith and for a proper  
13 purpose;

14 (b) The member describes with reasonable particularity the purpose  
15 and the records the member desires to inspect; and

16 (c) The records are directly connected with this purpose.

17 (4) This section does not affect:

18 (a) The right of a member to inspect records under section 709 of  
19 this act or, if the member is in litigation with the corporation, to  
20 the same extent as any other litigant; or

21 (b) The power of a court, independently of this title, to compel  
22 the production of corporate records for examination.

23 (5) The articles or bylaws of a religious corporation may limit or  
24 abolish the right of a member under this section to inspect and copy  
25 any corporate record.

26 NEW SECTION. **Sec. 1603.** SCOPE OF INSPECTION RIGHTS. (1) A  
27 member's agent or attorney has the same inspection and copying rights  
28 as the member the agent or attorney represents.

29 (2) The right to copy records under section 1602 of this act  
30 includes, if reasonable, the right to receive copies made by  
31 photographic, xerographic, or other means.

32 (3) The corporation may impose a reasonable charge, covering the  
33 costs of labor and material, for copies of any documents provided to  
34 the member. The charge may not exceed the estimated cost of production  
35 or reproduction of the records.

36 (4) The corporation may comply with a member's demand to inspect  
37 the record of members under section 1602(2)(c) of this act by providing

1 the member with a list of its members that was compiled no earlier than  
2 the date of the member's demand.

3 NEW SECTION. **Sec. 1604.** COURT-ORDERED INSPECTION. (1) If a  
4 corporation does not allow a member who complies with section 1602(1)  
5 of this act to inspect and copy any records required under section  
6 1602(1) of this act to be available for inspection, the superior court  
7 in the county where the corporation's principal office or, if none in  
8 the state of Washington, its registered office is located may summarily  
9 order inspection and copying of the records demanded at the  
10 corporation's expense upon application of the member.

11 (2) If a corporation does not within a reasonable time allow a  
12 member to inspect and copy any other record, the member who complies  
13 with section 1602 (2) and (3) of this act may apply to the superior  
14 court in the county where the corporation's principal office or, if  
15 none in the state of Washington, its registered office is located for  
16 an order to permit inspection and copying of the records demanded. The  
17 court shall dispose of an application under this subsection on an  
18 expedited basis.

19 (3) If the court orders inspection and copying of the records  
20 demanded, it shall also order the corporation to pay the member's  
21 costs, including reasonable attorneys' fees, incurred to obtain the  
22 order unless the corporation proves that it refused inspection in good  
23 faith because it had a reasonable basis for doubt about the right of  
24 the member to inspect the records demanded.

25 (4) If the court orders inspection and copying of the records  
26 demanded, it may impose reasonable restrictions on the use or  
27 distribution of the records by the demanding member.

28 NEW SECTION. **Sec. 1605.** LIMITATIONS ON USE OF MEMBERSHIP LIST.  
29 Without consent of the board, a membership list or any part of a  
30 membership list may not be obtained or used by a person for a purpose  
31 unrelated to a member's interest as a member. Without limiting the  
32 generality of the previous sentence, without the consent of the board  
33 a membership list or a part thereof may not be:

34 (1) Used to solicit money or property unless such money or property  
35 will be used solely to solicit the votes of the members in an election  
36 to be held by the corporation;

37 (2) Used for a commercial purpose; or

1 (3) Sold to or purchased by a person.

2 NEW SECTION. **Sec. 1606.** FINANCIAL STATEMENTS FOR MEMBERS. (1)

3 Except as provided in the articles or bylaws of a religious  
4 corporation, a corporation upon written demand from a member shall  
5 furnish that member its latest annual financial statements, which may  
6 be consolidated or combined statements of the corporation and one or  
7 more of its subsidiaries or affiliates, as appropriate, that include a  
8 balance sheet as of the end of the fiscal year and statement of  
9 operations for that year. If financial statements are prepared for the  
10 corporation on the basis of generally accepted accounting principles,  
11 the annual financial statements must also be prepared on that basis.

12 (2) If annual financial statements are reported upon by a public  
13 accountant, the accountant's report must accompany them. If not, the  
14 statements must be accompanied by the statement of the president or the  
15 person responsible for the corporation's financial accounting records:

16 (a) Stating the president's or other person's reasonable belief as  
17 to whether the statements were prepared on the basis of generally  
18 accepted accounting principles, and, if not, describing the basis of  
19 preparation; and

20 (b) Describing any respects in which the statements were not  
21 prepared on a basis of accounting consistent with the statements  
22 prepared for the preceding year.

23 NEW SECTION. **Sec. 1607.** REPORT OF INDEMNIFICATION TO MEMBERS. If

24 a corporation indemnifies or advances expenses to a director under  
25 section 831, 832, 833, or 834 of this act in connection with a  
26 proceeding by or in the right of the corporation, the corporation shall  
27 report the indemnification or advance in writing to the members with or  
28 before the notice of the next meeting of members.

29 NEW SECTION. **Sec. 1608.** ANNUAL REPORT FOR SECRETARY OF STATE.

30 (1) A domestic corporation or foreign corporation authorized to  
31 transact business in this state shall deliver to the secretary of state  
32 an annual report on a form prescribed and furnished by the secretary of  
33 state that sets forth:

34 (a) The name of the corporation and the state or country under  
35 whose law it is incorporated;

1 (b) The address of its registered office and the name of its  
2 registered agent at the office in the state of Washington;

3 (c) The address of its principal office;

4 (d) The names and business or residence addresses of its directors  
5 and principal officers;

6 (e) A brief description of the nature of its activities;

7 (f) Whether or not it has members;

8 (g) The corporation's unified business identifier number;

9 (h) If it is a domestic corporation, whether it is a public  
10 benefit, mutual benefit, or religious corporation; and

11 (i) If it is a foreign corporation, whether it would be a public  
12 benefit, mutual benefit, or religious corporation had it been  
13 incorporated in the state of Washington.

14 (2) The information in the annual report must be current on the  
15 date the annual report is executed on behalf of the corporation. It  
16 must be executed by the corporation by an officer of the corporation  
17 or, if the corporation is in the hands of a receiver or trustee, it  
18 must be executed on behalf of the corporation by the receiver or  
19 trustee.

20 (3) The secretary of state may provide by rule adopted under  
21 chapter 34.05 RCW:

22 (a) That a biennial filing complies with this section as to all or  
23 a category of corporations;

24 (b) That correction or updating of information appearing on  
25 previous annual or biennial filings is sufficient to constitute the  
26 current filing; or

27 (c) For the coordination or consolidation of reports required by  
28 this section with any filings required by chapter 11.110 or 19.09 RCW.

29 **PART XVII**

30 **TRANSITION PROVISIONS**

31 NEW SECTION. **Sec. 1701.** APPLICATION TO EXISTING DOMESTIC  
32 CORPORATIONS. (1) This title applies to all domestic corporations that  
33 were incorporated under the following chapters as of the effective date  
34 of the repeal of the statute under which the chapters were incorporated  
35 is repealed, as indicated:

36 (a) Chapter 24.03 RCW as of the effective date of section 2103 of  
37 this act;

1 (b) Chapter 24.06 RCW as of the effective date of section 2104 of  
2 this act;

3 (c) Chapter 24.12 RCW as of the effective date of section 2105 of  
4 this act;

5 (d) Chapter 24.20 RCW as of the effective date of section 2106 of  
6 this act;

7 (e) Chapter 24.24 RCW as of the effective date of section 2107 of  
8 this act;

9 (f) Chapter 24.28 RCW as of the effective date of section 2108 of  
10 this act; and

11 (g) Any other chapter or statute authorizing incorporation on a  
12 nonprofit basis, but not to municipal corporations.

13 (2) This title applies to a domestic corporation in existence on  
14 its effective date that was incorporated under any of the following  
15 statutes upon the corporation's filing an irrevocable election with the  
16 secretary of state electing to have this title applied to it or  
17 electing to have all the provisions of this title applied to it to the  
18 extent consistent with the law then governing it, or as provided in  
19 section 2012 or 2013 of this act or RCW 24.36.090:

20 (a) Chapter 24.34 RCW; and

21 (b) Chapter 24.36 RCW.

