
SUBSTITUTE HOUSE BILL 2320

State of Washington

56th Legislature

2000 Regular Session

By House Committee on Judiciary (originally sponsored by Representatives Lantz, Esser, Constantine, Hurst and Ruderman)

Read first time 02/03/2000. Referred to Committee on .

1 AN ACT Relating to the authorization and application of electronic
2 notice and electronic proxies to the nonprofit miscellaneous and mutual
3 corporations act; and amending RCW 24.06.005, 24.06.095, 24.06.105,
4 24.06.110, 24.06.115, 24.06.190, 24.06.195, 24.06.220, 24.06.225,
5 24.06.240, 24.06.250, 24.06.260, 24.06.270, and 24.06.275.

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

7 **Sec. 1.** RCW 24.06.005 and 1982 c 35 s 118 are each amended to read
8 as follows:

9 As used in this chapter, unless the context otherwise requires, the
10 term:

11 (1) "Corporation" or "domestic corporation" means a mutual
12 corporation or miscellaneous corporation subject to the provisions of
13 this chapter, except a foreign corporation.

14 (2) "Foreign corporation" means a mutual or miscellaneous
15 corporation or other corporation organized under laws other than the
16 laws of this state which would be subject to the provisions of this
17 chapter if organized under the laws of this state.

1 (3) "Mutual corporation" means a corporation organized to
2 accomplish one or more of its purposes on a mutual basis for members
3 and other persons.

4 (4) "Miscellaneous corporation" means any corporation which is
5 organized for a purpose or in a manner not provided for by the
6 Washington business corporation act or by the Washington nonprofit
7 corporation act, and which is not required to be organized under other
8 laws of this state.

9 (5) "Articles of incorporation" includes the original articles of
10 incorporation and all amendments thereto, and includes articles of
11 merger.

12 (6) "Bylaws" means the code or codes of rules adopted for the
13 regulation or management of the affairs of the corporation irrespective
14 of the name or names by which such rules are designated.

15 (7) "Member" means one having membership rights in a corporation in
16 accordance with provisions of its articles of incorporation or bylaws.

17 (8) "Stock" or "share" means the units into which the proprietary
18 interests of a corporation are divided in a corporation organized with
19 stock.

20 (9) "Stockholder" or "shareholder" means one who is a holder of
21 record of one or more shares in a corporation organized with stock.

22 (10) "Board of directors" means the group of persons vested with
23 the management of the affairs of the corporation irrespective of the
24 name by which such group is designated.

25 (11) "Insolvent" means inability of a corporation to pay debts as
26 they become due in the usual course of its affairs.

27 (12) "Duplicate originals" means two copies, original or otherwise,
28 each with original signatures, or one original with original signatures
29 and one copy thereof.

30 (13) "Conforms to law" as used in connection with duties of the
31 secretary of state in reviewing documents for filing under this
32 chapter, means the secretary of state has determined the document
33 complies as to form with the applicable requirements of this chapter.

34 (14) "Effective date" means, in connection with a document filing
35 made by the secretary of state, the date which is shown by affixing a
36 "filed" stamp on the documents. When a document is received for filing
37 by the secretary of state in a form which complies with the
38 requirements of this chapter and which would entitle the document to be
39 filed immediately upon receipt, but the secretary of state's approval

1 action occurs subsequent to the date of receipt, the secretary of
2 state's filing date shall relate back to the date on which the
3 secretary of state first received the document in acceptable form. An
4 applicant may request a specific effective date no more than thirty
5 days later than the receipt date which might otherwise be applied as
6 the effective date.

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

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

16 (17) "Electronic transmission" or "electronically transmitted"
17 means any process of electronic communication not directly involving
18 the physical transfer of paper that is suitable for the retention,
19 retrieval, and reproduction of the transmitted information by the
20 recipient. However, such an electronic transmission must either set
21 forth or be submitted with information, including any security or
22 validation controls used, from which it can reasonably be determined
23 that the electronic transmission was authorized by, as applicable, the
24 corporation or shareholder or member by or on behalf of which the
25 electronic transmission was sent.

