

SUBSTITUTE FOR
SENATE BILL NO. 623

A bill to amend 1982 PA 162, entitled
"Nonprofit corporation act,"
by amending sections 103, 104, 105, 106, 107, 108, 109, 110, 121,
122, 123, 131, 132, 133, 141, 143, 151, 202, 209, 212, 215, 217,
221, 241, 242, 243, 246, 251, 261, 275, 301, 303, 304, 305, 307,
308, 309, 313, 317, 331, 332, 338, 402, 403, 404, 405, 407, 413,
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501, 505, 506, 511, 521, 523, 527, 528, 531, 541, 548, 551, 552,
553, 561, 562, 563, 565, 567, 569, 601, 602, 611, 615, 631, 641,
642, 643, 701, 707, 741, 753, 801, 804, 805, 811, 815, 817, 821,
823, 851, 855, 901, 911, 913, 922, 923, 925, 932, 1001, 1002, 1012,
1015, 1016, 1021, 1032, 1035, 1041, 1042, 1051, 1060, 1104, 1107,
1145, and 1162 (MCL 450.2103, 450.2104, 450.2105, 450.2106,
450.2107, 450.2108, 450.2109, 450.2110, 450.2121, 450.2122,
450.2123, 450.2131, 450.2132, 450.2133, 450.2141, 450.2143,

450.2151, 450.2202, 450.2209, 450.2212, 450.2215, 450.2217, 450.2221, 450.2241, 450.2242, 450.2243, 450.2246, 450.2251, 450.2261, 450.2275, 450.2301, 450.2303, 450.2304, 450.2305, 450.2307, 450.2308, 450.2309, 450.2313, 450.2317, 450.2331, 450.2332, 450.2338, 450.2402, 450.2403, 450.2404, 450.2405, 450.2407, 450.2413, 450.2415, 450.2421, 450.2422, 450.2423, 450.2441, 450.2442, 450.2444, 450.2446, 450.2451, 450.2455, 450.2461, 450.2485, 450.2487, 450.2501, 450.2505, 450.2506, 450.2511, 450.2521, 450.2523, 450.2527, 450.2528, 450.2531, 450.2541, 450.2548, 450.2551, 450.2552, 450.2553, 450.2561, 450.2562, 450.2563, 450.2565, 450.2567, 450.2569, 450.2601, 450.2602, 450.2611, 450.2615, 450.2631, 450.2641, 450.2642, 450.2643, 450.2701, 450.2707, 450.2741, 450.2753, 450.2801, 450.2804, 450.2805, 450.2811, 450.2815, 450.2817, 450.2821, 450.2823, 450.2851, 450.2855, 450.2901, 450.2911, 450.2913, 450.2922, 450.2923, 450.2925, 450.2932, 450.3001, 450.3002, 450.3012, 450.3015, 450.3016, 450.3021, 450.3032, 450.3035, 450.3041, 450.3042, 450.3051, 450.3060, 450.3104, 450.3107, 450.3145, and 450.3162), sections 106, 404, 505, 548, 611, 901, and 922 as amended by 2008 PA 222, sections 108, 561, 562, 563, 565, 567, and 569 as amended by 1993 PA 129, section 110 as amended by 1990 PA 39, section 123 as amended by 2008 PA 482, section 131 as amended by 2005 PA 219, sections 133, 141, 143, 151, 405, 407, 413, 421, 441, 446, 451, and 521 as amended by 2008 PA 9, section 209 as amended by 1996 PA 397, sections 261, 501, and 541 as amended by 2009 PA 88, section 911 as amended by 1996 PA 84, section 1060 as amended by 2012 PA 309, and sections 1104, 1107, 1145, and 1162 as

added by 1984 PA 209, and by adding sections 303a, 303b, 303c, 303d, 314, 336, 341a, 343, 344, 345, 392, 406, 408, 409, 412, 432, 447a, 466, 467, 468, 472, 473, 488, 489, 491a, 492a, 493a, 494, 495, 496, 497, 514, 515a, 529, 545a, 564a, 564b, 564c, 571, 703a, 706, 711, 712, 713, 724, 735, 736a, 745, 746, 751, 754, 841a, 842a, and 1013; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 103. This act shall be liberally construed and applied to
2 promote its underlying purposes and policies which include **ALL OF**
3 **THE FOLLOWING:**

4 (a) To simplify, clarify, and modernize the law governing
5 nonprofit corporations.

6 (b) To provide a general corporate form for the conduct **OR**
7 **PROMOTION** of lawful nonprofit activities **OR PURPOSES**, with ~~such~~**ANY**
8 variations and modifications from the form as interested parties in
9 any corporation may agree ~~upon~~**ON**, subject only to overriding
10 interests of this state and of third parties.

11 Sec. 104. The definitions contained in sections 105 to 110
12 shall control ~~only in the~~ interpretation of this act, unless the
13 context otherwise requires.

14 Sec. 105. (1) "Administrator" means the director of ~~commerce~~
15 ~~or the head of any other agency or department authorized by law to~~
16 ~~administer this act,~~ **THE DEPARTMENT** or a ~~HIS OR HER~~ designated
17 representative. ~~of that person.~~

18 (2) "Articles of incorporation" includes **ANY OF THE FOLLOWING:**

19 (a) ~~the~~**THE** original articles of incorporation or any other
20 instrument filed or issued under any statute to organize a domestic

1 or foreign corporation, as amended, supplemented, or restated by
 2 certificates of amendment, merger, **CONVERSION**, or consolidation, or
 3 other certificates or instruments filed or issued under any
 4 statute. ~~for~~

5 (b) ~~a~~**A** special act or charter creating a domestic or foreign
 6 corporation, as amended, supplemented, or restated.

