ACTION ITEM 2
Students Book Corporation, Bylaw Changes
(Terry Boston)

May 3, 2018

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 Section 4.2 to clarify a student director's status when elected to the Board. (2) modify Section 4.7 by adding dismissal language and removing "consecutive" making it any two missed meetings without consent. (3) Add Section 4.7.1 to address tardiness. (4) Modify Section 4.12 clarifying committee member expectations.

SUBMITTED BY: Students Book Corporation, Board of Directors

SUPPORTING INFORMATION: The Students Book Corporation Board of Directors have unanimously voted their approval to clarify an undergraduate student director gaining graduate status after being confirmed by the Trustees. Under this change undergraduate status will be maintained for that academic year.

The Students Book Corporation Board of Directors have unanimously voted their approval to modify and add sections as they relate to attendance expectations.

ATTACHMENTS: Amended and Restated Bylaws of the Students Book Corporation – Redline copy
Amended and Restated Bylaws of the Student Book Corporation – Clean copy
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 The Students Book 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 appointment 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 Chairperson 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 Students Book Corporation Board of Directors 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 than 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 of merger or 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 appointed shall be adjourned only from day to day until such Directors are appointed, 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 appointing Directors.

3.4 **Telephonic Meetings.** One (1) 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
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 (1) 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 (1) 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 appointment 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 (5) student directors as provided for in section 4.3, of whom four (4) shall be undergraduate students and one (1) shall be a graduate student and two (2) Faculty Directors, who shall be tenured members of the teaching faculty recommended by the University President's Office and two (2) Administrative Directors who shall be administrative representatives recommended by the University's Finance and Administration Office. The status of a student director, undergraduate or graduate, will be designated at the beginning of the term. A Director need not be a resident of the State of Washington. Compensated members of the executive staff of ASWSU, GPSA, the Student Senates, and their employees are not eligible to serve as an appointed Board member. Employees of any entity engaged by the Students Book Corporation to operate a Students Book Corporation bookstore, their spouses, partners, or immediate family members are not eligible to serve as a Board member.

4.2.1. Students, undergraduate and graduate, must have and maintain the following qualifications to serve as an appointed Director:

4.2.1.1 Be enrolled in at least twelve (12) undergraduate collegiate hours or a full-time graduate program.

4.2.1.2 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.

4.3 **Appointment of Student Directors.** The evaluation process of student Directors will take place during the months of February and/or March each year or as needed to maintain the correct
composition of the Board. The evaluation process shall be conducted as follows:

4.3.1 The Board of Directors shall make available applications for interested candidates at The Bookie 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 (2) Board of Directors members will invite two (2) ASWSU representatives to participate in the interview process. They shall then review the applications, select the top three (3) to five (5) for each open position, interview the candidates, and make recommendations to the Board of Directors. The Board of Directors will recommend the top candidate for each position and two (2) undergraduate alternates to the Board of Regents, acting as Trustees, for appointment to the Board. Upon appointment by the Board of Regents, the candidate shall become a member of the Board of Directors or an alternate.

4.3.3 For the graduate Director, a committee of two (2) Board of Directors members will invite two (2) GPSA representatives to participate in the interview process. They shall then review the applications, select the top three (3) to five (5) for the open position, interview the candidates, and make recommendations to the Board of Directors. The Board of Directors will recommend the top candidate and an alternate for the position to the Board of Regents, acting as Trustees, for appointment to the Board. Upon appointment by the Board of Regents, the candidate shall become a member of the Board of Directors or an alternate.

4.3.4 Alternate Board members will attend and participate in all Board of Directors meetings, but will not have a vote. Alternates are not eligible to serve as Chair, Vice Chair, Secretary or Treasurer. Alternates may serve as committee chairs.

4.4 Terms of Directors and Appointment.

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

4.4.2 Terms shall be limited to four (4) full terms for student Directors and three (3) full consecutive terms (six (6) consecutive years) for faculty Directors.

4.4.3 In order to maintain staggered terms, vacated positions shall be filled by alternates for the unexpired term of the position.

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

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

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 (2) 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 and Dismissal: 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. Any Board member or alternate who misses two (2) consecutive meetings without the consent of the Chairperson of the Board will be deemed to have resigned. In the event the Chairperson misses two (2) consecutive meetings without the consent of the Vice-Chairperson, the Chairperson will be deemed to have resigned.