26 **Sec. 2.** RCW 24.06.095 and 1970 ex.s. c 78 s 1 are each amended to
27 read as follows:

28 The initial bylaws of a corporation shall be adopted by its board
29 of directors. The power to alter, amend or repeal the bylaws or adopt
30 new bylaws shall be vested in the board of directors unless otherwise
31 provided in the articles of incorporation or the bylaws. The bylaws
32 may contain any provisions for the regulation and management of the
33 affairs of a corporation not inconsistent with law or the articles of
34 incorporation: PROVIDED, That where the bylaws of an existing
35 corporation prohibit voting by mail, by electronic transmission, or by
36 proxy or attorney-in-fact, and the quorum required by its bylaws for
37 election of directors or transaction of other business has not been
38 obtained at a shareholders' or members' meeting, for a period which

1 includes at least two consecutive annual meeting dates, the board of
2 directors shall have power to amend such bylaws to thereafter authorize
3 voting by mail, by electronic transmission, or by proxy or attorney-in-
4 fact.

5 **Sec. 3.** RCW 24.06.105 and 1969 ex.s. c 120 s 21 are each amended
6 to read as follows:

7 Written or printed notice or, if specifically permitted by the
8 articles of incorporation or bylaws of the corporation, notice given by
9 electronic transmission, stating the place, day and hour of the meeting
10 and, in case of a special meeting, the purpose or purposes for which
11 the meeting is called, shall be delivered not less than ten nor more
12 than fifty days before the date of the meeting, either personally or by
13 mail or electronic transmission, by or at the direction of the
14 president, or the secretary, or the officers or persons calling the
15 meeting, to each member or shareholder entitled to vote at such
16 meeting. If provided in the articles of incorporation, notice of
17 regular meetings other than annual may be made by providing each member
18 with the adopted schedule of regular meetings for the ensuing year at
19 any time after the annual meeting and ten days prior to a regular
20 meeting and at any time when requested by a member or by such other
21 notice as may be prescribed by the bylaws. If mailed, such notice
22 shall be deemed to be delivered when deposited in the United States
23 mail, addressed to the member or shareholder at his or her address as
24 it appears on the records of the corporation, with postage thereon
25 prepaid. If sent by electronic transmission, the notice is deemed to
26 be delivered when sent, addressed to the member or shareholder at his
27 or her electronic transmission address as it appears on the records of
28 the corporation.

29 **Sec. 4.** RCW 24.06.110 and 1969 ex.s. c 120 s 22 are each amended
30 to read as follows:

31 The right of a class or classes of members or shareholders to vote
32 may be limited, enlarged or denied to the extent specified in the
33 articles of incorporation. Unless so limited, enlarged or denied, each
34 member and each outstanding share of each class shall be entitled to
35 one vote on each matter submitted to a vote of members or shareholders.
36 No member of a class may acquire any interest which will entitle him or
37 her to a greater vote than any other member of the same class.

1 A member or shareholder may vote in person or, unless the articles
2 of incorporation or the bylaws otherwise provide, may vote by mail, by
3 electronic transmission, or by proxy executed in writing by the member
4 or shareholder or by his or her duly authorized attorney-in-fact:
5 PROVIDED, That no proxy shall be valid for more than eleven months from
6 the date of its execution unless otherwise specified in the proxy.

