

OTHER BUSINESS – ACTION ITEM #2

Students Book Corporation, Bylaw Changes
(Barry Johnston)

TO ALL MEMBERS OF THE BOARD OF REGENTS AS TRUSTEE AND SHAREHOLDERS OF THE STUDENTS BOOK CORPORATION

SUBJECT: Students Book Corporation, Bylaw Changes

PROPOSED: That the Trustees and Shareholders of the Students Book Corporation approve the following changes to the bylaws of the Students Book Corporation: (1) modify Article 4.3.2 to change the word "senators" to "representatives"; (2) modify Article 4.3.3 to change the word "members" to "representatives"; (3) modify Article 4.10 to clarify what constitutes a quorum; (4) modify Article 4.13 to allow for a scholarship award to Alternate Student Directors and to include the ability to reduce scholarship amounts in times of financial hardship for the corporation.

SUBMITTED BY: Students Book Corporation, Board of Directors

**SUPPORTING
INFORMATION:**

On May 6, 2005, the Trustee voted to allow the student directors to begin receiving a \$1,000 per semester stipend (scholarship for books) for their service to the Corporation. The Corporation also has alternate student directors that are expected to participate in discussion and deliberation on all matters affecting the Corporation. Heretofore the alternate student directors have not received any consideration for their participation in matters of the Corporation. After considerable discussion and deliberation at the regular Board of Directors meetings held on February 11, 2009, and on March 12, 2009, the Students Book Corporation unanimously agreed to recommend to the Trustees that the alternate student directors be authorized to receive an award equal to 50 percent of the stipend awarded to the seated Directors, provided such action did not negatively affect the financial position of the Corporation. Should the Trustees authorize these changes they will be effective beginning Fall 2009.

**AMENDED AND RESTATED BYLAWS
OF THE
STUDENTS BOOK CORPORATION**

ARTICLE I. TERMS

- 1.1 **Definitions.** Unless the context clearly requires otherwise, the following terms contained in these Bylaws shall have the meaning indicated.
- 1.1.1 **"Act"** means the Washington Business Corporation Act, as amended from time to time.
- 1.1.2 **"Articles"** means this Corporation's Articles of Incorporation, as amended from time to time.
- 1.1.3 **"ASWSU"** means the Associated Students of Washington State University and its successor in interest.
- 1.1.4 **"GPSA"** means the Graduate and Professional Students Association of Washington State University and its successor in interest.
- 1.1.5 **"Board"** means this Corporation's Board of Directors.
- 1.1.6 **"Corporation"** means this Corporation.
- 1.1.7 **"Director"** means a member of this Corporation's Board.
- 1.1.8 **"Officer"** means the Chairperson, Vice Chairperson, Secretary or Treasurer of the Board of Directors or any other Officer appointed by the Board pursuant to Section 5.1.
- 1.1.9 **"Person"** means an individual, corporation, partnership, trust, estate, or other entity.
- 1.1.10 **"Shareholder"** means the Person in whose name Shares of the Corporation are registered in, the records of the Corporation on any applicable date, or the beneficial owner of Shares to the extent of the rights granted by a nominee certificate on file with the Corporation.
- 1.1.11 **"Shares"** means the shares of stock of the Corporation.
- 1.1.12 **"Trustee"** means the Board of Regents of Washington State University.
- 1.1.13 **"University"** means Washington State University.

ARTICLE II. TRUST AGREEMENT

- 2.1 All Shares of the Corporation were owned by ASWSU, successor in interest to the Associated Students of Washington State College. Pursuant to the terms of a Trust Agreement dated March 1, 1947, between ASWSU and the Board of Regents of Washington State College, now Washington State University, all Shares were assigned and transferred to Trustee, as trustee of the trust thereby created. The Trust Agreement provides, among other things, that the Trustee "...shall exercise all incidents of ownership..." of the Shares for the welfare and benefit of the students of the University.