22 NEW SECTION. **Sec. 1702.** APPLICATION TO QUALIFIED FOREIGN  
23 CORPORATIONS. A foreign corporation authorized to transact business in  
24 this state on the effective date of this section is not required to  
25 obtain a new certificate of authority to transact business under this  
26 title.

27 NEW SECTION. **Sec. 1703.** SAVING PROVISIONS. (1) Except as  
28 provided in subsections (2) and (3) of this section, the repeal of a  
29 statute under chapter . . . , Laws of 1995 (this act) does not affect:

30 (a) The operation of the statute or an action taken under it before  
31 its repeal;

32 (b) A ratification, right, remedy, privilege, obligation, or  
33 liability acquired, accrued, or incurred under the statute before its  
34 repeal;

35 (c) A violation of the statute or a penalty, forfeiture, or  
36 punishment incurred because of the violation, before its repeal;

1 (d) A proceeding, reorganization, or dissolution commenced under  
2 the statute before its repeal, and the proceeding, reorganization, or  
3 dissolution may be completed in accordance with the statute as if it  
4 had not been repealed; or

5 (e) A meeting of members or directors or action by written consent  
6 noticed or any action taken before its repeal as a result of a meeting  
7 of members or directors or action by written consent.

8 (2) If a penalty or punishment imposed for violation of a statute  
9 repealed under chapter . . . , Laws of 1995 (this act) is reduced under  
10 chapter . . . , Laws of 1995 (this act), the penalty or punishment if  
11 not already imposed must be imposed in accordance with chapter . . . ,  
12 Laws of 1995 (this act).

13 (3) A corporation in existence as of the effective date of this  
14 section may waive a right or privilege preserved under subsection (1)  
15 of this section by filing an irrevocable election with the secretary of  
16 state electing to have this title applied to it. The filing of an  
17 amendment to or restatement of the articles of incorporation, or  
18 articles of merger, under this title must be construed to constitute  
19 such an election.

20 NEW SECTION. **Sec. 1704.** TRANSITION PROCEDURE. The secretary of  
21 state may provide by rule adopted under chapter 34.05 RCW the procedure  
22 by which a corporation may file an election to have this title apply to  
23 it under this chapter.

24 NEW SECTION. **Sec. 1705.** PUBLIC BENEFIT, MUTUAL BENEFIT, AND  
25 RELIGIOUS CORPORATIONS. A domestic corporation that becomes subject to  
26 this title under this chapter shall be designated as a public benefit,  
27 mutual benefit, or religious corporation as follows:

28 (1) A corporation designated by statute as a public benefit  
29 corporation, a mutual benefit corporation, or a religious corporation  
30 is the type of corporation designated by statute;

31 (2) A corporation that does not come under subsection (1) of this  
32 section but is organized primarily or exclusively for religious  
33 purposes is a religious corporation;

34 (3) A corporation that does not come under subsection (1) or (2) of  
35 this section but that is recognized as exempt under section 501(c)(3)  
36 of the internal revenue code of 1954, or any successor section, is a  
37 public benefit corporation;

1 (4) A corporation that does not come under subsection (1), (2), or  
2 (3) of this section but that is organized for a public or charitable  
3 purpose and that upon dissolution must distribute its assets to a  
4 public benefit corporation, the United States, a state, or a person  
5 that is recognized as exempt under section 501(c)(3) of the internal  
6 revenue code of 1954, or any successor section, is a public benefit  
7 corporation; and

8 (5) A corporation that does not come under subsection (1), (2),  
9 (3), or (4) of this section is a mutual benefit corporation.

10 **AMENDATORY PROVISIONS AND PROVISIONS ADDING**  
11 **NEW SECTIONS TO OTHER TITLES**

12 **Sec. 2001.** RCW 11.110.020 and 1985 c 30 s 114 are each amended to  
13 read as follows:

14 When used in this chapter, unless the context otherwise requires:

15 (1) "Person" means an individual, organization, group, association,  
16 partnership, corporation, or any combination of them.

17 (2)(a) "Trustee" means ~~((+1))~~:

18 (i) Any person holding property in trust for a public charitable  
19 purpose; except the United States, its states, territories, and  
20 possessions, the District of Columbia, Puerto Rico, and their agencies  
21 and subdivisions; and ~~((+2))~~

22 (ii) A corporation formed for the administration of a charitable  
23 trust or holding assets subject to ~~((limitations))~~ trust, permitting  
24 their use only for charitable, religious, eleemosynary, benevolent,  
25 educational, or similar purposes~~((:—PROVIDED, That))~~, except as  
26 provided in (b) and (c) of this subsection.

27 (b) The term "trustee" does not apply to ~~((+a))~~:

28 (i) Religious corporations duly organized and operated in good  
29 faith as religious organizations, which have received a declaration of  
30 current tax exempt status from the government of the United States;  
31 their duly organized branches or chapters; and charities, agencies, and  
32 organizations affiliated with and forming an integral part of said  
33 organization, or operated, supervised, or controlled directly by such  
34 religious corporations nor any officer of any such religious  
35 organization who holds property for religious purposes~~((:—PROVIDED,~~  
36 ~~That))~~. However, if such organization has not received from the United  
37 States government a declaration of current tax exempt status prior to

1 the time it receives property under the terms of a charitable trust,  
2 this exemption shall be applicable for two years only from the time of  
3 receiving such property, or until such tax exempt status is finally  
4 declared, whichever is sooner; or (~~(b)~~)

5 (ii) An educational institution which is nonprofit and charitable,  
6 having a program of primary, secondary, or collegiate instruction  
7 comparable in scope to that of any public school or college operated by  
8 the state of Washington or any of its school districts.

9 (c) A public benefit nonprofit corporation does not become a  
10 trustee by virtue of holding legal title to property of the corporation  
11 under terms limiting its use to charitable purposes for which the  
12 public benefit corporation is organized, unless the terms of the  
13 conveyance to the corporation or other governing instrument provide for  
14 conveyance in trust. Property received pursuant to charitable  
15 solicitations governed by chapter 19.09 RCW are presumed to have been  
16 conveyed in trust, subject to such exceptions as the secretary of state  
17 may and does prescribe by rule under chapter 34.05 RCW.

18 **Sec. 2002.** RCW 23.86.090 and 1989 c 307 s 23 are each amended to  
19 read as follows:

20 (1) The articles of incorporation may be amended by a majority vote  
21 of the members voting thereon, at any regular meeting or at any special  
22 meeting called for that purpose, after notice of the proposed amendment  
23 has been given to all members entitled to vote thereon, in the manner  
24 provided by the bylaws(~~(:—PROVIDED, That)~~). However, if the total  
25 vote upon the proposed amendment shall be less than twenty-five percent  
26 of the total membership of the association, the amendment shall not be  
27 approved. At the meeting, members may vote upon the proposed amendment  
28 in person, or by written proxy, or by mailed ballot. The power to  
29 amend shall include the power to extend the period of its duration for  
30 a further definite time or perpetually, and also include the power to  
31 increase or diminish the amount of capital stock and the number of  
32 shares(~~(:—PROVIDED,)~~). However, the amount of the capital stock shall  
33 not be diminished below the amount of the paid-up capital stock at the  
34 time such amendment is adopted.

35 (2) After the adoption of an amendment to its articles of  
36 incorporation, the association shall cause a copy of such amendment  
37 adopted to be recorded in the office of the secretary of state (~~as~~  
38 provided in RCW 24.06.195)). The articles of amendment must be

1 executed in duplicate originals by the corporation by an officer of the  
2 corporation, and must set forth:

3 (a) The name of the corporation;

4 (b) An amendment so adopted; and

5 (c) A statement setting forth the date of the meeting of members at  
6 which the amendment was adopted, that a quorum was present at the  
7 meeting, and that the amendment received sufficient votes for its  
8 adoption, or a statement that the amendment was adopted by a consent in  
9 writing signed by all members and shareholders entitled to vote with  
10 respect to the amendment.

11 **Sec. 2003.** RCW 23.86.095 and 1989 c 307 s 13 are each amended to  
12 read as follows:

13 ~~((Effective January 1, 1990,))~~ Every association subject to this  
14 chapter shall have and maintain a registered office and a registered  
15 agent in this state in accordance with the requirements set forth in  
16 ~~((RCW 24.06.050))~~ chapter 23B.05 RCW. Chapter 23B.05 RCW applies to  
17 every association subject to this chapter.