7 ~~—— (3) "Assets" means the properties and rights entered upon the~~
 8 ~~books of a corporation in accordance with generally accepted~~
 9 ~~accounting principles, or the current fair market value of such~~
 10 ~~properties and rights.~~

11 (3) ~~(4)~~ "Authorized shares" means shares of all classes that a
 12 corporation is authorized to issue.

13 (4) **"BALLOT" MEANS AN INSTRUMENT IN WRITTEN OR ELECTRONIC FORM**
 14 **THAT IS DESIGNED TO RECORD THE VOTE OR VOTES OF SHAREHOLDERS OR**
 15 **MEMBERS UNDER SECTION 408 OR SECTION 409 OR AT A MEETING OF THE**
 16 **SHAREHOLDERS OR MEMBERS.**

17 (5) "Board" means ~~the~~ board of directors or trustees or other
 18 governing board of a corporation.

19 (6) "Bonds" includes secured and unsecured bonds, debentures,
 20 and notes.

21 (7) "Business corporation" or "domestic business corporation"
 22 means a corporation for profit ~~organized~~**FORMED** under ~~Act No. 284~~
 23 ~~of the Public Acts of 1972, as amended, being sections 450.1101 to~~
 24 ~~450.2099 of the Michigan Compiled Laws,~~ **THE BUSINESS CORPORATION**
 25 **ACT**, or existing on January 1, 1973 and ~~theretofore~~**formed BEFORE**
 26 **JANUARY 1, 1973** under any other statute of this state for a purpose
 27 for which a corporation for profit may be organized under that

1 ~~act.~~ STATUTE.

2 (8) "BUSINESS CORPORATION ACT" MEANS THE BUSINESS CORPORATION
3 ACT, 1972 PA 284, MCL 450.1101 TO 450.2098.

4 Sec. 106. (1) "Charitable purpose corporation" means a
5 ~~nonprofit-DOMESTIC~~ corporation that meets any of the following:

6 (a) Is **RECOGNIZED BY THE UNITED STATES INTERNAL REVENUE**
7 **SERVICE AS** exempt or qualifies for exemption under section
8 501(c)(3) of the internal revenue code **OF 1986**, 26 USC 501.

9 (b) Is a corporation whose purposes, structure, ~~or~~ **AND**
10 activities are exclusively those that are described in section
11 501(c)(3) of the internal revenue code **OF 1986**, 26 USC 501.

12 (c) Is a corporation organized or held out to be organized
13 exclusively for 1 or more charitable purposes.

14 (2) "Corporation" or "domestic corporation" means a nonprofit
15 corporation **FORMED UNDER THIS ACT, OR FORMED UNDER ANY OTHER**
16 **STATUTE OF THIS STATE AND SUBJECT TO THIS ACT UNDER SECTION 121 OR**
17 **123 OR UNDER ANY OTHER SECTION OF THIS ACT.**

18 (3) "DEPARTMENT" MEANS THE DEPARTMENT OF LICENSING AND
19 REGULATORY AFFAIRS.

20 (4) ~~(3)~~ "Director" means an individual who is a member of the
21 board of a corporation. The term is synonymous with "trustee" of a
22 corporation or other similar designation.

23 (5) "DISTRIBUTION" MEANS A DIRECT OR INDIRECT TRANSFER OF
24 MONEY OR OTHER PROPERTY, EXCEPT THE CORPORATION'S SHARES OR
25 MEMBERSHIPS, OR DEBT INCURRED BY THE CORPORATION TO OR FOR THE
26 BENEFIT OF ITS SHAREHOLDERS OR MEMBERS IN CONNECTION WITH THE
27 CORPORATION'S SHARES OR MEMBERSHIPS. A DISTRIBUTION MAY BE IN THE

1 FORM OF A DIVIDEND, A PURCHASE, REDEMPTION OR OTHER ACQUISITION OF
 2 SHARES OR MEMBERSHIPS, AN ISSUANCE OF INDEBTEDNESS, THE CONVERSION
 3 OF STOCK OR MEMBERSHIP IN THE CORPORATION TO BONDS OR OTHER
 4 INDEBTEDNESS, OR ANY OTHER DECLARATION OR PAYMENT TO OR FOR THE
 5 BENEFIT OF THE SHAREHOLDERS OR MEMBERS.

6 (6) ~~(4)~~—"Electronic transmission" or "electronically
 7 transmitted" means any form of communication that meets all of the
 8 following:

9 (a) It does not directly involve the physical transmission of
 10 paper.

11 (b) It creates a record that may be retained and retrieved by
 12 the recipient.

13 (c) It may be directly reproduced in paper form by the
 14 recipient through an automated process.

15 Sec. 107. (1) "Foreign business corporation" means a
 16 corporation for profit ~~organized~~ **THAT IS FORMED** under laws other
 17 than the laws of this state, ~~which~~ **THAT** includes in its purposes a
 18 purpose for which a corporation may be ~~organized~~ **FORMED** under Act
 19 ~~No. 284 of the Public Acts of 1972, as amended.~~ **THE BUSINESS**
 20 **CORPORATION ACT.**

21 (2) "Foreign corporation" means a **NONPROFIT** corporation
 22 ~~organized~~ **FORMED** under laws other than the laws of this state,
 23 ~~conducting affairs in this state for~~ **IF ITS PURPOSE OR PURPOSES ARE**
 24 a purpose or purposes for which a corporation may be ~~organized~~
 25 **FORMED** under this act.

26 ~~—— (3) "Insolvent" means being unable to pay debts as they become~~
 27 ~~due in the usual course of a debtor's business.~~

1 Sec. 108. (1) "Member" means a person ~~having~~ **THAT HAS** a
2 membership in a corporation in accordance with the provisions of
3 its articles of incorporation or bylaws.