7 If a member or shareholder may vote by proxy, the proxy may be
8 given by:

9 (1) Executing a writing authorizing another person or persons to
10 act for the member or shareholder as proxy. Execution may be
11 accomplished by the member or shareholder or the member's or
12 shareholder's authorized officer, director, employee, or agent signing
13 the writing or causing his or her signature to be affixed to the
14 writing by any reasonable means including, but not limited to,
15 facsimile signature; or

16 (2) Authorizing another person or persons to act for the member or
17 shareholder as proxy by transmitting or authorizing the transmission of
18 an electronic transmission to the person who will be the holder of the
19 proxy, or to a proxy solicitation firm, proxy support service
20 organization, or like agent duly authorized by the person who will be
21 the holder of the proxy to receive the transmission. If it is
22 determined that the electronic transmissions are valid, the inspector
23 of election or, if there are no inspectors, any other officer or agent
24 of the corporation making that determination on behalf of the
25 corporation shall specify the information upon which they relied. The
26 corporation shall require the holders of proxies received by electronic
27 transmission to provide to the corporation copies of the electronic
28 transmission and the corporation shall retain copies of the electronic
29 transmission for a reasonable period of time.

30 The articles of incorporation may provide that whenever proposals
31 or directors or officers are to be voted upon, such vote may be taken
32 by mail or by electronic transmission if the name of each candidate and
33 the text of each proposal to be so voted upon are set forth in a
34 writing accompanying or contained in the notice of meeting. Persons
35 voting by mail or by electronic transmission shall be deemed present
36 for all purposes of quorum, count of votes and percentages of total
37 voting power voting.

38 The articles of incorporation or the bylaws may provide that in all
39 elections for directors every person entitled to vote shall have the

1 right to cumulate his or her vote and to give one candidate a number of
2 votes equal to his or her vote multiplied by the number of directors to
3 be elected, or by distributing such votes on the same principle among
4 any number of such candidates.

5 **Sec. 5.** RCW 24.06.115 and 1969 ex.s. c 120 s 23 are each amended
6 to read as follows:

7 The articles of incorporation or the bylaws may provide the number
8 or percentage of votes which members or shareholders are entitled to
9 cast in person, by mail, by electronic transmission, or by proxy, which
10 shall constitute a quorum at meetings of shareholders or members.
11 However, in no event shall a quorum be less than one-fourth of the
12 votes which members or shareholders are entitled to cast in person, by
13 mail, by electronic transmission, or by proxy, at a meeting considering
14 the adoption of a proposal which is required by the provisions of this
15 chapter to be adopted by at least two-thirds of the votes which members
16 or shareholders present at the meeting in person or by mail, by
17 electronic transmission, or represented by proxy are entitled to cast.
18 In all other matters and in the absence of any provision in the
19 articles of incorporation or bylaws, a quorum shall consist of one-
20 fourth of the votes which members or shareholders are entitled to cast
21 in person, by mail, by electronic transmission, or by proxy at the
22 meeting. On any proposal on which a class of shareholders or members
23 is entitled to vote as a class, a quorum of the class entitled to vote
24 as such class must also be present in person, by mail, by electronic
25 transmission, or represented by proxy.

26 **Sec. 6.** RCW 24.06.190 and 1969 ex.s. c 120 s 38 are each amended
27 to read as follows:

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

30 The board of directors shall adopt a resolution setting forth the
31 proposed amendment and directing that it be submitted to a vote at a
32 meeting of members and shareholders, which may be either an annual or
33 a special meeting. Written or printed notice or, if specifically
34 permitted by the articles of incorporation or bylaws of the
35 corporation, notice by electronic transmission, setting forth the
36 proposed amendment or a summary of the changes to be effected thereby
37 shall be given to each member and shareholder entitled to vote at such

1 meeting within the time and in the manner provided in this chapter for
2 the giving of notice of meetings of members and shareholders. The
3 proposed amendment shall be adopted upon receiving at least two-thirds
4 of the votes which members or shareholders present in person or by mail
5 or by electronic transmission at such meeting or represented by proxy
6 are entitled to cast: PROVIDED, That when any class of shares or
7 members is entitled to vote thereon by class, the proposed amendment
8 must receive at least two-thirds of the votes of the members or
9 shareholders of each class entitled to vote thereon as a class, who are
10 present in person, by mail, by electronic transmission, or represented
11 by proxy at such meeting.