18 **Sec. 2004.** RCW 23.86.310 and 1989 c 307 s 15 are each amended to  
19 read as follows:

20 ~~((Effective January 1, 1990,))~~ Every association subject to this  
21 chapter shall comply with the requirements set forth in RCW  
22 ~~((24.06.440))~~ 23B.16.220.

23 NEW SECTION. **Sec. 2005.** A new section is added to chapter 23.86  
24 RCW to read as follows:

25 (1) Meetings of members may be held at such a place, either within  
26 or without the state of Washington, as may be provided in the bylaws.  
27 In the absence of such a provision, all meetings must be held at the  
28 registered office of the corporation in the state of Washington.

29 (2) An annual meeting of the members must be held at such a time as  
30 may be provided in the bylaws. Failure to hold the annual meeting at  
31 the designated time does not work a forfeiture or dissolution of the  
32 association.

33 (3) Special meetings of the members may be called by the president  
34 or by the board of directors. Special meetings of the members may also  
35 be called by such other officers or persons or number or proportion of  
36 members as may be provided in the articles or bylaws. In the absence

1 of such a provision, a special meeting of members may be called by  
2 persons having one-twentieth of the votes entitled to be cast at the  
3 meeting.

4 NEW SECTION. **Sec. 2006.** A new section is added to chapter 23.86  
5 RCW to read as follows:

6 Written or printed notice stating the place, day, and hour of the  
7 meeting and, in case of a special meeting, the purpose or purposes for  
8 which the meeting is called, must be delivered not less than ten nor  
9 more than fifty days before the date of the meeting, either personally  
10 or by mail, by or at the direction of the president or the secretary,  
11 or the officers or persons calling the meeting, to each member entitled  
12 to vote at the meeting. If provided in the articles, notice of regular  
13 meetings other than annual meetings may be made by providing each  
14 member with the adopted schedule of regular meetings for the ensuing  
15 year at any time after the annual meeting and ten days before a regular  
16 meeting and at any time when requested by a member or by such other  
17 notice as may be prescribed by the bylaws. If mailed, the notice is  
18 deemed to be delivered when deposited in the United States mail,  
19 addressed to the member at the member's address as it appears on the  
20 records of the association, with postage on the notice prepaid.

21 **Sec. 2007.** RCW 23.86.370 and 1989 c 307 s 33 are each amended to  
22 read as follows:

23 ~~((The provisions of RCW 24.06.340 through 24.06.435 shall apply))~~  
24 Chapter 23B.15 RCW applies to every foreign ((corporation which))  
25 association that could have formed under this chapter if it were formed  
26 in the state of Washington that desires to conduct affairs in this  
27 state under the authority of this chapter.

28 **Sec. 2008.** RCW 24.03.307 and 1993 c 181 s 6 are each amended to  
29 read as follows:

30 In addition to those acts that are specified in ~~((RCW 24.03.305 (1)~~  
31 ~~through (11)))~~ section 1501(2) of this act, a foreign degree-granting  
32 institution that establishes an approved branch campus in the state  
33 under chapter 28B.90 RCW shall not be deemed to transact business in  
34 the state solely because it:

35 (1) Owns and controls an incorporated branch campus in this state;

1 (2) Pays the expenses of tuition, or room and board charged by the  
2 incorporated branch campus for its students enrolled at the branch  
3 campus or contributes to the capital thereof; or

4 (3) Provides personnel who furnish assistance and counsel to its  
5 students while in the state but who have no authority to enter into any  
6 transactions for or on behalf of the foreign degree-granting  
7 institution.

8 **Sec. 2009.** RCW 24.03.405 and 1993 c 269 s 5 are each amended to  
9 read as follows:

10 (1) The secretary of state shall charge and collect for:

11 (a) Filing articles of incorporation, thirty dollars.

12 (b) Filing an annual report of a domestic or foreign corporation,  
13 ten dollars.

14 (c) Filing an application of a foreign corporation for a  
15 certificate of authority to conduct affairs in this state, thirty  
16 dollars.

17 (2) The secretary of state shall establish by rule, fees for the  
18 following:

19 (a) An application for reinstatement under ((RCW—24.03.386))  
20 section 1411 of this act.

21 (b) Filing articles of amendment or restatement or an amendment or  
22 supplement to an application for reinstatement.

23 (c) Filing articles of merger or consolidation.

24 (d) Filing a statement of change of address of registered office or  
25 change of registered agent, or revocation, resignation, or any  
26 combination of these. A separate fee for filing such statement shall  
27 not be charged if the statement appears in an amendment to articles of  
28 incorporation or in conjunction with the filing of the annual report.

29 (e) Filing articles of dissolution, no fee.

30 (f) Filing an application of a foreign corporation for an amended  
31 certificate of authority to conduct affairs in this state.

32 (g) Filing an application for withdrawal of a foreign corporation  
33 and issuing a certificate of withdrawal, no fee.

34 (h) Filing a certificate by a foreign corporation of the  
35 appointment of a registered agent. A separate fee for filing such  
36 certificate shall not be charged if the statement appears in  
37 conjunction with the filing of the annual report.

1 (i) Filing a certificate of election adopting the provisions of  
2 (~~chapter 24.03 RCW~~) this title.

3 (j) Filing an application to reserve a corporate name.

4 (k) Filing a notice of transfer of a reserved corporate name.

5 (l) Filing a name registration.

6 (m) Filing any other statement or report authorized for filing  
7 under this chapter.

8 (3) Fees shall be adjusted by rule only in an amount that does not  
9 exceed the average biennial increase in the cost of providing service  
10 since the most recent previous increase. This shall be determined in  
11 a (~~biannual~~[~~biennial~~]) biennial cost study performed by the  
12 secretary of state.

13 **Sec. 2010.** RCW 24.03.410 and 1993 c 269 s 6 are each amended to  
14 read as follows:

15 The secretary of state shall establish fees by rule, subject to the  
16 limitations of RCW 24.03.405(3), and collect:

17 (1) For furnishing a certified copy of any charter document or any  
18 other document, instrument, or paper relating to a corporation.

19 (2) For furnishing (~~a certificate~~), under seal, (~~attesting to~~  
20 ~~the status of a corporation~~) a certificate of existence or any other  
21 certificate.

22 (3) For furnishing copies of any document, instrument or paper  
23 relating to a corporation.

24 (4) At the time of any service of process on him or her as  
25 registered agent of a corporation an amount that may be recovered as  
26 taxable costs by the party to the suit or action causing such service  
27 to be made if such party prevails in the suit or action.

28 **Sec. 2011.** RCW 24.03.430 and 1982 c 35 s 112 are each amended to  
29 read as follows:

30 The secretary of state may propound to any corporation, domestic or  
31 foreign, subject to (~~the provisions of~~) this (~~chapter~~) title, and  
32 to any officer or director thereof, such interrogatories as may be  
33 reasonably necessary and proper to enable the secretary of state to  
34 ascertain whether such corporation has complied with all the provisions  
35 of this chapter applicable to such corporation. Such interrogatories  
36 shall be answered within thirty days after the mailing thereof, or  
37 within such additional time as shall be fixed by the secretary of

1 state, and the answers thereto shall be full and complete and shall be  
2 made in writing and under oath. If such interrogatories be directed to  
3 an individual they shall be answered by ((him)) the individual, and if  
4 directed to a corporation they shall be answered by the president, vice  
5 president, secretary or assistant secretary thereof. The secretary of  
6 state need not file any document to which such interrogatories relate  
7 until such interrogatories be answered as ((herein)) provided in this  
8 section, and not then if the answers thereto disclose that such  
9 document is not in conformity with ((the provisions of)) this  
10 ((chapter)) title. The secretary of state shall certify to the  
11 attorney general, for such action as the attorney general may deem  
12 appropriate, all interrogatories and answers thereto which disclose a  
13 violation of any of ((the provisions of)) this ((chapter)) title.

14 NEW SECTION. Sec. 2012. A new section is added to chapter 24.34  
15 RCW to read as follows:

16 (1) The secretary of state shall not accept for filing any of the  
17 documents listed in this subsection after the effective date of this  
18 section:

19 (a) Articles of incorporation for a newly incorporating domestic  
20 corporation;

21 (b) Amendment to or restatement of articles of incorporation under  
22 this chapter; or

23 (c) Application for certificate of authority for a foreign  
24 corporation not currently authorized to transact business in the state  
25 of Washington.