4 ~~—— (2) "Nondirector volunteer" means an individual, other than a~~
5 ~~volunteer director, performing services for a nonprofit corporation~~
6 ~~who does not receive compensation or any other type of~~
7 ~~consideration for the services other than reimbursement for~~
8 ~~expenses actually incurred.~~

9 (2) ~~(3)~~ "Nonprofit corporation" means a corporation
10 incorporated to carry out any lawful purpose or purposes **THAT DOES**
11 not ~~involving~~ **INVOLVE** pecuniary profit or gain for its directors,
12 officers, shareholders, or members.

13 (3) ~~(4)~~ "Person" means an individual, **A** partnership, **A**
14 **DOMESTIC CORPORATION, A DOMESTIC BUSINESS CORPORATION, A FOREIGN**
15 **CORPORATION, A FOREIGN BUSINESS corporation, A LIMITED LIABILITY**
16 **COMPANY, OR ANY OTHER** association, **CORPORATION, TRUST,** or ~~any other~~
17 legal entity.

18 (4) ~~(5)~~ "Predecessor act" means an act or part of an act
19 repealed by this act, or an act or part of an act repealed by an
20 act that this act repeals.

21 (5) **"PRIVATE FOUNDATION" MEANS A TAX EXEMPT CORPORATION**
22 **DESCRIBED IN SECTION 501(C) (3) OF THE INTERNAL REVENUE CODE OF**
23 **1986, 26 USC 501, THAT IS CLASSIFIED AS A PRIVATE FOUNDATION UNDER**
24 **SECTION 509(A) OF THE INTERNAL REVENUE CODE OF 1986, 26 USC 509.**

25 Sec. 109. (1) **"SHAREHOLDER" MEANS A PERSON THAT HOLDS SHARES**
26 **OF A DOMESTIC CORPORATION, FOREIGN CORPORATION, DOMESTIC BUSINESS**
27 **CORPORATION, OR FOREIGN BUSINESS CORPORATION.**

(2) "Shares" means the units into which interests of shareholders in a **DOMESTIC** corporation, **FOREIGN CORPORATION**, **DOMESTIC BUSINESS CORPORATION**, OR **FOREIGN BUSINESS CORPORATION** are divided.

(3) "**SERVICES IN A LEARNED PROFESSION**" MEANS SERVICES PROVIDED BY A DENTIST, AN OSTEOPATHIC PHYSICIAN, A PHYSICIAN, A SURGEON, A DOCTOR OF DIVINITY OR OTHER CLERGY, OR AN ATTORNEY AT LAW.

Sec. 110. (1) ~~"Treasury shares" means shares which have been issued, have been subsequently acquired by a corporation, and have not been canceled. Treasury shares are issued shares, but not outstanding shares.~~ "**VOLUNTEER**" MEANS AN INDIVIDUAL WHO PERFORMS SERVICES FOR A CORPORATION, OTHER THAN SERVICES AS A VOLUNTEER DIRECTOR, WHO DOES NOT RECEIVE COMPENSATION OR ANY OTHER TYPE OF CONSIDERATION FOR THE SERVICES OTHER THAN REIMBURSEMENT FOR EXPENSES ACTUALLY INCURRED.

(2) "Volunteer director" means a director who does not receive anything of more than nominal value from the corporation for serving as a director other than reasonable per diem compensation and reimbursement for actual, reasonable, and necessary expenses incurred by a director in his or her capacity as a director.

Sec. 121. (1) Except as otherwise provided in this act or by other law, this act applies to all of the following:

(a) Every domestic corporation ~~organized~~ **FORMED** under this act or under a predecessor act, for a purpose or purposes for which a corporation might be ~~organized~~ **FORMED** under this act.

(b) Every foreign corporation ~~which~~ **THAT** is authorized to **OR DOES** conduct affairs in this state **EXCEPT AS OTHERWISE PROVIDED**

1 UNDER THIS ACT OR ANOTHER STATUTE.

2 (c) Any other domestic corporation or foreign corporation **THAT**
 3 **IS NOT FORMED UNDER THIS ACT** to the extent, **IF ANY**, provided under
 4 **SECTION 123 OR ANY OTHER PROVISION OF** this act or **UNDER A PROVISION**
 5 **OF** any law governing ~~such~~**THAT DOMESTIC OR FOREIGN** corporation.

6 (2) A corporation ~~organized~~**FORMED** under **OR SUBJECT TO** a
 7 predecessor act is subject to this act except to the extent that
 8 this act conflicts with the articles and bylaws of the corporation
 9 lawfully made ~~pursuant to~~**UNDER** the predecessor act. The
 10 corporation may amend its articles and bylaws to bring itself in
 11 conformity with this act.

12 Sec. 122. (1) A reference in any statute of this state to
 13 parts of any act ~~which~~**THAT** are repealed by this act is ~~deemed~~
 14 **CONSIDERED** to be a reference to this act, unless the context
 15 requires otherwise.

16 (2) The following statutes do not apply to a **DOMESTIC**
 17 corporation: ~~, as defined in section 106:~~

18 (a) ~~Chapter 55 of the Revised Statutes of 1846, entitled~~
 19 ~~"general provisions relating to corporations", as amended, being~~
 20 ~~sections 450.504 to 450.525 of the Michigan Compiled Laws.1846 RS~~
 21 **55, MCL 450.504 TO 450.525.**

22 (b) ~~Act No. 156 of the Public Acts of 1955, being sections~~
 23 ~~450.701 to 450.704 of the Michigan Compiled Laws.1955 PA 156, MCL~~
 24 **450.701 TO 450.704.**

25 (3) **THE UNIFORM FRAUDULENT TRANSFER ACT, 1998 PA 434, MCL**
 26 **566.31 TO 566.43, DOES NOT APPLY TO DISTRIBUTIONS PERMITTED UNDER**
 27 **THIS ACT.**

1 Sec. 123. (1) ~~Unless~~ **SUBJECT TO SUBSECTION (3), UNLESS**
 2 otherwise provided in, and to the extent not inconsistent with, the
 3 act under which a corporation is or has been formed, this act
 4 applies to a corporation that is or has been ~~organized~~ **FORMED** under
 5 an act other than this act and not repealed by this act.