ARTICLE III. SHAREHOLDERS

- 3.1 Annual Meeting. The annual meeting of the Shareholders of the Corporation for the confirmation of Directors to succeed those whose terms expire, and for the transaction of such other business as may properly come before the meeting, shall be held each year in the month of April or May. The President of the Board of Regents of the University shall preside at the annual meeting of the Shareholders.
- 3.2 Special Meetings. Special meetings of the Shareholders for any purpose or purposes may be called at any time by the Board to be held at such time and place as the Board may prescribe. At any time, upon the written request of any Officer or of Shareholders holding in the aggregate twenty five percent (25%) of the voting power of all Shareholders entitled to vote, delivered to the Secretary or Chairperson of the Board and describing the purpose or purposes for the meeting, it shall be the duty of the Secretary or Chairperson to call a special meeting of the Shareholders to be held at such time and place as the Secretary or Chairperson may fix, not less than ten (10) nor more that thirty-five (35) days after the receipt of said request. If the Secretary or Chairperson neglects or refuses to issue such call, the Officer or the Shareholders making the request may do so.
- 3.3 Notice of Meetings.
- 3.3.1 General. Notice of each annual and special meeting of the Shareholders shall be given by the Secretary to each Person who is a Shareholder on the Record Date and who is entitled to vote at such a meeting.
- 3.3.2 Form. Notice of each meeting shall be in writing and state the date, time and place of the meeting. Notice of the annual meeting need not describe the purpose for the meeting, but notice of a special meeting shall describe the purpose or purposes for which the meeting is called.
- 3.3.3 Delivery. Notice of each meeting shall be given not less than ten (10) nor more than sixty (60) days prior to the meeting date, except that notice of a Shareholders' meeting to act on an amendment to the Articles, a plan or merger of Share exchange, a proposed sale of all or substantially all of the Corporation's property otherwise than in the usual and regular course of business, or the dissolution of the Corporation shall be given no less than thirty (30) days nor more than sixty (60)

days prior to the meeting. Notice may be transmitted by email, telephone or any other means necessary.. Such notice shall be deemed to have been given upon the earliest of (1) the Shareholder's receipt of the notice, (2) five (5) days after it is deposited in the mail with first class postage prepaid, or (3) on the date shown on the return receipt signed by or on behalf of the addressee, if sent by registered or certified mail, return receipt requested.

- 3.3.4 Waiver.** Notice of a Shareholders' meeting may be waived by any Shareholder, either before or after the meeting, in writing, signed by the Shareholder. Attendance at a meeting in person or by proxy shall constitute a waiver of notice or of objection to defective notice of the meeting, unless the Shareholder at the beginning of the meeting objects to holding the meeting or objects to consideration of a matter not within the purpose or purposes described in the notice of a special meeting when it is presented.
- 3.3.5 Adjourned Meetings.** An adjournment or adjournments of any Shareholders' meeting may be taken to such time and place as those present may determine and announce at the meeting without new notice being given; provided, that any meeting at which Directors are to be elected shall be adjourned only from day to day until such Directors are elected, and in the case of any meeting which is adjourned because of the failure of a quorum to attend, those who attend the second of such adjourned meetings, although less than a quorum, shall nevertheless constitute a quorum for the purpose of electing Directors.
- 3.4 Telephonic Meetings.** One or more Shareholders may participate in any meeting by telephone or other means of communication by which all persons participating in the meeting can hear and speak with each other during the meeting. A Shareholder participating by such means shall be deemed to be present in person.
- 3.5 Action Without Meeting.** Acts required or permitted to be taken by the Shareholders at any meeting may be taken without a meeting if all Shareholders entitled to vote on the action consent thereto. Such action shall be evidenced by one or more written consents describing the action taken, signed by all Shareholders entitled to vote on the action, and delivered to the Corporation for inclusion in the minutes or filing with the Corporation's records.
- 3.6 Quorum.** Owners of a majority of the outstanding shares of the corporation shall constitute a quorum subject to the provision of Section 3.3.5 above.
- 3.7 Voting.**
- 3.7.1 Record Date.** The record date for determining the Shareholders entitled to vote at any annual or special meeting of the Shareholders shall be the date the notice of the meeting is signed, as set forth in the notice, unless another date is specified by the Board and set forth in the notice of the meeting.
- 3.7.2 Shareholder List.** If the Corporation has more than one Shareholder, then after fixing the record date for a meeting, the Corporation shall prepare an alphabetical

list of the names of all Shareholders on the record date who are entitled to notice of the meeting and setting forth the address of and number of Shares held by each Shareholder. Such a list shall be available for inspection by any Shareholder or Shareholder's agent or attorney during regular business hours, beginning ten (10) days prior to the meeting and continuing through the meeting, at the Corporation's registered office or such other place as may be identified in the meeting notice within the city where the meeting will be held, and at the place where the meeting is held during the meeting.

3.7.3 Votes. Each Share entitled to vote at the meeting shall have one vote on each matter voted on during the Shareholder's meeting. A Shareholder may vote the Shareholder's Shares in person or by proxy. Action upon a matter, other than the confirmation of Directors, is approved if the number of votes cast favoring the action exceed the number of votes opposing the action, except in those instances in which a greater number of votes is required under the Act. Cumulative voting shall not be permitted for the election of Directors.

3.8 Directors' Compensation. The Shareholders shall establish the compensation of Directors, if any.

ARTICLE IV. DIRECTORS

4.1 Authority. All corporate powers shall be exercised by or under the authority of the Board of Directors.

4.2 Number and Qualification. The Board shall consist of five student directors elected by the student body of the university as provided in the following section 4.3, of whom four (4) shall be undergraduate students and one (1) shall be a graduate student, and two, (2) Faculty Directors, of whom shall be tenured members of the teaching faculty appointed by the University President's Office and two (2) Administrative Directors of whom shall be administrative representatives appointed by the University's Business Affairs Office.