26 (2) A corporation in existence as of the effective date of this  
27 section may continue its existence and file a document listed in  
28 subsection (1) of this section under Title -- RCW (sections 101 through  
29 1705 of this act). A corporation filing under this subsection is  
30 deemed to have filed an election as provided under section 1701(2) of  
31 this act.

32 (3) If a domestic corporation governed under this chapter merges or  
33 consolidates with another corporation, the surviving or resulting  
34 corporation is governed under Title -- RCW (sections 101 through 1705  
35 of this act).

36 NEW SECTION. Sec. 2013. A new section is added to chapter 24.36  
37 RCW to read as follows:

1 (1) The secretary of state shall not accept for filing any of the  
2 documents listed in this subsection after the effective date of this  
3 section:

4 (a) Articles of incorporation for a newly incorporating  
5 association;

6 (b) Amendment to or restatement of articles under this chapter; or

7 (c) Application for certificate of authority for a foreign  
8 corporation not currently authorized to transact business in the state  
9 of Washington.

10 (2) A corporation in existence as of the effective date of this  
11 section may continue its existence and file a document listed in  
12 subsection (1) of this section under Title -- RCW (sections 101 through  
13 1705 of this act). A corporation filing under this subsection is  
14 deemed to have filed an election as provided under section 1701(2) of  
15 this act.

16 **Sec. 2014.** RCW 24.36.090 and 1991 c 72 s 46 are each amended to  
17 read as follows:

18 (1) Any two or more associations may be merged into one such  
19 constituent association or consolidated into a new association. Such  
20 merger or consolidation shall be made in the manner prescribed by ((RCW  
21 23B.07.050 and chapter 23B.11 RCW)) chapter --.-- RCW (sections 1101  
22 through 1107 of this act) for domestic corporations.

23 **Sec. 2015.** RCW 28B.10.620 and 1969 ex.s. c 223 s 28B.10.620 are  
24 each amended to read as follows:

25 The boards of regents of the state universities are hereby  
26 empowered to enter into agreements with corporations organized under  
27 ((~~chapters 24.08, 24.16 or 24.20 RCW~~)) Title -- RCW (sections 101  
28 through 1705 of this act), whereby such corporations may be permitted  
29 to conduct on university property devoted mainly to medical,  
30 educational or research activities, under such conditions as the boards  
31 of regents shall prescribe, any educational, hospital, research or  
32 related activity which the boards of regents shall find will further  
33 the objects of the university.

34 **Sec. 2016.** RCW 39.34.055 and 1994 c 98 s 1 are each amended to  
35 read as follows:

1       The office of state procurement within the department of general  
2 administration may enter into an agreement with a public benefit  
3 nonprofit corporation to allow the public benefit nonprofit corporation  
4 to participate in state contracts for purchases administered by the  
5 office of state procurement. Such agreement must comply with the  
6 requirements of RCW 39.34.030 through 39.34.050. For the purposes of  
7 this section "public benefit nonprofit corporation" means a public  
8 benefit nonprofit corporation as defined in ((RCW 24.03.005)) section  
9 103 of this act that is receiving local, state, or federal funds either  
10 directly or through a public agency other than an Indian tribe or a  
11 political subdivision of another state.

12       **Sec. 2017.** RCW 43.07.130 and 1994 c 211 s 1311 are each amended to  
13 read as follows:

14       There is created within the state treasury a revolving fund, to be  
15 known as the "secretary of state's revolving fund," which shall be used  
16 by the office of the secretary of state to defray the costs of  
17 printing, reprinting, or distributing printed matter authorized by law  
18 to be issued by the office of the secretary of state, and any other  
19 cost of carrying out the functions of the secretary of state under  
20 Title 23B RCW, Title -- RCW (sections 101 through 1705 of this act), or  
21 chapter((s)) 18.100, 23.86, 23.90, ((24.03, 24.06, 24.12, 24.20, 24.24,  
22 24.28,)) 24.36, 25.15, or 25.10 RCW.

23       The secretary of state is hereby authorized to charge a fee for  
24 such publications in an amount which will compensate for the costs of  
25 printing, reprinting, and distributing such printed matter. Fees  
26 recovered by the secretary of state under RCW 43.07.120(2), 23B.01.220  
27 (1)(e), (6), and (7), 23B.18.050, 24.03.410, ((24.06.455,)) or  
28 46.64.040, and such other moneys as are expressly designated for  
29 deposit in the secretary of state's revolving fund shall be placed in  
30 the secretary of state's revolving fund.

31       NEW SECTION. **Sec. 2018.** A new section is added to chapter 24.06  
32 RCW to read as follows:

33       (1) The secretary of state shall not accept for filing any of the  
34 documents listed in this subsection after the effective date of this  
35 section:

36       (a) Articles of incorporation for a newly incorporating domestic  
37 corporation;

1 (b) Amendment to or restatement of articles of incorporation under  
2 this chapter; or

3 (c) Application for certificate of authority for a foreign  
4 corporation not currently authorized to transact business in the state  
5 of Washington.

6 (2) A corporation in existence as of the effective date of this  
7 section may continue its existence and file a document listed in  
8 subsection (1) of this section under Title -- RCW (sections 101 through  
9 1705 of this act). A corporation filing under this subsection is  
10 deemed to have filed an election as provided under section 1701(2) of  
11 this act.

12 (3) If a domestic corporation governed under this chapter merges or  
13 consolidates with another corporation, the surviving or resulting  
14 corporation is governed under Title -- RCW (sections 101 through 1705  
15 of this act).

16 (4) This section expires April 1, 1996.

17 NEW SECTION. **Sec. 2019.** A new section is added to chapter 24.12  
18 RCW to read as follows:

19 (1) The secretary of state shall not accept for filing any of the  
20 documents listed in this subsection after the effective date of this  
21 section:

22 (a) Articles of incorporation for a newly incorporating domestic  
23 corporation;

24 (b) Amendment to or restatement of articles of incorporation under  
25 this chapter; or

26 (c) Application for certificate of authority for a foreign  
27 corporation not currently authorized to transact business in the state  
28 of Washington.

29 (2) A corporation in existence as of the effective date of this  
30 section may continue its existence and file a document listed in  
31 subsection (1) of this section under Title -- RCW (sections 101 through  
32 1705 of this act). A corporation filing under this subsection is  
33 deemed to have filed an election as provided under section 1701(2) of  
34 this act.

35 (3) If a domestic corporation governed under this chapter merges or  
36 consolidates with another corporation, the surviving or resulting  
37 corporation is governed under Title -- RCW (sections 101 through 1705  
38 of this act).

1 (4) This section expires July 1, 1996.

2 NEW SECTION. **Sec. 2020.** A new section is added to chapter 24.20  
3 RCW to read as follows:

4 (1) The secretary of state shall not accept for filing any of the  
5 documents listed in this subsection after the effective date of this  
6 section:

7 (a) Articles of incorporation for a newly incorporating domestic  
8 corporation;

9 (b) Amendment to or restatement of articles of incorporation under  
10 this chapter; or

11 (c) Application for certificate of authority for a foreign  
12 corporation not currently authorized to transact business in the state  
13 of Washington.

14 (2) A corporation in existence as of the effective date of this  
15 section may continue its existence and file a document listed in  
16 subsection (1) of this section under Title -- RCW (sections 101 through  
17 1705 of this act). A corporation filing under this subsection is  
18 deemed to have filed an election as provided under section 1701(2) of  
19 this act.

20 (3) If a domestic corporation governed under this chapter merges or  
21 consolidates with another corporation, the surviving or resulting  
22 corporation is governed under Title -- RCW (sections 101 through 1705  
23 of this act).

24 (4) This section expires July 1, 1996.

25 NEW SECTION. **Sec. 2021.** A new section is added to chapter 24.24  
26 RCW to read as follows:

27 (1) The secretary of state shall not accept for filing any of the  
28 documents listed in this subsection after the effective date of this  
29 section:

30 (a) Articles of incorporation for a newly incorporating domestic  
31 corporation;

32 (b) Amendment to or restatement of articles of incorporation under  
33 this chapter; or

34 (c) Application for certificate of authority for a foreign  
35 corporation not currently authorized to transact business in the state  
36 of Washington.