6 (2) A corporation ~~covered by~~ **DESCRIBED IN** subsection (1)
 7 includes, but is not limited to, ~~all~~ **ANY** of the following:

8 (a) A cooperative corporation classified as a nonprofit
 9 corporation under section 98 of 1931 PA 327, MCL 450.98.

10 (b) A secret society or lodge.

11 (c) A trustee corporation ~~holding~~ **THAT HOLDS** property for
 12 charitable, religious, benevolent, educational, or other public
 13 benefit purposes.

14 (d) A church trustee corporation.

15 (e) An educational corporation that is organized as a trustee
 16 corporation or a nonprofit corporation.

17 (f) An ecclesiastical corporation.

18 (g) A public building corporation.

19 (h) A street railway under the nonprofit street railway act,
 20 1867 PA 35, MCL 472.1 to ~~472.31~~ **472.27**.

21 (3) Except as provided in subsection (2)(h), this act does not
 22 apply to insurance ~~,~~ **OR** surety **COMPANIES**, credit unions, savings
 23 and loan associations, fraternal benefit societies, railroad,
 24 bridge, or tunnel companies, union depot companies, ~~and~~ **OR** banking
 25 corporations.

26 Sec. 131. (1) A document required or permitted to be filed
 27 under this act shall be submitted by delivering the document to the

1 administrator together with the fees and accompanying documents
2 required by law. The administrator may establish a procedure for
3 accepting delivery of a document submitted under this subsection by
4 facsimile or **BY** other electronic transmission. ~~However, by December~~
5 ~~31, 2006, the administrator shall establish a procedure for~~
6 ~~accepting delivery of a document submitted under this subsection by~~
7 ~~electronic mail or over the internet. Beginning January 1, 2007,~~
8 ~~the~~ **THE** administrator shall accept delivery of documents submitted
9 by electronic mail or over the internet.

10 (2) If a document submitted under subsection (1) substantially
11 conforms to the requirements of this act, the administrator shall
12 endorse ~~upon~~ **ON** it the word "filed" with ~~the administrator's~~ **HIS OR**
13 **HER** official title and the dates of receipt and of filing, and
14 shall file and index the document or a reproduction of the document
15 pursuant to the records reproduction act, 1992 PA 116, MCL 24.401
16 to 24.406, in ~~the administrator's~~ **HIS OR HER** office. If requested
17 at the time of the delivery of the document to the administrator's
18 office, the administrator shall include the hour of filing in the
19 endorsement on the document.

20 (3) The administrator ~~shall~~ **MAY** return a copy of a document
21 filed under subsection (2), ~~other than an annual report, or,~~ at his
22 or her discretion, the original, to the person ~~who~~ **THAT** submitted
23 the document for filing. The administrator shall mark the filing
24 date on the copy or original before returning it or ~~, if the~~
25 ~~document was submitted by electronic mail or over the internet,~~ may
26 provide proof of the filing date to the person ~~who~~ **THAT** submitted
27 the document for filing in another manner determined by the

1 administrator.

2 (4) The records and files of the administrator relating to
3 **DOMESTIC AND FOREIGN** corporations shall be open to reasonable
4 inspection by the public. The administrator may maintain the
5 records or files either in their original form or in the form of
6 reproductions pursuant to the records reproduction act, 1992 PA
7 116, MCL 24.401 to 24.406, **AND MAY DESTROY THE ORIGINAL OF THE**
8 **REPRODUCED DOCUMENTS.**

9 (5) The administrator may make ~~copies~~**REPRODUCTIONS** of any
10 documents filed under this act, or any predecessor act, pursuant to
11 the records reproduction act, 1992 PA 116, MCL 24.401 to 24.406,
12 and may destroy the originals of the reproduced documents.

13 (6) A document filed under subsection (2) is effective at the
14 time it is endorsed unless a subsequent effective time, not later
15 than 90 days after the date of delivery, is set forth in the
16 document.

17 (7) The administrator shall charge 1 of the following
18 nonrefundable fees if expedited filing of a document by the
19 administrator is requested and the administrator shall retain the
20 revenue collected under this subsection and the department shall
21 use it to carry out its duties required by law:

22 (a) For any filing that a person requests the administrator to
23 complete within 1 hour on the same day as the day of the request,
24 \$1,000.00. The department may establish a deadline by which a
25 person must submit a request for filing under this subdivision.

26 (b) For any filing that a person requests the administrator to
27 complete within 2 hours on the same day as the day of the request,

1 \$500.00. The department may establish a deadline by which a person
2 must submit a request for filing under this subdivision.

3 (c) Except for a filing request under subdivision (a) or (b),
4 for the filing of any formation or qualification document that a
5 person requests the administrator to complete on the same day as
6 the day of the request, \$100.00. The department may establish a
7 deadline by which a person must submit a request for filing under
8 this subdivision.

9 (d) Except for a filing request under subdivision (a) or (b),
10 for the filing of any other document concerning an existing
11 domestic corporation or a qualified foreign corporation that a
12 person requests the administrator to complete on the same day as
13 the day of the request, \$200.00. The department may establish a
14 deadline by which a person must submit a request for filing under
15 this subdivision.