12 Any number of amendments may be submitted and voted upon at any one
13 meeting.

14 **Sec. 7.** RCW 24.06.195 and 1982 c 35 s 130 are each amended to read
15 as follows:

16 The articles of amendment shall be executed in duplicate originals
17 by the corporation by an officer of the corporation, and shall set
18 forth:

19 (1) The name of the corporation.

20 (2) Any amendment so adopted.

21 (3) A statement setting forth the date of the meeting of members
22 and shareholders at which the amendment was adopted, that a quorum was
23 present at such meeting, and that such amendment received at least two-
24 thirds of the votes which members or shareholders of the corporation,
25 and of each class entitled to vote thereon as a class, present at such
26 meeting in person, by mail, by electronic transmission, or represented
27 by proxy were entitled to cast, or a statement that such amendment was
28 adopted by a consent in writing signed by all members and shareholders
29 entitled to vote with respect thereto.

30 **Sec. 8.** RCW 24.06.220 and 1969 ex.s. c 120 s 44 are each amended
31 to read as follows:

32 A plan of merger or consolidation shall be adopted in the following
33 manner:

34 The board of directors of such corporation shall adopt a resolution
35 approving the proposed plan and directing that it be submitted to a
36 vote at a meeting of members or shareholders which may be either an
37 annual or a special meeting. Written or printed notice or, if

1 specifically permitted by the articles of incorporation or bylaws of
2 the corporation, notice by electronic transmission, setting forth the
3 proposed plan or a summary thereof shall be given to each member and
4 shareholder within the time and in the manner provided in this chapter
5 for the giving of notice of meetings of members and shareholders. The
6 proposed plan shall be adopted upon receiving at least two-thirds of
7 the votes which members and shareholders present in person or by mail
8 or by electronic transmission at each such meeting or represented by
9 proxy are entitled to cast: PROVIDED, That when any class of shares or
10 members is entitled to vote thereon as a class, the proposed amendment
11 must receive at least two-thirds of the votes of the members or
12 shareholders of each class entitled to vote thereon as a class, who are
13 present in person, by mail, by electronic transmission, or represented
14 by proxy at such meeting.

15 After such approval, and at any time prior to the filing of the
16 articles of merger or consolidation, the merger or consolidation may be
17 abandoned pursuant to provisions therefor, if any, set forth in the
18 plan of merger or consolidation.

19 **Sec. 9.** RCW 24.06.225 and 1982 c 35 s 134 are each amended to read
20 as follows:

21 (1) Upon approval, articles of merger or articles of consolidation
22 shall be executed in duplicate originals by each corporation, by an
23 officer of each corporation, and shall set forth:

24 (a) The plan of merger or the plan of consolidation;

25 (b) A statement setting forth the date of the meeting of members or
26 shareholders at which the plan was adopted, that a quorum was present
27 at such meeting, and that such plan received at least two-thirds of the
28 votes which members and shareholders of the corporation and of each
29 class entitled to vote thereon as a class, present at such meeting in
30 person or by mail or by electronic transmission or represented by proxy
31 were entitled to cast, or a statement that such amendment was adopted
32 by a consent in writing signed by all members;

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

37 (a) Endorse on each of such originals the word "filed", and the
38 effective date of the filing thereof;

- 1 (b) File one of such originals in his or her office;
2 (c) Issue a certificate of merger or a certificate of consolidation
3 to which he or she shall affix one of such originals.

4 The certificate of merger or certificate of consolidation, together
5 with the original of the articles of merger or articles of
6 consolidation affixed thereto by the secretary of state shall be
7 returned to the surviving or new corporation, as the case may be, or
8 its representative, and shall be retained by the corporation.

9 **Sec. 10.** RCW 24.06.240 and 1969 ex.s. c 120 s 48 are each amended
10 to read as follows:

11 A sale, lease, exchange, or other disposition of all or
12 substantially all of the property and assets of a corporation may be
13 made upon such terms and conditions and for such consideration, which
14 may consist in whole or in part of money or property, real or personal,
15 including shares of any corporation for profit, domestic or foreign, as
16 may be authorized in the following manner:

17 (1) The board of directors shall adopt a resolution recommending a
18 sale, lease, exchange, or other disposition and directing that it be
19 submitted to a vote at a meeting of members or shareholders which may
20 be either an annual or a special meeting.