4.7.1 Tardiness of any Board member or alternate, will be subject to discussion regarding dismissal, at the discretion of the Board.

4.8 Removal. The Shareholders may remove one (1) 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 will be filled by the alternate Board member. A new alternate Board member will be appointed 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 Finance and Administration Office. Any Director appointed to fill any vacancy shall hold office for the unexpired term of his or her predecessor.

With the permission of the Board, a student Director on study abroad but intending to return as a student at WSU under the conditions for eligibility as a member of the Board given in section 4.2 may be deemed eligible as a member or alternate member of the Board. If the student is a Director she or he will assume the role of an alternate, and the alternate Director will serve as Director during the period of study abroad. The permission of the Board is dependent on the student studying abroad providing a detailed plan for remaining active in Board activities during the period of study abroad. Section 4.7 shall apply to students studying abroad in addition to students currently enrolled on one of the WSU campuses.

4.10 Quorum. A simple majority of the Directors shall constitute a quorum for the transaction of business, provided at least three (3) of the Directors are students.

4.11 Voting. Each Director, including appointed student Directors, faculty Directors, and administrative Directors shall have one (1) 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. Members of committees are required to attend meetings.

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 of 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 (1) 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 (1) office at the same time.

5.2 Election - Term. All Officers shall be elected by the Board at a meeting prior to the end of the Spring semester. The officers will hold office for a term of one (1) year. The Officers will be selected from the continuing and incoming slate of student directors. The officers will take office once the shareholders approve the slate of directors. 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 all be 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, shall sign and execute with the Secretary 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.

5.5 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 greater ASWSU (ASWSU-Pullman, ASWSU-Spokane, ASWSU-Tri-Cities, ASWSU-Vancouver, ASWSU-Distance Degree) and 10% of the total declared dividend shall be distributed to GPSA.
ARTICLE VII CONFLICT OF INTEREST

7.1 Definitions. A conflict of interest arises when any “Responsible Person” or any “Party Related to a Responsible Person” has an “Interest Adverse to the Students Book Corporation.” A Responsible Person is any individual in a position to exercise substantial influence over the affairs of the Students Book Corporation, without limitation, Directors of the Students Book Corporation and any member of any committee making decisions on behalf of the Students Book Corporation. A Party Related to a Responsible Person includes his or her extended family (including spouse, ancestors, descendants and siblings, and their respective spouses and descendants), an estate or trust in which the Responsible Person or any member of his or her extended family has a beneficial interest or a fiduciary responsibility, or an entity in which the Responsible Person or any member of his or her extended family is a director, trustee or officer or has a financial interest. An “Interest Adverse to the Students Book Corporation” includes any interest in any contract, transaction or other financial relationship with the Students Book Corporation, and any interest in an entity whose best interests may be impaired by the best interests of the Students Book Corporation including, without limitation, an entity providing any goods or services to the Students Book Corporation, an entity in which the Students Book Corporation has any business or financial interest, and an entity providing goods or services or performing activities similar to the goods or services or activities of the Students Book Corporation.

7.2 Disclosure. If a Responsible Person is aware that the Students Book Corporation is about to enter into any transaction or make any decision involving a conflict of interest (a “Conflicting Interest Transaction”) such person shall; (i) immediately inform those charged with approving the Conflicting Interest Transaction on behalf of the Students Book Corporation of the interest or position of such person or any party related to such person; (ii) aid the persons charged with making the decision by disclosing any material facts within the Responsible Person’s knowledge that bear on the advisability of the Students Book Corporation entering into the Conflicting Interest Transaction; and (iii) not be entitled to vote on the decision to enter into such transaction.

7.3 Approval of Conflicting Interest Transaction. The Students Book Corporation may enter into a Conflicting Interest Transaction provided the material facts as to the Responsible Person’s relationship or interest and as to the Conflicting Interest Transaction are disclosed or are known to the Board of the Students Book Corporation or to a committee of the Students Book Corporation that authorizes, approves or ratifies the Conflicting Interest Transaction, and the Directors in good faith authorizes, approves or ratifies the Conflicting Interest Transaction by the affirmative vote of the majority of the disinterested Students Book Corporation Directors, even though the disinterested Directors may be less than a quorum.

ARTICLE VIII STOCK

8.1 Authority to Issue. All Shares issued by the corporation shall be authorized by the Board.

8.2 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.