16 (e) For the filing of any formation or qualification document
17 that a person requests the administrator to complete within 24
18 hours of the time the administrator receives the request, \$50.00.

19 (f) For the filing of any other document concerning an
20 existing domestic corporation or a qualified foreign corporation
21 that a person requests the administrator to complete within 24
22 hours of the time the administrator receives the request, \$100.00.

23 Sec. 132. (1) A document filed with the administrator shall be
24 in the English language, except that the corporate name need not be
25 in the English language if written in English letters or Arabic or
26 Roman numerals. ~~, and the articles of incorporation of a foreign~~
27 ~~corporation need not be in the English language.~~

1 (2) A document required or permitted to be filed under this
2 act ~~which~~ **THAT** is also required by this act to be executed on
3 behalf of the **DOMESTIC OR FOREIGN** corporation, ~~shall be signed in~~
4 ~~ink by the chairperson or vice chairperson of the board or the~~
5 ~~president or a vice president.~~ **AN AUTHORIZED OFFICER OR AGENT OF**
6 **THE DOMESTIC OR FOREIGN CORPORATION. IF THE BOARD HAS NOT YET MET,**
7 **THE DOCUMENT SHALL BE SIGNED BY THE INCORPORATOR OR A MAJORITY OF**
8 **INCORPORATORS IF THERE ARE MORE THAN 1.** If the **DOMESTIC OR FOREIGN**
9 corporation is in the hands of a receiver, trustee, or other court
10 appointed officer, the document shall be signed ~~in ink~~ by the
11 fiduciary or ~~the~~ **A** majority of ~~them,~~ **THE FIDUCIARIES,** if there are
12 more than 1. The name of a person signing the document and the
13 capacity in which ~~the person~~ **HE OR SHE** signs, ~~shall be stated~~
14 ~~beneath or opposite the~~ **HIS OR HER** signature. The document may, but
15 need not, contain **ANY OF THE FOLLOWING:**

16 (a) The corporate seal.

17 (b) An attestation by the secretary or an assistant secretary
18 of the corporation.

19 (c) An acknowledgment or proof.

20 Sec. 133. If a document relating to a domestic or foreign
21 corporation **THAT IS** filed with the administrator under this act ~~is~~
22 **WAS AT THE TIME OF FILING** an inaccurate record of the corporation
23 action referred to in the document or was defectively or
24 erroneously executed, or the document was electronically
25 transmitted and the electronic transmission was defective, the
26 document may be corrected by filing with the administrator a
27 certificate of correction on behalf of the corporation. A

1 certificate entitled "certificate of correction of... (correct
2 title of document and name of corporation)" shall be signed as
3 provided in this act with respect to the document being corrected
4 and filed with the administrator. The certificate shall set forth
5 the name of the corporation, the date the document to be corrected
6 was filed by the administrator, the provision in the document as
7 ~~corrected or eliminated~~, **IT SHOULD HAVE ORIGINALLY APPEARED**, and if
8 the execution was defective, the proper execution. The corrected
9 document is effective in its corrected form as of its original
10 filing date except as to a person ~~who~~ **THAT** relied ~~upon~~ **ON** the
11 inaccurate portion of the document and was, as a result of the
12 inaccurate portion of the document, adversely affected by the
13 correction.

14 Sec. 141. ~~When~~, **IF**, under this act or the articles of
15 incorporation or bylaws of a corporation or by the terms of an
16 agreement or instrument, a corporation or the board or any
17 committee of the board may take action after notice to any person
18 or after lapse of a prescribed period of time, the action may be
19 taken without notice and without lapse of the period of time, if at
20 any time before or after the action is completed the person
21 entitled to notice or to participate in the action to be taken or,
22 in case of a shareholder or member, by ~~the shareholder or member's~~
23 **HIS OR HER** attorney-in-fact, submits a signed waiver or a waiver by
24 electronic transmission of the requirements.

25 Sec. 143. (1) ~~When~~ **IF** a notice or communication is required or
26 permitted by this act to be given by mail, it shall be mailed,
27 except as otherwise provided in this act, to the person to ~~whom~~

1 **WHICH** it is directed at the address designated by that person for
2 that purpose or, if none is designated, at that person's last known
3 address. The notice or communication is given when deposited, with
4 postage prepaid, in a post office or official depository under the
5 exclusive care and custody of the United States postal service. The
6 mailing shall be **SENT BY** registered, certified, or other first
7 class mail ~~except where~~ **UNLESS** otherwise ~~provided in~~ **REQUIRED UNDER**
8 this act.

9 (2) ~~When~~ **IF** a notice is required or permitted by this act to
10 be given in writing, electronic transmission is written notice.

11 (3) **IF A CORPORATION IS REQUIRED OR PERMITTED TO PROVIDE ITS**
12 **SHAREHOLDERS OR MEMBERS WITH A WRITTEN NOTICE OR OTHER WRITTEN**
13 **REPORT, STATEMENT, OR COMMUNICATIONS UNDER THIS ACT, THE ARTICLES**
14 **OF INCORPORATION, OR THE BYLAWS, THE CORPORATION MAY PROVIDE THAT**
15 **NOTICE, REPORT, STATEMENT, OR COMMUNICATION TO ALL SHAREHOLDERS OR**
16 **MEMBERS THAT SHARE A COMMON ADDRESS BY DELIVERING 1 COPY OF IT TO**
17 **THE COMMON ADDRESS IF ALL OF THE FOLLOWING ARE MET:**