A Director need not be a resident of the State of Washington. Members of the executive staff of ASWSU, GPSA, the Student Senates, and their employees are not eligible to serve as an elected Board member. Employees of the Students Book Corporation, their spouses, or immediate family members are not eligible to serve as an elected Board member. Students, undergraduate and graduate, must have and maintain the following qualifications to serve as an elected Director:

1. Be enrolled in at least twelve (12) undergraduate collegiate hours or a full-time graduate program.
2. Be in good academic standing with not less than a 2.5 accumulative grade point average for an undergraduate student and a 3.0 accumulative grade point average for a graduate student.

Faculty members must have achieved tenured status to be eligible to serve as an elected Board member.

4.3 Appointment of Student Directors. The appointment process of student Directors will take place during the third week of February each year or as needed to maintain the correct composition of the Board. The appointment process shall be conducted as follows:

4.3.1 The Board of Directors shall make available applications for interested candidates at the SBC reception desk and other locations determined by the Board. Completed applications shall be returned to the SBC administrative services reception desk or may be received electronically by a date to be determined by the Board of Directors.

4.3.2 For undergraduate Directors, a committee of two Board of Directors members will invite two ASWSU ~~senators~~ representatives to participate in the interview process. They shall then select the top three to five for each open position, interview the candidates, and make a recommendation to the Board of Regents. The top candidate for each position, subject to Board of Regents approval, shall become a member of the Board of Directors. The runner-up for each Board position shall become an alternate Board of Directors member.

4.3.3 For the graduate Director, a committee of two Board of Directors members will invite two GPSA ~~members~~ representatives to participate in the interview process. They shall then review the applications, select the top three to five, interview the candidates, and make a recommendation to the Board of Regents. The top candidate, subject to Board of Regents approval, shall become a member of the Board of Directors, the runner-up shall become an alternate Board of Directors member.

4.3.4 Alternate Board members will attend and participate in all Board of Directors meetings, but will not have a vote.

4.4 Terms of Directors and Confirmation.

4.4.1 Each appointed student Director will serve a term of (2) two years on the Board upon confirmation of the Board of Trustees.

4.4.2 Terms shall be limited to two full terms for student Directors and (3) three full terms for faculty Directors.

4.4.3 Administrative directors will be appointed to two (2) year terms with no limitations on the number of terms.

4.4.4 The Board may, by two-thirds vote, recommend the removal of any director for cause. Such recommendation shall be reviewed and approved by the Board of Trustees.

4.5 All newly appointed or re-appointed student, faculty and administrative directors shall be confirmed by the Shareholders.

4.6 Duties of the Board.

- 4.6.1 The Board will normally conduct monthly meetings during the academic year to hear reports on the status of the Corporation and to rule on business policy within the Corporation.
- 4.6.2 The Board will be responsible to make a yearly financial report to the Shareholders.
- 4.6.3 Special meetings of the Board may be called by the Board, the Chairperson of the Board, or two Directors, to be held at such date, time and place as the Board, the Officer, or the directors calling the meeting shall specify in the notice of that meeting.
- 4.6.4 The Board shall conduct an annual meeting of Directors in September.
- 4.6.5 An Executive committee can be formed of Directors present in Pullman during the summer months to conduct meetings and make Board decisions. A report must be given at the annual Board meeting to discuss any business which is transacted during summer months.
- 4.7 Resignation. A Director may resign at any time by delivering written notice to the Board, Chairperson of the Board or Secretary. A resignation shall be effective on the date such notice is delivered or on the date specified in the notice, if later.
- 4.8 Removal. The Shareholders may remove one or more of appointed Directors only at a special meeting of the Shareholders called for that purpose and only if the notice of that meeting states that as a purpose for calling the meeting. A majority of votes cast is required for removal.
- 4.9 Vacancies. If a vacancy occurs for a student Director, the position may be filled by the alternate Board member or as provided in section 4.3. The student appointed to fill a vacancy must be eligible to be appointed to that position as of the date of his or her appointment. A vacant faculty Director position shall be filled by appointment from the University President's Office. A vacant administrative Director position shall be filled by appointment from the University Business Affairs Office. Any Director appointed to fill any vacancy shall hold office for the unexpired term of his or her predecessor.
- 4.10 ~~Quorum. A majority of the Directors shall constitute a quorum for the transaction of business.~~
Quorum. A simple majority of the Directors shall constitute a quorum for the transaction of business, provided at least two of the Directors are students.
- 4.11 Voting. Each Director, including elected student Directors, faculty Directors, and administrative Directors shall have one vote on all matters to be voted upon by the Board.
- 4.12 Committees. The Board may create such committees as it deems necessary to further the mission of the Board.