1 (2) A corporation in existence as of the effective date of this  
2 section may continue its existence and file a document listed in  
3 subsection (1) of this section under Title -- RCW (sections 101 through  
4 1705 of this act). A corporation filing under this subsection is  
5 deemed to have filed an election as provided under section 1701(2) of  
6 this act.

7 (3) If a domestic corporation governed under this chapter merges or  
8 consolidates with another corporation, the surviving or resulting  
9 corporation is governed under Title -- RCW (sections 101 through 1705  
10 of this act).

11 (4) This section expires July 1, 1996.

12 NEW SECTION. **Sec. 2022.** A new section is added to chapter 24.28  
13 RCW to read as follows:

14 (1) The secretary of state shall not accept for filing any of the  
15 documents listed in this subsection after the effective date of this  
16 section:

17 (a) Articles of incorporation for a newly incorporating domestic  
18 corporation;

19 (b) Amendment to or restatement of articles of incorporation under  
20 this chapter; or

21 (c) Application for certificate of authority for a foreign  
22 corporation not currently authorized to transact business in the state  
23 of Washington.

24 (2) A corporation in existence as of the effective date of this  
25 section may continue its existence and file a document listed in  
26 subsection (1) of this section under Title -- RCW (sections 101 through  
27 1705 of this act). A corporation filing under this subsection is  
28 deemed to have filed an election as provided under section 1701(2) of  
29 this act.

30 (3) If a domestic corporation governed under this chapter merges or  
31 consolidates with another corporation, the surviving or resulting  
32 corporation is governed under Title -- RCW (sections 101 through 1705  
33 of this act).

34 (4) This section expires July 1, 1996.

35 **TECHNICAL PROVISIONS, REPEALERS, AND CODIFICATION INSTRUCTIONS**

1        NEW SECTION.    **Sec. 2100.**    CAPTIONS.    Part headings and captions  
2 used in this act do not constitute any part of the law.

3        NEW SECTION.    **Sec. 2101.**    CODIFICATION.    Sections 101 through 1705  
4 of this act shall constitute a new title in the Revised Code of  
5 Washington.    Sections shall be divided into separate chapters and  
6 subchapters as indicated by the part headings set forth in this act.  
7 The chapter numbers in the code need not correspond to the numbers set  
8 forth in the headings.    Part IX shall be reserved for future use, and  
9 an appropriate gap preserved in the sequence of section numbers.

10       NEW SECTION.    **Sec. 2102.**    RECODIFICATION.    (1) RCW 24.03.060 is  
11 recodified to appear in the same chapter as section 503 of this act to  
12 immediately follow that section.

13       (2) RCW 24.03.307, as amended by this act, is recodified to appear  
14 in the same chapter as section 1501 of this act to immediately follow  
15 that section.

16       (3) RCW 24.03.350 is recodified to appear in the same chapter as  
17 section 1509 of this act to immediately follow that section.

18       (4) RCW 24.03.400 is recodified to appear in the same chapter as  
19 section 1608 of this act to immediately follow that section.

20       (5) RCW 24.03.405, as amended by this act, 24.03.410, as amended by  
21 this act, and 24.03.415 are recodified to appear in the same chapter as  
22 section 106 of this act to immediately follow that section.

23       (6) RCW 24.03.430, as amended by this act, 24.03.420, 24.03.425,  
24 and 24.03.435 are recodified to appear in the same chapter as section  
25 114 of this act to immediately follow that section.

26       (7) RCW 24.03.480 is recodified to appear in the same chapter as  
27 section 304 of this act to immediately follow that section.

28       NEW SECTION.    **Sec. 2103.**    REPEALER--CHAPTER 24.03 RCW.    The  
29 following acts or parts of acts are each repealed:

30       (1) RCW 24.03.005 and 1989 c 291 s 3, 1986 c 240 s 1, 1982 c 35 s  
31 72, & 1967 c 235 s 2;

32       (2) RCW 24.03.010 and 1971 ex.s. c 53 s 1 & 1967 c 235 s 3;

33       (3) RCW 24.03.015 and 1986 c 240 s 2, 1983 c 106 s 22, & 1967 c 235  
34 s 4;

35       (4) RCW 24.03.017 and 1982 c 35 s 73 & 1971 ex.s. c 53 s 2;

1 (5) RCW 24.03.020 and 1986 c 240 s 3, 1982 c 35 s 74, & 1967 c 235  
2 s 5;  
3 (6) RCW 24.03.025 and 1987 c 212 s 703, 1982 c 35 s 75, & 1967 c  
4 235 s 6;  
5 (7) RCW 24.03.030 and 1986 c 240 s 4 & 1967 c 235 s 7;  
6 (8) RCW 24.03.035 and 1991 c 72 s 42, 1986 c 240 s 5, & 1967 c 235  
7 s 8;  
8 (9) RCW 24.03.040 and 1967 c 235 s 9;  
9 (10) RCW 24.03.045 and 1994 c 211 s 1305, 1989 c 291 s 10, 1987 c  
10 55 s 39, 1986 c 240 s 6, 1982 c 35 s 76, & 1967 c 235 s 10;  
11 (11) RCW 24.03.046 and 1993 c 356 s 1 & 1982 c 35 s 77;  
12 (12) RCW 24.03.047 and 1994 c 211 s 1306, 1993 c 356 s 2, 1987 c 55  
13 s 40, 1986 c 240 s 7, & 1982 c 35 s 78;  
14 (13) RCW 24.03.048 and 1986 c 240 s 8 & 1982 c 35 s 79;  
15 (14) RCW 24.03.050 and 1986 c 240 s 9, 1982 c 35 s 80, 1969 ex.s.  
16 c 163 s 1, & 1967 c 235 s 11;  
17 (15) RCW 24.03.055 and 1993 c 356 s 3, 1986 c 240 s 10, 1982 c 35  
18 s 81, & 1967 c 235 s 12;  
19 (16) RCW 24.03.065 and 1986 c 240 s 12 & 1967 c 235 s 14;  
20 (17) RCW 24.03.070 and 1991 c 72 s 43, 1986 c 240 s 13, & 1967 c  
21 235 s 15;  
22 (18) RCW 24.03.075 and 1986 c 240 s 14 & 1967 c 235 s 16;  
23 (19) RCW 24.03.080 and 1969 ex.s. c 115 s 1 & 1967 c 235 s 17;  
24 (20) RCW 24.03.085 and 1969 ex.s. c 115 s 2 & 1967 c 235 s 18;  
25 (21) RCW 24.03.090 and 1967 c 235 s 19;  
26 (22) RCW 24.03.095 and 1967 c 235 s 20;  
27 (23) RCW 24.03.100 and 1986 c 240 s 15 & 1967 c 235 s 21;  
28 (24) RCW 24.03.103 and 1986 c 240 s 16;  
29 (25) RCW 24.03.105 and 1986 c 240 s 17 & 1967 c 235 s 22;  
30 (26) RCW 24.03.110 and 1986 c 240 s 18 & 1967 c 235 s 23;  
31 (27) RCW 24.03.113 and 1986 c 240 s 19;  
32 (28) RCW 24.03.115 and 1986 c 240 s 20 & 1967 c 235 s 24;  
33 (29) RCW 24.03.120 and 1986 c 240 s 21 & 1967 c 235 s 25;  
34 (30) RCW 24.03.125 and 1986 c 240 s 22 & 1967 c 235 s 26;  
35 (31) RCW 24.03.127 and 1986 c 240 s 23;  
36 (32) RCW 24.03.130 and 1967 c 235 s 27;  
37 (33) RCW 24.03.135 and 1986 c 240 s 24 & 1967 c 235 s 28;  
38 (34) RCW 24.03.140 and 1967 c 235 s 29;  
39 (35) RCW 24.03.145 and 1982 c 35 s 83 & 1967 c 235 s 30;