8.3 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 IX BOOKS AND RECORDS

9.1 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
Approved by Board of Directors February 22, 2018
Approved by Board of Trustees May 4, 2017

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.

9.2 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 X  FISCAL YEAR
10.1 The fiscal year of the Corporation shall be from July 1 through June 30.

ARTICLE XI CORPORATE SEAL
11.1 The corporate seal of the Corporation shall be a circular seal with the name of the Corporation therein.

ARTICLE XII  INDEMNIFICATION OF DIRECTORS AND OFFICERS.
12.1 Indemnification. Each Director or Officer now or hereafter serving the Corporation, and each individual
who at the request of or on the behalf of the Corporation is now serving or hereafter serves as a Director,
Officer, partner, Trustee, employee or agent of any other corporation, partnership, joint venture, trust,
employee benefit plan or enterprise, and the respective heirs, executors and administrators of each of
them, shall be indemnified by the Corporation to the fullest extent permitted by the Act against all
liability, including costs, expenses, judgments, penalties, fines, and attorneys’ fees, reasonably incurred
by or imposed upon him or her in connection with or resulting from any action, suit or proceeding, civil
or criminal, in which he or she is or may be made a party by reason such Director or Officer being or
having been such a Director, Officer, partner, Trustee, employee or agent, or by reason of any action
alleged to have been taken or omitted by him or her in any such capacity, whether or not he or she is a
Director or Officer or acting in such other capacity at the time of incurring such liability. The foregoing
right of indemnification shall not be exclusive of other rights to which such Director or Officer may be
entitled as a matter of law.

12.2 Insurance. The Board may purchase insurance on behalf of any one (1) or more persons required or
permitted to be indemnified pursuant to this Article XII.

ARTICLE XIII AMENDMENT OF BYLAWS
13.1 By the Shareholders. These Bylaws may be amended, altered, or repealed at any special meeting of the
Shareholders, if notice of the proposed action is contained in the notice of the meeting.

13.2 By the Board of Directors. These Bylaws may be amended, altered or repealed at any regular or special
meeting of the Board if in the case of a special meeting notice of the proposed action is contained in the
notice of the meeting; provided, however, that the Board shall not amend, alter or repeal any Bylaw in
such manner as to affect the qualifications, classifications, term of office or compensation of the
Directors in any way. Any action or repeal of the Bylaws is hereby made expressly subject to change or
repeal by the Shareholders.

ARTICLE XIV RULES OF ORDER
14.1 The rules contained in the most recent edition of Robert’s Rules of Order, Revised, shall govern all
meetings of Shareholders, Directors and Committees of the Board where those rules are not inconsistent
with the Articles, Bylaws, or special rules of order of the Corporation.

BY:____________________________________
Adarrah Opachan, Secretary
AMENDED AND RESTATED BYLAWS
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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 appointed shall be adjourned only from day to day until such Directors are appointed, 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 appointing Directors.

3.4 **Telephonic Meetings.** One (1) 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 (1) 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 (1) 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 appointment 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 (5) student directors as provided for in section 4.3, of whom four (4) shall be undergraduate students and one (1) shall be a graduate student and two (2) Faculty Directors, who shall be tenured members of the teaching faculty recommended by the University President’s Office and two (2) Administrative Directors who shall be administrative representatives recommended by the University’s Finance and Administration Office. The status of a student director, undergraduate or graduate, will be designated at the beginning of the term.

A Director need not be a resident of the State of Washington. Compensated members of the executive staff of ASWSU, GPSA, the Student Senates, and their employees are not eligible to serve as an appointed Board member. Employees of any entity engaged by the Students Book Corporation to operate a Students Book Corporation bookstore, their spouses, partners, or immediate family members are not eligible to serve as a Board member.

4.2.1 Students, undergraduate and graduate, must have and maintain the following qualifications to serve as an appointed Director:

4.2.1.1 Be enrolled in at least twelve (12) undergraduate collegiate hours or a full-time graduate program.

4.2.1.2 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.

4.3 Appointment of Student Directors. The evaluation process of student Directors will take place during the months of February and/or March each year or as needed to maintain the correct
composition of the Board. The evaluation process shall be conducted as follows:

4.3.1 The Board of Directors shall make available applications for interested candidates at The Bookie 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 (2) Board of Directors members will invite two (2) ASWSU representatives to participate in the interview process. They shall then review the applications, select the top three (3) to five (5) for each open position, interview the candidates, and make recommendations to the Board of Directors. The Board of Directors will recommend the top candidate for each position and two (2) undergraduate alternates to the Board of Regents, acting as Trustees, for appointment to the Board. Upon appointment by the Board of Regents, the candidate shall become a member of the Board of Directors or an alternate.