21 (2) Written or printed notice or, if specifically permitted by the
22 articles of incorporation or bylaws of the corporation, notice by
23 electronic transmission, stating that the purpose or one of the
24 purposes of such meeting is to consider the sale, lease, exchange, or
25 other disposition of all or substantially all of the property and
26 assets of the corporation shall be given to each member and shareholder
27 within the time and in the manner provided by this chapter for the
28 giving of notice of meetings of members and shareholders.

29 (3) At such meeting the members may authorize such sale, lease,
30 exchange, or other disposition and may fix, or may authorize the board
31 of directors to fix, any or all of the terms and conditions thereof and
32 the consideration to be received by the corporation therefor.

33 (4) Such authorization shall require at least two-thirds of the
34 votes which members and shareholders present at such meetings in
35 person, by mail, by electronic transmission, or represented by proxy
36 are entitled to cast: PROVIDED, That even after such authorization by
37 a vote of members or shareholders, the board of directors may, in its
38 discretion, without further action or approval by members, abandon such

1 sale, lease, exchange, or other disposition of assets, subject only to
2 the rights of third parties under any contracts relating thereto.

3 **Sec. 11.** RCW 24.06.250 and 1969 ex.s. c 120 s 50 are each amended
4 to read as follows:

5 Any member or shareholder electing to exercise such right of
6 dissent shall file with the corporation, prior to or at the meeting of
7 members and shareholders at which such proposed corporate action is
8 submitted to a vote, a written objection to such proposed corporate
9 action. If such proposed corporate action be approved by the required
10 vote and such member or shareholder shall not have voted in favor
11 thereof, such member or shareholder may, within ten days after the date
12 on which the vote was taken, or if a corporation is to be merged
13 without a vote of its members and shareholders into another
14 corporation, any other members or shareholders may, within fifteen days
15 after the plan of such merger shall have been mailed or sent by
16 electronic transmission to such members and shareholders, make written
17 demand on the corporation, or, in the case of a merger or
18 consolidation, on the surviving or new corporation, domestic or
19 foreign, for payment of the fair value of such member's membership or
20 of such shareholder's shares, and, if such proposed corporate action is
21 effected, such corporation shall pay to such member, upon surrender of
22 his or her membership certificate, if any, or to such shareholder, upon
23 surrender of the certificate or certificates representing such shares,
24 the fair value thereof as of the day prior to the date on which the
25 vote was taken approving the proposed corporate action, excluding any
26 appreciation or depreciation in anticipation of such corporate action.
27 Any member or shareholder failing to make demand within the ten day
28 period shall be bound by the terms of the proposed corporate action.
29 Any member or shareholder making such demand shall thereafter be
30 entitled only to payment as in this section provided and shall not be
31 entitled to vote or to exercise any other rights of a member or
32 shareholder.

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

38 (1) Such demand shall be withdrawn upon consent; or

1 (2) The proposed corporate action shall be abandoned or rescinded
2 or the members or shareholders shall revoke the authority to effect
3 such action; or

4 (3) In the case of a merger, on the date of the filing of the
5 articles of merger the surviving corporation is the owner of all the
6 outstanding shares of the other corporations, domestic and foreign,
7 that are parties to the merger; or

8 (4) No demand or petition for the determination of fair value by a
9 court shall have been made or filed within the time provided by this
10 section; or

11 (5) A court of competent jurisdiction shall determine that such
12 member or shareholder is not entitled to the relief provided by this
13 section.