1 (36) RCW 24.03.150 and 1986 c 240 s 25, 1982 c 35 s 84, & 1967 c  
2 235 s 31;  
3 (37) RCW 24.03.155 and 1986 c 240 s 26 & 1967 c 235 s 32;  
4 (38) RCW 24.03.160 and 1967 c 235 s 33;  
5 (39) RCW 24.03.165 and 1986 c 240 s 27 & 1967 c 235 s 34;  
6 (40) RCW 24.03.170 and 1982 c 35 s 85 & 1967 c 235 s 35;  
7 (41) RCW 24.03.175 and 1982 c 35 s 86 & 1967 c 235 s 36;  
8 (42) RCW 24.03.180 and 1986 c 240 s 28, 1982 c 35 s 87, & 1967 c  
9 235 s 37;  
10 (43) RCW 24.03.183 and 1986 c 240 s 29 & 1982 c 35 s 88;  
11 (44) RCW 24.03.185 and 1986 c 240 s 30 & 1967 c 235 s 38;  
12 (45) RCW 24.03.190 and 1986 c 240 s 31 & 1967 c 235 s 39;  
13 (46) RCW 24.03.195 and 1986 c 240 s 32 & 1967 c 235 s 40;  
14 (47) RCW 24.03.200 and 1986 c 240 s 33, 1982 c 35 s 89, & 1967 c  
15 235 s 41;  
16 (48) RCW 24.03.205 and 1986 c 240 s 34, 1982 c 35 s 90, & 1967 c  
17 235 s 42;  
18 (49) RCW 24.03.207 and 1986 c 240 s 35 & 1982 c 35 s 91;  
19 (50) RCW 24.03.210 and 1967 c 235 s 43;  
20 (51) RCW 24.03.215 and 1986 c 240 s 36 & 1967 c 235 s 44;  
21 (52) RCW 24.03.217 and 1986 c 240 s 37;  
22 (53) RCW 24.03.220 and 1986 c 240 s 38, 1982 c 35 s 92, & 1967 c  
23 235 s 45;  
24 (54) RCW 24.03.225 and 1967 c 235 s 46;  
25 (55) RCW 24.03.230 and 1969 ex.s. c 115 s 3 & 1967 c 235 s 47;  
26 (56) RCW 24.03.235 and 1967 c 235 s 48;  
27 (57) RCW 24.03.240 and 1993 c 356 s 4, 1982 c 35 s 93, & 1967 c 235  
28 s 49;  
29 (58) RCW 24.03.245 and 1982 c 35 s 94 & 1967 c 235 s 50;  
30 (59) RCW 24.03.250 and 1969 ex.s. c 163 s 2 & 1967 c 235 s 51;  
31 (60) RCW 24.03.255 and 1982 c 35 s 95, 1969 ex.s. c 163 s 3, & 1967  
32 c 235 s 52;  
33 (61) RCW 24.03.260 and 1967 c 235 s 53;  
34 (62) RCW 24.03.265 and 1986 c 240 s 39 & 1967 c 235 s 54;  
35 (63) RCW 24.03.270 and 1967 c 235 s 55;  
36 (64) RCW 24.03.275 and 1967 c 235 s 56;  
37 (65) RCW 24.03.280 and 1967 c 235 s 57;  
38 (66) RCW 24.03.285 and 1967 c 235 s 58;  
39 (67) RCW 24.03.290 and 1967 c 235 s 59;

1 (68) RCW 24.03.295 and 1986 c 240 s 40 & 1967 c 235 s 60;  
2 (69) RCW 24.03.300 and 1986 c 240 s 41, 1982 c 35 s 96, & 1967 c  
3 235 s 61;  
4 (70) RCW 24.03.302 and 1994 c 287 s 8, 1993 c 356 s 5, 1987 c 117  
5 s 3, 1986 c 240 s 42, 1982 c 35 s 97, 1971 ex.s. c 128 s 1, & 1969  
6 ex.s. c 163 s 9;  
7 (71) RCW 24.03.303 and 1987 c 117 s 6;  
8 (72) RCW 24.03.305 and 1993 c 181 s 12, 1986 c 240 s 43, & 1967 c  
9 235 s 62;  
10 (73) RCW 24.03.310 and 1967 c 235 s 63;  
11 (74) RCW 24.03.315 and 1982 c 35 s 98 & 1967 c 235 s 64;  
12 (75) RCW 24.03.320 and 1986 c 240 s 44 & 1967 c 235 s 65;  
13 (76) RCW 24.03.325 and 1986 c 240 s 45 & 1967 c 235 s 66;  
14 (77) RCW 24.03.330 and 1986 c 240 s 46, 1982 c 35 s 99, 1969 ex.s.  
15 c 163 s 4, & 1967 c 235 s 67;  
16 (78) RCW 24.03.335 and 1982 c 35 s 100 & 1967 c 235 s 68;  
17 (79) RCW 24.03.340 and 1982 c 35 s 101 & 1967 c 235 s 69;  
18 (80) RCW 24.03.345 and 1993 c 356 s 6, 1986 c 240 s 47, 1982 c 35  
19 s 102, & 1967 c 235 s 70;  
20 (81) RCW 24.03.360 and 1986 c 240 s 49 & 1967 c 235 s 73;  
21 (82) RCW 24.03.365 and 1967 c 235 s 74;  
22 (83) RCW 24.03.370 and 1993 c 356 s 7, 1982 c 35 s 104, & 1967 c  
23 235 s 75;  
24 (84) RCW 24.03.375 and 1982 c 35 s 105 & 1967 c 235 s 76;  
25 (85) RCW 24.03.380 and 1986 c 240 s 50, 1982 c 35 s 106, & 1967 c  
26 235 s 77;  
27 (86) RCW 24.03.385 and 1986 c 240 s 51, 1982 c 35 s 107, & 1967 c  
28 235 s 78;  
29 (87) RCW 24.03.386 and 1993 c 356 s 8, 1987 c 117 s 1, & 1986 c 240  
30 s 57;  
31 (88) RCW 24.03.388 and 1994 c 287 s 9, 1993 c 356 s 9, 1991 c 223  
32 s 3, 1987 c 117 s 2, & 1986 c 240 s 58;  
33 (89) RCW 24.03.390 and 1986 c 240 s 52 & 1967 c 235 s 79;  
34 (90) RCW 24.03.395 and 1993 c 356 s 10, 1989 c 291 s 2, 1987 c 117  
35 s 4, 1986 c 240 s 53, 1982 c 35 s 108, & 1967 c 235 s 80;  
36 (91) RCW 24.03.440 and 1982 c 35 s 114 & 1967 c 235 s 89;  
37 (92) RCW 24.03.445 and 1986 c 240 s 56, 1982 c 35 s 115, & 1967 c  
38 235 s 90;  
39 (93) RCW 24.03.450 and 1982 c 35 s 116 & 1967 c 235 s 91;

- 1 (94) RCW 24.03.455 and 1967 c 235 s 92;
- 2 (95) RCW 24.03.460 and 1967 c 235 s 93;
- 3 (96) RCW 24.03.465 and 1967 c 235 s 94;
- 4 (97) RCW 24.03.470 and 1967 c 235 s 95;
- 5 (98) RCW 24.03.490 and 1989 c 291 s 4;
- 6 (99) RCW 24.03.500 and 1989 c 291 s 5;
- 7 (100) RCW 24.03.510 and 1989 c 291 s 6;
- 8 (101) RCW 24.03.520 and 1989 c 291 s 7;
- 9 (102) RCW 24.03.530 and 1989 c 291 s 8;
- 10 (103) RCW 24.03.540 and 1989 c 291 s 9;
- 11 (104) RCW 24.03.900 and 1967 c 235 s 1;
- 12 (105) RCW 24.03.905 and 1967 c 235 s 96;
- 13 (106) RCW 24.03.910 and 1967 c 235 s 97;
- 14 (107) RCW 24.03.915 and 1982 c 35 s 117, 1969 ex.s. c 163 s 8, &
- 15 1967 c 235 s 98;
- 16 (108) RCW 24.03.920 and 1967 c 235 s 100; and
- 17 (109) RCW 24.03.925 and 1967 c 235 s 99.