18 (A) **THE CORPORATION ADDRESSES THE NOTICE, REPORT, STATEMENT,**
19 **OR COMMUNICATION TO THE SHAREHOLDERS OR MEMBERS THAT SHARE THE**
20 **COMMON ADDRESS AS A GROUP, INDIVIDUALLY, OR IN ANY OTHER FORM TO**
21 **WHICH ANY OF THOSE SHAREHOLDERS OR MEMBERS HAVE NOT OBJECTED.**

22 (B) **AT LEAST 60 DAYS BEFORE THE FIRST DELIVERY OR ANY DELIVERY**
23 **TO A COMMON ADDRESS UNDER THIS SUBSECTION, THE CORPORATION GIVES**
24 **NOTICE TO THE SHAREHOLDERS OR MEMBERS THAT SHARE THAT COMMON**
25 **ADDRESS THAT IT INTENDS TO PROVIDE ONLY 1 COPY OF NOTICES, REPORTS,**
26 **STATEMENTS, OR OTHER COMMUNICATIONS TO SHAREHOLDERS OR MEMBERS THAT**
27 **SHARE A COMMON ADDRESS.**

1 (C) THE CORPORATION HAS NOT RECEIVED A WRITTEN OBJECTION FROM
2 ANY SHAREHOLDER OR MEMBER THAT SHARES A COMMON ADDRESS TO
3 DELIVERIES UNDER THIS SUBSECTION TO THAT SHAREHOLDER OR MEMBER. IF
4 IT RECEIVES A WRITTEN OBJECTION UNDER THIS SUBDIVISION, THE
5 CORPORATION WITHIN 30 DAYS SHALL BEGIN PROVIDING THE OBJECTING
6 SHAREHOLDER OR MEMBER WITH SEPARATE COPIES OF ANY NOTICES, REPORTS,
7 STATEMENTS, OR COMMUNICATIONS TO THE SHAREHOLDERS OR MEMBERS, BUT
8 THE CORPORATION MAY DELIVER 1 COPY OF THE NOTICES, REPORTS,
9 STATEMENTS, OR COMMUNICATIONS TO ALL OF THE SHAREHOLDERS OR MEMBERS
10 AT THAT COMMON ADDRESS THAT HAVE NOT OBJECTED.

11 (4) ~~(3) When~~ IF a notice or communication is permitted by this
12 act to be transmitted electronically, the notice or communication
13 is given when electronically transmitted to the person entitled to
14 the notice or communication in a manner authorized by the person.

15 (5) IF THE ADMINISTRATOR IS REQUIRED UNDER THIS ACT TO GIVE
16 NOTICE TO A CORPORATION, THE ADMINISTRATOR MAY ELECTRONICALLY
17 TRANSMIT THE NOTICE TO THE CORPORATION'S RESIDENT AGENT IN THE
18 MANNER AUTHORIZED BY THE CORPORATION.

19 (6) AS USED IN SUBSECTION (3), "ADDRESS" MEANS A STREET
20 ADDRESS, POST OFFICE BOX, ELECTRONIC MAIL ADDRESS FOR ELECTRONIC
21 TRANSMISSIONS BY ELECTRONIC MAIL, OR TELEPHONE FACSIMILE NUMBER FOR
22 ELECTRONIC TRANSMISSIONS BY FACSIMILE.

23 Sec. 151. (1) If the administrator ~~refuses~~ **FAILS** to promptly
24 file a document, other than an annual report, submitted for filing
25 under this act, the administrator shall within 10 days after
26 ~~receipt from the person submitting the document for filing of~~
27 **RECEIVING** a written request ~~for the filing of~~ **TO FILE** the document

1 FROM THE PERSON THAT SUBMITTED THE DOCUMENT FOR FILING give written
 2 notice of the ~~refusal~~-FAILURE to file the document to that person,
 3 specifying the reasons for the ~~refusal~~-FAILURE to file the
 4 document. ~~If the document was not originally submitted by~~
 5 ~~electronic transmission, the administrator shall not give the~~
 6 ~~written notice by electronic transmission.~~ THE ADMINISTRATOR MAY
 7 GIVE WRITTEN NOTICE UNDER THIS SUBSECTION BY POSTING THE NOTICE ON
 8 THE ADMINISTRATOR'S WEBSITE; BY SENDING THE NOTICE BY MAIL TO THE
 9 ADDRESS PROVIDED BY THE PERSON THAT SUBMITTED THE DOCUMENT; OR, IF
 10 THE PERSON THAT SUBMITTED THE DOCUMENT HAS PROVIDED THE
 11 ADMINISTRATOR WITH AN ELECTRONIC MAIL ADDRESS, BY SENDING THE
 12 NOTICE TO THAT ELECTRONIC MAIL ADDRESS. The person may seek
 13 judicial review of the refusal to file the document ~~pursuant to~~
 14 UNDER sections 103, 104, and 106 of the administrative procedures
 15 act of 1969, 1969 PA 306, MCL 24.303, 24.304, and 24.306.

16 (2) If the administrator refuses TO AUTHORIZE or revokes the
 17 authorization of a foreign corporation to conduct affairs in this
 18 state ~~pursuant to~~-UNDER this act, the foreign corporation may seek
 19 judicial review ~~pursuant to~~-UNDER sections 103, 104, and 106 of the
 20 administrative procedures act of 1969, 1969 PA 306, MCL 24.303,
 21 24.304, and 24.306.

22 Sec. 202. The articles of incorporation shall contain ALL OF
 23 THE FOLLOWING:

24 (a) The name of the corporation.