14 Within ten days after such corporate action is effected, the
15 corporation, or, in the case of a merger or consolidation, the
16 surviving or new corporation, domestic or foreign, shall give written
17 notice thereof to each dissenting member or shareholder who has made
18 demand as herein provided, and shall make a written offer to each such
19 member or shareholder to pay for such shares or membership at a
20 specified price deemed by such corporation to be the fair value
21 thereof. Such notice and offer shall be accompanied by a balance sheet
22 of the corporation in which the member has his or her membership or the
23 shares of which the dissenting shareholder holds, as of the latest
24 available date and not more than twelve months prior to the making of
25 such offer, and a profit and loss statement of such corporation for the
26 twelve months' period ended on the date of such balance sheet.

27 If within thirty days after the date on which such corporate action
28 was effected the fair value of such shares or membership is agreed upon
29 between any such dissenting member or shareholder and the corporation,
30 payment therefor shall be made within ninety days after the date on
31 which such corporate action was effected, upon surrender of the
32 membership certificate, if any, or upon surrender of the certificate or
33 certificates representing such shares. Upon payment of the agreed
34 value the dissenting member or shareholder shall cease to have any
35 interest in such membership or shares.

36 If within such period of thirty days a dissenting member or
37 shareholder and the corporation do not so agree, then the corporation,
38 within thirty days after receipt of written demand from any dissenting
39 member or shareholder given within sixty days after the date on which

1 such corporate action was effected, shall, or at its election at any
2 time within such period of sixty days may, file a petition in any court
3 of competent jurisdiction in the county in this state where the
4 registered office of the corporation is located praying that the fair
5 value of such membership or shares be found and determined. If, in the
6 case of a merger or consolidation, the surviving or new corporation is
7 a foreign corporation without a registered office in this state, such
8 petition shall be filed in the county where the registered office of
9 the domestic corporation was last located. If the corporation shall
10 fail to institute the proceeding as herein provided, any dissenting
11 member or shareholder may do so in the name of the corporation. All
12 dissenting members and shareholders, wherever residing, shall be made
13 parties to the proceeding as an action against their memberships or
14 shares quasi in rem. A copy of the petition shall be served on each
15 dissenting member and shareholder who is a resident of this state and
16 shall be served by registered or certified mail on each dissenting
17 member or shareholder who is a nonresident. Service on nonresidents
18 shall also be made by publication as provided by law. The jurisdiction
19 of the court shall be plenary and exclusive. All members and
20 shareholders who are parties to the proceeding shall be entitled to
21 judgment against the corporation for the amount of the fair value of
22 their shares. The court may, if it so elects, appoint one or more
23 persons as appraisers to receive evidence and recommend a decision on
24 the question of fair value. The appraisers shall have such power and
25 authority as shall be specified in the order of their appointment or an
26 amendment thereof. The judgment shall be payable only upon and
27 concurrently with the surrender to the corporation of the membership
28 certificate, if any, or of the certificate or certificates representing
29 such shares. Upon payment of the judgment, the dissenting shareholder
30 or member shall cease to have any interest in such shares or
31 membership.

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

36 The costs and expenses of any such proceeding shall be determined
37 by the court and shall be assessed against the corporation, but all or
38 any part of such costs and expenses may be apportioned and assessed as
39 the court may deem equitable against any or all of the dissenting

1 members and shareholders who are parties to the proceeding to whom the
2 corporation shall have made an offer to pay for membership or shares if
3 the court shall find that the action of such members or shareholders in
4 failing to accept such offer was arbitrary or vexatious or not in good
5 faith. Such expenses shall include reasonable compensation for and
6 reasonable expenses of the appraisers, but shall exclude the fees and
7 expenses of counsel for and experts employed by any party; but if the
8 fair value of the memberships or shares as determined materially
9 exceeds the amount which the corporation offered to pay therefor, or if
10 no offer was made, the court in its discretion may award to any member
11 or shareholder who is a party to the proceeding such sum as the court
12 may determine to be reasonable compensation to any expert or experts
13 employed by the member or shareholder in the proceeding.

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

29 **Sec. 12.** RCW 24.06.260 and 1982 c 35 s 137 are each amended to
30 read as follows:

31 A corporation may dissolve and wind up its affairs in the following
32 manner:

33 (1) The board of directors shall adopt a resolution recommending
34 that the corporation be dissolved, and directing that the question of
35 such dissolution be submitted to a vote at a meeting of members and
36 shareholders which may be either an annual or a special meeting.