4.3.3 For the graduate Director, a committee of two (2) Board of Directors members will invite two (2) GPSA representatives to participate in the interview process. They shall then review the applications, select the top three (3) to five (5) for the open position, interview the candidates, and make recommendations to the Board of Directors. The Board of Directors will recommend the top candidate and an alternate for the position to the Board of Regents, acting as Trustees, for appointment to the Board. Upon appointment by the Board of Regents, the candidate shall become a member of the Board of Directors or an alternate.

4.3.4 Alternate Board members will attend and participate in all Board of Directors meetings, but will not have a vote. Alternates are not eligible to serve as Chair, Vice Chair, Secretary or Treasurer. Alternates may serve as committee chairs.

4.4 Terms of Directors and Appointment.

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

4.4.2 Terms shall be limited to four (4) full terms for student Directors and three (3) full consecutive terms (six (6) consecutive years) for faculty Directors.

4.4.3 In order to maintain staggered terms, vacated positions shall be filled by alternates for the unexpired term of the position.

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

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

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 (2) 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 and Dismissal: A Director may resign at any time by delivering written notice to the
Board, Chair-person 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. Any Board member or alternate who misses
two (2) meetings without the consent of the Chairperson of the Board will be deemed to have resigned.
In the event the Chairperson misses two (2) meetings without the consent of the Vice-Chairperson,
the Chairperson will be deemed to have resigned.

4.7.1 Tardiness of any Board member or alternate, will be subject to discussion regarding dismissal,

4.8 Removal. The Shareholders may remove one (1) 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 will be filled by the alternate
Board member. A new alternate Board member will be appointed 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 Finance and Administration Office. Any Director appointed to fill
any vacancy shall hold office for the unexpired term of his or her predecessor.

With the permission of the Board, a student Director on study abroad but intending to return as a
student at WSU under the conditions for eligibility as a member of the Board given in section 4.2
may be deemed eligible as a member or alternate member of the Board. If the student is a Director
she or he will assume the role of an alternate, and the alternate Director will serve as Director during
the period of study abroad. The permission of the Board is dependent on the student studying abroad
providing a detailed plan for remaining active in Board activities during the period of study abroad.
Section 4.7 shall apply to students studying abroad in addition to students currently enrolled on one
of the WSU campuses.

4.10 Quorum. A simple majority of the Directors shall constitute a quorum for the transaction of
business, provided at least three (3) of the Directors are students.

4.11 Voting. Each Director, including appointed student Directors, faculty Directors, and administrative
Directors shall have one (1) 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. Members of committees are required to attend meetings.

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 of 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 (1) 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 (1) office at
the same time.

5.2 Election - Term. All Officers shall be elected by the Board at a meeting prior to the end of the
Spring semester. The officers will hold office for a term of one (1) year. The Officers will be
selected from the continuing and incoming slate of student directors. The officers will take office once the shareholders approve the slate of directors. 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 all be 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, shall sign and execute with the Secretary 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.

5.5 **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 greater ASWSU (ASWSU-Pullman, ASWSU-Spokane, ASWSU-Tri-Cities, ASWSU-Vancouver, ASWSU-Distance Degree) and 10% of the total declared dividend shall be distributed to GPSA.

**ARTICLE VII CONFLICT OF INTEREST**

7.1 **Definitions.** A conflict of interest arises when any “Responsible Person” or any “Party Related to a Responsible Person” has an “Interest Adverse to the Students Book Corporation.” A Responsible Person is any individual in a position to exercise substantial influence over the affairs of the Students Book Corporation, without limitation, Directors of the Students Book Corporation and any member of any committee making decisions on behalf of the Students Book Corporation. A Party Related to a Responsible Person includes his or her extended family (including spouse, ancestors, descendants and siblings, and their respective spouses and descendants), an estate or trust in which the Responsible Person or any member of his or her extended family has a beneficial interest or a fiduciary responsibility, or an entity in which the Responsible Person or any member of his or her extended family is a director, trustee or officer or has a financial interest. An “Interest Adverse to the Students Book Corporation” includes any interest in any contract, transaction or other financial
relationship with the Students Book Corporation, and any interest in an entity whose best interests may be impaired by the best interests of the Students Book Corporation including, without limitation, an entity providing any goods or services to or receiving any goods or services from the Students Book Corporation, an entity in which the Students Book Corporation has any business or financial interest, and an entity providing goods or services or performing activities similar to the goods or services or activities of the Students Book Corporation.