18 NEW SECTION. **Sec. 2104.** REPEALER--CHAPTER 24.06 RCW. The  
19 following acts or parts of acts are each repealed:

- 20 (1) RCW 24.06.005 and 1982 c 35 s 118 & 1969 ex.s. c 120 s 1;
- 21 (2) RCW 24.06.010 and 1969 ex.s. c 120 s 2;
- 22 (3) RCW 24.06.015 and 1969 ex.s. c 120 s 3;
- 23 (4) RCW 24.06.020 and 1982 c 35 s 119 & 1969 ex.s. c 120 s 4;
- 24 (5) RCW 24.06.025 and 1987 c 212 s 708, 1982 c 35 s 120, & 1969
- 25 ex.s. c 120 s 5;
- 26 (6) RCW 24.06.030 and 1969 ex.s. c 120 s 6;
- 27 (7) RCW 24.06.035 and 1987 c 212 s 709 & 1969 ex.s. c 120 s 7;
- 28 (8) RCW 24.06.040 and 1969 ex.s. c 120 s 8;
- 29 (9) RCW 24.06.045 and 1994 c 211 s 1307, 1987 c 55 s 41, 1982 c 35
- 30 s 121, 1973 c 113 s 1, & 1969 ex.s. c 120 s 9;
- 31 (10) RCW 24.06.046 and 1993 c 356 s 13 & 1982 c 35 s 122;
- 32 (11) RCW 24.06.047 and 1994 c 211 s 1308, 1993 c 356 s 14, 1987 c
- 33 55 s 42, & 1982 c 35 s 123;
- 34 (12) RCW 24.06.048 and 1982 c 35 s 124;
- 35 (13) RCW 24.06.050 and 1993 c 356 s 15, 1982 c 35 s 125, & 1969
- 36 ex.s. c 120 s 10;
- 37 (14) RCW 24.06.055 and 1993 c 356 s 16, 1982 c 35 s 126, & 1969
- 38 ex.s. c 120 s 11;

1 (15) RCW 24.06.060 and 1982 c 35 s 127 & 1969 ex.s. c 120 s 12;  
2 (16) RCW 24.06.065 and 1969 ex.s. c 120 s 13;  
3 (17) RCW 24.06.070 and 1969 ex.s. c 120 s 14;  
4 (18) RCW 24.06.075 and 1969 ex.s. c 120 s 15;  
5 (19) RCW 24.06.080 and 1969 ex.s. c 120 s 16;  
6 (20) RCW 24.06.085 and 1969 ex.s. c 120 s 17;  
7 (21) RCW 24.06.090 and 1969 ex.s. c 120 s 18;  
8 (22) RCW 24.06.095 and 1970 ex.s. c 78 s 1 & 1969 ex.s. c 120 s 19;  
9 (23) RCW 24.06.100 and 1969 ex.s. c 120 s 20;  
10 (24) RCW 24.06.105 and 1969 ex.s. c 120 s 21;  
11 (25) RCW 24.06.110 and 1969 ex.s. c 120 s 22;  
12 (26) RCW 24.06.115 and 1969 ex.s. c 120 s 23;  
13 (27) RCW 24.06.120 and 1969 ex.s. c 120 s 24;  
14 (28) RCW 24.06.125 and 1969 ex.s. c 120 s 25;  
15 (29) RCW 24.06.130 and 1969 ex.s. c 120 s 26;  
16 (30) RCW 24.06.135 and 1969 ex.s. c 120 s 27;  
17 (31) RCW 24.06.140 and 1969 ex.s. c 120 s 28;  
18 (32) RCW 24.06.145 and 1969 ex.s. c 120 s 29;  
19 (33) RCW 24.06.150 and 1969 ex.s. c 120 s 30;  
20 (34) RCW 24.06.155 and 1969 ex.s. c 120 s 31;  
21 (35) RCW 24.06.160 and 1969 ex.s. c 120 s 32;  
22 (36) RCW 24.06.165 and 1969 ex.s. c 120 s 33;  
23 (37) RCW 24.06.170 and 1982 c 35 s 128, 1981 c 302 s 5, & 1969  
24 ex.s. c 120 s 34;  
25 (38) RCW 24.06.175 and 1982 c 35 s 129 & 1969 ex.s. c 120 s 35;  
26 (39) RCW 24.06.180 and 1969 ex.s. c 120 s 36;  
27 (40) RCW 24.06.185 and 1969 ex.s. c 120 s 37;  
28 (41) RCW 24.06.190 and 1969 ex.s. c 120 s 38;  
29 (42) RCW 24.06.195 and 1982 c 35 s 130, 1981 c 302 s 6, & 1969  
30 ex.s. c 120 s 39;  
31 (43) RCW 24.06.200 and 1982 c 35 s 131, 1981 c 302 s 7, & 1969  
32 ex.s. c 120 s 40;  
33 (44) RCW 24.06.205 and 1982 c 35 s 132 & 1969 ex.s. c 120 s 41;  
34 (45) RCW 24.06.207 and 1982 c 35 s 133;  
35 (46) RCW 24.06.210 and 1969 ex.s. c 120 s 42;  
36 (47) RCW 24.06.215 and 1969 ex.s. c 120 s 43;  
37 (48) RCW 24.06.220 and 1969 ex.s. c 120 s 44;  
38 (49) RCW 24.06.225 and 1982 c 35 s 134, 1981 c 302 s 8, & 1969  
39 ex.s. c 120 s 45;

1 (50) RCW 24.06.230 and 1982 c 35 s 135 & 1969 ex.s. c 120 s 46;  
2 (51) RCW 24.06.233 and 1982 c 35 s 136;  
3 (52) RCW 24.06.235 and 1969 ex.s. c 120 s 47;  
4 (53) RCW 24.06.240 and 1969 ex.s. c 120 s 48;  
5 (54) RCW 24.06.245 and 1969 ex.s. c 120 s 49;  
6 (55) RCW 24.06.250 and 1969 ex.s. c 120 s 50;  
7 (56) RCW 24.06.255 and 1969 ex.s. c 120 s 51;  
8 (57) RCW 24.06.260 and 1982 c 35 s 137 & 1969 ex.s. c 120 s 52;  
9 (58) RCW 24.06.265 and 1969 ex.s. c 120 s 53;  
10 (59) RCW 24.06.270 and 1969 ex.s. c 120 s 54;  
11 (60) RCW 24.06.275 and 1993 c 356 s 17, 1982 c 35 s 138, & 1969  
12 ex.s. c 120 s 55;  
13 (61) RCW 24.06.280 and 1982 c 35 s 139, 1981 c 302 s 9, & 1969  
14 ex.s. c 120 s 56;  
15 (62) RCW 24.06.285 and 1982 c 35 s 140 & 1969 ex.s. c 120 s 57;  
16 (63) RCW 24.06.290 and 1994 c 287 s 10, 1993 c 356 s 18, 1982 c 35  
17 s 141, 1973 c 70 s 1, & 1969 ex.s. c 120 s 58;  
18 (64) RCW 24.06.295 and 1969 ex.s. c 120 s 59;  
19 (65) RCW 24.06.300 and 1969 ex.s. c 120 s 60;  
20 (66) RCW 24.06.305 and 1969 ex.s. c 120 s 61;  
21 (67) RCW 24.06.310 and 1969 ex.s. c 120 s 62;  
22 (68) RCW 24.06.315 and 1969 ex.s. c 120 s 63;  
23 (69) RCW 24.06.320 and 1969 ex.s. c 120 s 64;  
24 (70) RCW 24.06.325 and 1969 ex.s. c 120 s 65;  
25 (71) RCW 24.06.330 and 1969 ex.s. c 120 s 66;  
26 (72) RCW 24.06.335 and 1982 c 35 s 142 & 1969 ex.s. c 120 s 67;  
27 (73) RCW 24.06.340 and 1969 ex.s. c 120 s 68;  
28 (74) RCW 24.06.345 and 1969 ex.s. c 120 s 69;  
29 (75) RCW 24.06.350 and 1982 c 35 s 143 & 1969 ex.s. c 120 s 70;  
30 (76) RCW 24.06.355 and 1969 ex.s. c 120 s 71;  
31 (77) RCW 24.06.360 and 1989 c 307 s 38, 1982 c 45 s 2, & 1969 ex.s.  
32 c 120 s 72;  
33 (78) RCW 24.06.365 and 1982 c 35 s 144 & 1969 ex.s. c 120 s 73;  
34 (79) RCW 24.06.370 and 1982 c 35 s 145 & 1969 ex.s. c 120 s 74;  
35 (80) RCW 24.06.375 and 1969 ex.s. c 120 s 75;  
36 (81) RCW 24.06.380 and 1993 c 356 s 19, 1982 c 35 s 146, & 1969  
37 ex.s. c 120 s 76;  
38 (82) RCW 24.06.385 and 1969 ex.s. c 120 s 77;  
39 (83) RCW 24.06.390 and 1969 ex.s. c 120 s 78;