25 (b) The purposes for which the corporation is ~~organized~~-
 26 FORMED. It ~~shall not be~~-IS NOT sufficient to state substantially
 27 that the corporation may engage in any activity within the purposes

1 for which a corporation may be ~~organized~~ **FORMED** under this act. A
 2 ~~corporation which proposes to conduct educational purposes shall~~
 3 ~~state such purposes and~~ **IF A CORPORATION PROPOSES TO ORGANIZE AND**
 4 **OPERATE A SCHOOL, COLLEGE, OR OTHER EDUCATIONAL INSTITUTION**
 5 **DESCRIBED IN SECTION 170 OF 1931 PA 327, MCL 450.170, OTHER THAN A**
 6 **PUBLIC SCHOOL ACADEMY AS DEFINED IN SECTION 5 OF THE REVISED SCHOOL**
 7 **CODE, 1976 PA 451, MCL 380.5, IT shall STATE ITS EDUCATIONAL**
 8 **PURPOSES IN ITS ARTICLES OF INCORPORATION AND** comply with all
 9 requirements of sections 170 to 177 of ~~Act No. 327 of the Public~~
 10 ~~Acts of 1931, as amended, being sections 450.170 to 450.177 of the~~
 11 ~~Michigan Compiled Laws.~~ **1931 PA 327, MCL 450.170 TO 450.177.**

12 (c) ~~In the case of a~~ **IF THE** corporation ~~organized~~ **IS FORMED** on
 13 a stock basis, the aggregate number of shares ~~which~~ **THAT** the
 14 corporation has authority to issue.

15 (d) ~~In the case of a~~ **IF THE** corporation ~~organized~~ **IS FORMED** on
 16 a stock basis, **AND** if the shares are ~~,~~ or are to be ~~,~~ divided into
 17 classes, ~~to the extent that the designations, numbers, relative~~
 18 ~~rights, preferences, and limitations have been determined: the~~
 19 designation of each class, ~~,~~ the number of shares in each class, ~~,~~
 20 and a statement of the relative rights, preferences, and
 21 limitations of the shares of each class, **TO THE EXTENT THAT THE**
 22 **DESIGNATIONS, NUMBERS, RELATIVE RIGHTS, PREFERENCES, AND**
 23 **LIMITATIONS HAVE BEEN DETERMINED.**

24 (e) ~~In the case of a~~ **IF THE** corporation ~~organized~~ **IS FORMED** on
 25 a nonstock basis, a description and statement of the value of any
 26 assets of the corporation **THAT ARE** classified as ~~to~~ real and
 27 personal property and the terms of the general scheme of financing

1 the corporation.

2 (f) ~~In the case of a~~ **IF THE** corporation ~~organized~~ **IS FORMED** on
3 a nonstock basis, a statement that the corporation is ~~organized~~
4 **FORMED** on a membership basis or a statement that the corporation is
5 ~~organized~~ **FORMED** on a directorship basis.

6 (g) The street address, and the mailing address if different
7 from the street address, of the corporation's initial registered
8 office and the name of the corporation's initial resident agent at
9 that address.

10 (h) The names and addresses of all the incorporators. ~~7~~
11 ~~whether or not fewer than all the incorporators sign the articles~~
12 ~~pursuant to section 201(2).~~

13 (i) The duration of the corporation if other than perpetual.

14 Sec. 209. **(1)** The articles of incorporation may contain any
15 provision ~~consistent~~ **THAT IS NOT INCONSISTENT** with **THIS ACT AND NOT**
16 **EXPRESSLY PROHIBITED BY ANY OTHER STATUTE OF THIS STATE, INCLUDING,**
17 **BUT NOT LIMITED TO,** any of the following:

18 (a) A provision ~~regarding the~~ **FOR** management of **THE BUSINESS**
19 **AND CONDUCT OF THE AFFAIRS OF** the corporation, or creating,
20 defining, limiting, or regulating the powers of the corporation,
21 its directors, officers, members, or shareholders, or a class of
22 **DIRECTORS,** shareholders, or members.

23 (b) A provision that **UNDER THIS ACT** is required or permitted
24 ~~under this act to be included~~ **SET FORTH** in the bylaws. ~~of the~~
25 ~~corporation.~~

26 (c) A provision that eliminates ~~the personal~~ **OR LIMITS A**
27 **DIRECTOR'S OR VOLUNTEER OFFICER'S** liability ~~of a volunteer director~~

~~or volunteer officer to the corporation, its shareholders, or its members for monetary~~ **MONEY** ~~damages for a breach of the director's or officer's fiduciary duty. The provision does not eliminate or limit the liability of a director or officer~~ **ANY ACTION TAKEN OR ANY FAILURE TO TAKE ANY ACTION AS A DIRECTOR OR VOLUNTEER OFFICER, EXCEPT LIABILITY** for any of the following:

(i) ~~A breach of the director's or officer's duty of loyalty to the corporation, its shareholders, or its members.~~ **THE AMOUNT OF A FINANCIAL BENEFIT RECEIVED BY A DIRECTOR OR VOLUNTEER OFFICER TO WHICH HE OR SHE IS NOT ENTITLED.**

(ii) ~~Acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law.~~ **INTENTIONAL INFLICTION OF HARM ON THE CORPORATION, ITS SHAREHOLDERS, OR MEMBERS.**

(iii) A violation of section ~~551(1)~~ **551.**

(iv) ~~A transaction from which the director or officer derived an improper personal benefit.~~ **AN INTENTIONAL CRIMINAL ACT.**

(v) ~~An act or omission occurring before the effective date of the provision granting limited liability.~~ **A LIABILITY IMPOSED UNDER SECTION 497 (A) .**

~~(vi) An act or omission that is grossly negligent.~~

(d) For a ~~tax exempt~~ corporation under section ~~501(c)(3)~~ of the internal revenue code, **WHOSE PURPOSES, STRUCTURES, AND ACTIVITIES ARE EXCLUSIVELY THOSE DESCRIBED IN SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE OF 1986, 26 USC 501,** a provision that the corporation assumes all liability to any person other than the corporation, its shareholders, or its members for all acts or

1 omissions of a volunteer director occurring on or after January 1,
 2 1988 incurred in the good faith performance of the volunteer
 3 director's duties.