37 (2) Written or printed notice or, if specifically permitted by the
38 articles of incorporation or bylaws of the corporation, notice by

1 electronic transmission, stating that the purpose or one of the
2 purposes of such meeting is to consider the advisability of dissolving
3 the corporation shall be given to each member and shareholder within
4 the time and in the manner provided in this chapter for the giving of
5 notice of meetings of members and shareholders.

6 (3) A resolution to dissolve the corporation shall be adopted upon
7 receiving at least two-thirds of the votes which members and
8 shareholders present in person or by mail or by electronic transmission
9 at such meeting or represented by proxy are entitled to cast.

10 Upon the adoption of such resolution by the members and
11 shareholders, the corporation shall cease to conduct its affairs and,
12 except insofar as may be necessary for the winding up thereof, shall
13 immediately cause a notice of the proposed dissolution to be mailed to
14 each known creditor of the corporation and to the department of
15 revenue, and shall proceed to collect its assets and to apply and
16 distribute them as provided in RCW 24.06.265.

17 **Sec. 13.** RCW 24.06.270 and 1969 ex.s. c 120 s 54 are each amended
18 to read as follows:

19 A corporation may, at any time prior to the issuance of a
20 certificate of dissolution by the secretary of state, revoke the action
21 theretofore taken to dissolve the corporation, in the following manner:

22 (1) The board of directors shall adopt a resolution recommending
23 that the voluntary dissolution proceedings be revoked, and directing
24 that the question of such revocation be submitted to a vote at a
25 meeting of members or shareholders which may be either an annual or a
26 special meeting.

27 (2) Written or printed notice or, if specifically permitted by the
28 articles of incorporation or bylaws of the corporation, notice by
29 electronic transmission, stating that the purpose or one of the
30 purposes of the meeting is to consider the advisability of revoking the
31 voluntary dissolution proceedings shall be given to each member and
32 shareholder within the time and in the manner provided in this chapter
33 for the giving of notice of meetings of members or shareholders.

34 (3) A resolution to revoke voluntary dissolution proceedings shall
35 be adopted upon receiving at least two-thirds of the votes which
36 members and shareholders present in person or by mail or by electronic
37 transmission at such meeting or represented by proxy are entitled to
38 cast.

1 **Sec. 14.** RCW 24.06.275 and 1993 c 356 s 17 are each amended to
2 read as follows:

3 If voluntary dissolution proceedings have not been revoked, then
4 after all debts, liabilities and obligations of the corporation shall
5 have been paid and discharged, or adequate provision shall have been
6 made therefor, and all of the remaining property and assets of the
7 corporation shall have been transferred, conveyed or distributed in
8 accordance with the provisions of this chapter, articles of dissolution
9 shall be executed in duplicate by the corporation, by an officer of the
10 corporation; and such statement shall set forth:

11 (1) The name of the corporation.

12 (2) The date of the meeting of members or shareholders at which the
13 resolution to dissolve was adopted, certifying that:

14 (a) A quorum was present at such meeting;

15 (b) Such resolution received at least two-thirds of the votes which
16 members and shareholders present in person or by mail or by electronic
17 transmission at such meeting or represented by proxy were entitled to
18 cast or was adopted by a consent in writing signed by all members and
19 shareholders;

20 (c) All debts, obligations, and liabilities of the corporation have
21 been paid and discharged or that adequate provision has been made
22 therefor;

23 (d) All the remaining property and assets of the corporation have
24 been transferred, conveyed or distributed in accordance with the
25 provisions of this chapter;

26 (e) There are no suits pending against the corporation in any court
27 or, if any suits are pending against it, that adequate provision has
28 been made for the satisfaction of any judgment, order or decree which
29 may be entered; and

30 (f) A copy of a revenue clearance certificate issued pursuant to
31 chapter 82.32 RCW.

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