7.2 Disclosure. If a Responsible Person is aware that the Students Book Corporation is about to enter into any transaction or make any decision involving a conflict of Interest (a “Conflicting Interest Transaction”) such person shall; (i) immediately inform those charged with approving the Conflicting Interest Transaction on behalf of the Students Book Corporation of the interest or position of such person or any party related to such person; (ii) aid the persons charged with making the decision by disclosing any material facts within the Responsible Person’s knowledge that bear on the advisability of the Students Book Corporation entering into the Conflicting Interest Transaction; and (iii) not be entitled to vote on the decision to enter into such transaction.

7.3 Approval of Conflicting Interest Transaction. The Students Book Corporation may enter into a Conflicting Interest Transaction provided the material facts as to the Responsible Person’s relationship or interest and as to the Conflicting Interest Transaction are disclosed or are known to the Board of the Students Book Corporation or to a committee of the Students Book Corporation that authorizes, approves or ratifies the Conflicting Interest Transaction, and the Directors in good faith authorizes, approves or ratifies the Conflicting Interest Transaction by the affirmative vote of the majority of the disinterested Students Book Corporation Directors, even though the disinterested Directors may be less than a quorum.

ARTICLE VIII STOCK
8.1 Authority to Issue. All Shares issued by the corporation shall be authorized by the Board.

8.2 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.

8.3 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 IX BOOKS AND RECORDS
9.1 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.

9.2 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 X FISCAL YEAR
10.1 The fiscal year of the Corporation shall be from July 1 through June 30.

ARTICLE XI CORPORATE SEAL
11.1 The corporate seal of the Corporation shall be a circular seal with the name of the Corporation therein.
ARTICLE XII   INDEMNIFICATION OF DIRECTORS AND OFFICERS.

12.1 Indemnification. Each Director or Officer now or hereafter serving the Corporation, and each individual who at the request of or on the behalf of the Corporation is now serving or hereafter serves as a Director, Officer, partner, Trustee, employee or agent of any other corporation, partnership, joint venture, trust, employee benefit plan or enterprise, and the respective heirs, executors and administrators of each of them, shall be indemnified by the Corporation to the fullest extent permitted by the Act against all liability, including costs, expenses, judgments, penalties, fines, and attorneys' fees, reasonably incurred by or imposed upon him or her in connection with or resulting from any action, suit or proceeding, civil or criminal, in which he or she is or may be made a party by reason such Director or Officer being or having been such a Director, Officer, partner, Trustee, employee or agent, or by reason of any action alleged to have been taken or omitted by him or her in any such capacity, whether or not he or she is a Director or Officer or acting in such other capacity at the time of incurring such liability. The foregoing right of indemnification shall not be exclusive of other rights to which such Director or Officer may be entitled as a matter of law.

12.2 Insurance. The Board may purchase insurance on behalf of any one (1) or more persons required or permitted to be indemnified pursuant to this Article XII.

ARTICLE XIII AMENDMENT OF BYLAWS

13.1 By the Shareholders. These Bylaws may be amended, altered, or repealed at any special meeting of the Shareholders, if notice of the proposed action is contained in the notice of the meeting.

13.2 By the Board of Directors. These Bylaws may be amended, altered or repealed at any regular or special meeting of the Board if in the case of a special meeting notice of the proposed action is contained in the notice of the meeting; provided, however, that the Board shall not amend, alter or repeal any Bylaw in such manner as to affect the qualifications, classifications, term of office or compensation of the Directors in any way. Any action or repeal of the Bylaws is hereby made expressly subject to change or repeal by the Shareholders.

ARTICLE XIV RULES OF ORDER

14.1 The rules contained in the most recent edition of Robert's Rules of Order, Revised, shall govern all meetings of Shareholders, Directors and Committees of the Board where those rules are not inconsistent with the Articles, Bylaws, or special rules of order of the Corporation.

BY:____________________________________
Adarrah Opachan, Secretary