1 (84) RCW 24.06.395 and 1982 c 35 s 147 & 1969 ex.s. c 120 s 79;  
2 (85) RCW 24.06.400 and 1969 ex.s. c 120 s 80;  
3 (86) RCW 24.06.405 and 1969 ex.s. c 120 s 81;  
4 (87) RCW 24.06.410 and 1969 ex.s. c 120 s 82;  
5 (88) RCW 24.06.415 and 1993 c 356 s 20, 1982 c 35 s 148, & 1969  
6 ex.s. c 120 s 83;  
7 (89) RCW 24.06.420 and 1982 c 35 s 149 & 1969 ex.s. c 120 s 84;  
8 (90) RCW 24.06.425 and 1982 c 35 s 150 & 1969 ex.s. c 120 s 85;  
9 (91) RCW 24.06.430 and 1982 c 35 s 151 & 1969 ex.s. c 120 s 86;  
10 (92) RCW 24.06.433 and 1993 c 356 s 21;  
11 (93) RCW 24.06.435 and 1969 ex.s. c 120 s 87;  
12 (94) RCW 24.06.440 and 1993 c 356 s 22, 1982 c 35 s 152, & 1969  
13 ex.s. c 120 s 88;  
14 (95) RCW 24.06.445 and 1993 c 356 s 23, 1982 c 35 s 153, 1973 c 146  
15 s 1, & 1969 ex.s. c 120 s 89;  
16 (96) RCW 24.06.450 and 1993 c 269 s 7, 1991 c 223 s 2, 1982 c 35 s  
17 154, 1981 c 230 s 6, 1973 c 70 s 2, & 1969 ex.s. c 120 s 90;  
18 (97) RCW 24.06.455 and 1993 c 269 s 8, 1982 c 35 s 155, 1979 ex.s.  
19 c 133 s 3, 1973 c 70 s 3, & 1969 ex.s. c 120 s 91;  
20 (98) RCW 24.06.460 and 1982 c 35 s 156 & 1969 ex.s. c 120 s 92;  
21 (99) RCW 24.06.465 and 1994 c 287 s 11 & 1969 ex.s. c 120 s 93;  
22 (100) RCW 24.06.470 and 1969 ex.s. c 120 s 94;  
23 (101) RCW 24.06.475 and 1982 c 35 s 157 & 1969 ex.s. c 120 s 95;  
24 (102) RCW 24.06.480 and 1982 c 35 s 158 & 1969 ex.s. c 120 s 96;  
25 (103) RCW 24.06.485 and 1982 c 35 s 159 & 1969 ex.s. c 120 s 97;  
26 (104) RCW 24.06.490 and 1982 c 35 s 160 & 1969 ex.s. c 120 s 98;  
27 (105) RCW 24.06.495 and 1982 c 35 s 161 & 1969 ex.s. c 120 s 99;  
28 (106) RCW 24.06.500 and 1969 ex.s. c 120 s 100;  
29 (107) RCW 24.06.505 and 1969 ex.s. c 120 s 101;  
30 (108) RCW 24.06.510 and 1969 ex.s. c 120 s 102;  
31 (109) RCW 24.06.515 and 1969 ex.s. c 120 s 103;  
32 (110) RCW 24.06.520 and 1993 c 269 s 9, 1982 c 35 s 162, & 1969  
33 ex.s. c 120 s 106;  
34 (111) RCW 24.06.525 and 1969 ex.s. c 120 s 107;  
35 (112) RCW 24.06.900 and 1982 c 35 s 163 & 1969 ex.s. c 120 s 104;  
36 (113) RCW 24.06.905 and 1991 c 72 s 44 & 1969 ex.s. c 120 s 105;  
37 (114) RCW 24.06.910 and 1969 ex.s. c 120 s 108;  
38 (115) RCW 24.06.915 and 1982 c 35 s 164 & 1969 ex.s. c 120 s 109;  
39 and

1 (116) RCW 24.06.920 and 1969 ex.s. c 120 s 110.

2 NEW SECTION. **Sec. 2105.** REPEALER--CHAPTER 24.12 RCW. The  
3 following acts or parts of acts are each repealed:

- 4 (1) RCW 24.12.010 and 1915 c 79 s 1;
- 5 (2) RCW 24.12.020 and 1915 c 79 s 2;
- 6 (3) RCW 24.12.030 and 1981 c 302 s 10 & 1915 c 79 s 3; and
- 7 (4) RCW 24.12.040 and 1915 c 79 s 4.

8 NEW SECTION. **Sec. 2106.** REPEALER--CHAPTER 24.20 RCW. The  
9 following acts or parts of acts are each repealed:

- 10 (1) RCW 24.20.010 and 1981 c 302 s 11, 1925 ex.s. c 63 s 1, & 1903  
11 c 80 s 1;
- 12 (2) RCW 24.20.020 and 1993 c 269 s 10, 1982 c 35 s 165, & 1903 c 80  
13 s 2;
- 14 (3) RCW 24.20.030 and 1903 c 80 s 3; and
- 15 (4) RCW 24.20.040 and 1903 c 80 s 4.

16 NEW SECTION. **Sec. 2107.** REPEALER--CHAPTER 24.24 RCW. The  
17 following acts or parts of acts are each repealed:

- 18 (1) RCW 24.24.010 and 1982 c 35 s 166, 1981 c 302 s 12, & 1927 c  
19 190 s 1;
- 20 (2) RCW 24.24.020 and 1927 c 190 s 2;
- 21 (3) RCW 24.24.030 and 1927 c 190 s 3;
- 22 (4) RCW 24.24.040 and 1927 c 190 s 4;
- 23 (5) RCW 24.24.050 and 1927 c 190 s 5;
- 24 (6) RCW 24.24.060 and 1927 c 190 s 6;
- 25 (7) RCW 24.24.070 and 1927 c 190 s 7;
- 26 (8) RCW 24.24.080 and 1927 c 190 s 8;
- 27 (9) RCW 24.24.090 and 1927 c 190 s 9;
- 28 (10) RCW 24.24.100 and 1993 c 269 s 11, 1982 c 35 s 167, & 1927 c  
29 190 s 10; and
- 30 (11) RCW 24.24.110 and 1927 c 190 s 11.

31 NEW SECTION. **Sec. 2108.** REPEALER--CHAPTER 24.28 RCW. The  
32 following acts or parts of acts are each repealed:

- 33 (1) RCW 24.28.010 and 1981 c 302 s 13, 1959 c 207 s 1, & 1875 p 97  
34 s 1;
- 35 (2) RCW 24.28.020 and 1981 c 302 s 14 & 1875 p 97 s 2;

1 (3) RCW 24.28.030 and 1875 p 98 s 3; and  
2 (4) RCW 24.28.040 and 1959 c 207 s 2.

3 NEW SECTION. **Sec. 2109.** REPEALER--CHAPTER 23.86 RCW. The  
4 following acts or parts of acts are each repealed:

- 5 (1) RCW 23.86.300 and 1989 c 307 s 14;  
6 (2) RCW 23.86.320 and 1989 c 307 s 16; and  
7 (3) RCW 23.86.350 and 1989 c 307 s 20.

8 NEW SECTION. **Sec. 2110.** SEVERABILITY. If any provision of this  
9 act or its application to any person or circumstance is held invalid,  
10 the remainder of the act or the application of the provision to other  
11 persons or circumstances is not affected.

12 NEW SECTION. **Sec. 2111.** ADMINISTRATIVE RULES TRANSITION. To the  
13 extent consistent with this act, all administrative rules of the  
14 secretary of state, adopted under statutes repealed by this act, remain  
15 in effect until amended, repealed, or replaced by rules adopted under  
16 this act and to that extent are deemed adopted under this act.

17 NEW SECTION. **Sec. 2112.** EFFECTIVE DATE. (1) Except as provided  
18 in subsections (2) and (3) of this section, this act shall take effect  
19 January 1, 1996.

20 (2) Sections 2002 through 2007, 2104, and 2109 of this act shall  
21 take effect April 1, 1996.

22 (3) Sections 2105 through 2108 of this act shall take effect July  
23 1, 1996.

--- END ---