- 4.13 Scholarships: Student Directors shall be awarded a \$1,000 per semester scholarship (credit) at the Students Book Corporation for each Spring and/or Fall term they serve as student director. Alternate Student Directors shall be awarded a \$500 per semester scholarship (credit) at the Students Book Corporation for each Spring and/or Fall term they serve as student director. The Board may vote to suspend or reduce the scholarship awards in times of financial hardship for the corporation.

ARTICLE V. OFFICERS

- 5.1 Officers Enumerated. The Officers of the Corporation shall be a Chairperson of the Board, Vice Chairperson, Secretary and Treasurer. One or more assistant Officers may be elected or appointed by the Board, to hold office for such period of time, have such authority and perform such duties as are provided by resolution of the Board. No person will hold more than one office at the same time.
- 5.2 Election - Term. All Officers shall be elected by the Board at the annual meeting to hold office for a term of not more than one (1) year. In the case of officers whose terms as Directors end prior to the Annual Meeting of the Board, their term shall end at the same time their status as a Director ends. In the case of all other officers, their term shall be until their successors are elected.
- 5.3 Qualifications. The Chairperson, Vice Chairperson, Secretary and Treasurer shall be Directors. The Chairperson and Vice Chairperson shall be elected student Directors.
- 5.4 The Chairperson. The Chairperson of the Board shall exercise the usual and customary powers pertaining to the office of the Chairperson of the Board, preside at all regular and special meetings of the Board and perform such duties as the Board may from time to time designate.
- 5.5 The Vice Chairperson. In the absence or disability of the Chairperson, the Vice Chairperson may act as Chairperson and shall perform such duties as the Board may from time to time designate.
- 5.6 The Secretary. The Secretary shall keep minutes of the proceedings of the Board; sign and execute with the Chairperson or other authorized Officer all deeds, bonds, contracts and other obligations or instruments in the name of the Corporation; and perform such duties as the Board may from time to time designate.
- 5.7 The Treasurer. The Treasurer shall perform all of the duties usually incident to the office of Treasurer, including review of financial reports and documents and perform such duties as the board may from time to time designate.
- 5.8 Resignation. An officer may resign at any time by delivering written notice to the Board, Chairperson, or Secretary. The resignation shall be effective on the date such a notice is delivered or on the date specified in the notice, if later.
- 5.9 Vacancies. Vacancies in any office arising from any cause may be filled by a majority vote of the Board at any regular or special meeting.

- 5.10 Agents. The Board may appoint such persons or organizations necessary, who shall have and exercise such powers, and perform such duties as designated by the Board .

ARTICLE VI. OUTREACH

- 6.1 ASWSU Dividend. Dividends shall be declared from the net income of the Corporation to the Associated Students of Washington State University, at such times as the Board of Directors shall direct, and no dividends shall be declared that will impair the capital of the Corporation at which point 90% of the total declared dividend shall be distributed to ASWSU and 10% of the total declared dividend shall be distributed to GPSA.

ARTICLE VII. STOCK

- 7.1 Authority to Issue. All Shares issued by the corporation shall be authorized by the Board.
- 7.2 Transfers. The issuance and transferability of Shares of the Corporation registered in the name of Trustee shall be subject to all of their terms and conditions of the Trust Agreement dated March 1, 1947, previously referred to.
- 7.3 Record Date. The Board may fix a record date for the determination of the Shareholders entitled to notice of or to vote at any meeting of the Shareholders or to consent to action without a meeting, to receive dividends or other distributions, or to exercise any rights with respect to the Shares, which date shall not be less than ten (10) nor more than sixty (60) days prior to the meeting date or date of other action.

ARTICLE VIII. BOOKS AND RECORDS

- 8.1 Records and Inspection. The Corporation shall keep all such records as are required by RCW 23B.010 as in effect on the date hereof and as it, or the successor thereto, may be amended from time to time hereafter, and shall allow to each Shareholder and Shareholder's agent or attorney all such inspection and copying rights as are required by RCW 23B.16.030 as in effect on the date hereof and as it, or the successor thereto, may be amended from time to time hereafter.
- 8.2 Copies of Resolutions. Any person dealing with the Corporation may rely upon a copy of the records of the proceedings, resolutions, or votes of the Board or Shareholders, or a copy of a resolution or motion, when certified by the Chairperson or Secretary.

ARTICLE IX. FISCAL YEAR

- 9.1 The fiscal year of the Corporation shall be from July 1 through June 30.

ARTICLE X. CORPORATE SEAL

- 10.1 The corporate seal of the Corporation shall be a circular seal with the name of the Corporation therein.