4 (e) A provision that ~~a nonprofit~~ **THE** corporation assumes the
 5 liability for all acts or omissions of a volunteer director,
 6 volunteer officer, or other volunteer occurring on or after the
 7 effective date of the provision ~~granting~~ **THAT GRANTS** limited
 8 liability if all of the following are met:

9 (i) The volunteer was acting or reasonably believed he or she
 10 was acting within the scope of his or her authority.

11 (ii) The volunteer was acting in good faith.

12 (iii) The volunteer's conduct did not amount to gross negligence
 13 or willful and wanton misconduct.

14 (iv) The volunteer's conduct was not an intentional tort.

15 (v) The volunteer's conduct was not a tort arising out of the
 16 ownership, maintenance, or use of a motor vehicle for which tort
 17 liability may be imposed ~~as provided in~~ **UNDER** section 3135 of the
 18 insurance code of 1956, ~~Act No. 218 of the Public Acts of 1956,~~
 19 ~~being section 500.3135 of the Michigan Compiled Laws. 1956 PA 218,~~
 20 **MCL 500.3135.**

21 **(F) A PROVISION THAT RESERVES TO 1 OR MORE MEMBERS,**
 22 **SHAREHOLDERS, OR OTHER PERSONS ALL OR PART OF THE AUTHORITY TO**
 23 **EXERCISE THE CORPORATE POWERS OR TO MANAGE THE BUSINESS AND AFFAIRS**
 24 **OF THE CORPORATION, INCLUDING THE RESOLUTION OF ANY ISSUE ABOUT**
 25 **WHICH THERE EXISTS A DEADLOCK AMONG DIRECTORS, SHAREHOLDERS, OR**
 26 **MEMBERS. A PROVISION AUTHORIZED UNDER THIS SUBSECTION THAT LIMITS**
 27 **THE DISCRETION OR POWERS OF THE BOARD RELIEVES THE DIRECTORS OF,**

1 AND IMPOSES ON THE PERSON OR PERSONS IN WHICH THE DISCRETION OR
 2 POWERS ARE VESTED, LIABILITY FOR ACTS OR OMISSIONS IMPOSED BY LAW
 3 ON DIRECTORS TO THE EXTENT THAT THE DISCRETION OR POWERS OF THE
 4 DIRECTORS ARE LIMITED BY THE PROVISION. THE PERSON OR PERSONS IN
 5 WHICH THE DISCRETION OR POWERS ARE VESTED ARE TREATED AS A DIRECTOR
 6 OR DIRECTORS FOR THE PURPOSES OF ANY LIMITATION OR ASSUMPTION OF
 7 LIABILITY UNDER THIS SECTION AND, EXCEPT AS OTHERWISE PROVIDED IN
 8 THE ARTICLES OF INCORPORATION OR BYLAWS, HAVE THE SAME RIGHTS AND
 9 OBLIGATIONS WITH RESPECT TO INDEMNIFICATION AS A DIRECTOR OR
 10 DIRECTORS.

11 (2) IF THE ARTICLES OF INCORPORATION CONTAIN A PROVISION THAT
 12 ELIMINATES THE LIABILITY OF A VOLUNTEER DIRECTOR OR VOLUNTEER
 13 OFFICER THAT WAS FILED BEFORE THE EFFECTIVE DATE OF THE AMENDATORY
 14 ACT THAT ADDED THIS SUBSECTION, THAT PROVISION IS CONSIDERED TO
 15 ELIMINATE THE LIABILITY OF A DIRECTOR OR VOLUNTEER OFFICER UNDER
 16 SUBSECTION (1) (C) .

17 Sec. 212. (1) The corporate name of a **DOMESTIC OR FOREIGN**
 18 corporation formed or existing under or subject to this act **SHALL**
 19 **CONFORM TO ALL OF THE FOLLOWING:**

20 (a) Shall not contain a word or phrase, or abbreviation or
 21 derivative thereof, ~~which~~ **OF A WORD OR PHRASE, THAT** indicates or
 22 implies that the corporation is ~~organized~~ **FORMED** for a purpose
 23 other than 1 or more of the purposes permitted by its articles of
 24 incorporation.

25 (b) ~~Shall not be the same as, or confusingly similar to, the~~
 26 ~~corporate name of a domestic corporation, a domestic business~~
 27 ~~corporation, a foreign corporation authorized to conduct affairs in~~

~~this state, or a foreign business corporation authorized to
transact business in this state; a corporate name currently
reserved under this act, a predecessor act, or Act No. 284 of the
Public Acts of 1972, as amended; or a name assumed under section
217 or under section 217 of Act No. 284 of the Public Acts of 1972,
as amended, being section 450.1217 of the Michigan Compiled Laws,
unless the written consent of the other domestic corporation,
domestic business corporation, foreign corporation, or foreign
business corporation or holder of a reserved name, to the adoption
of a confusingly similar name, but not the same name, is filed in
the office of the administrator, or, in lieu of the consent, there
is filed a certified copy of a final judgment of a court of
competent jurisdiction establishing the prior right of the
corporation to the use of the name in this state.~~ SHALL DISTINGUISH
THE CORPORATE NAME IN THE RECORDS IN THE OFFICE OF THE
ADMINISTRATOR FROM ALL OF THE FOLLOWING:

(i) THE CORPORATE NAME OF ANY OTHER DOMESTIC CORPORATION OR
FOREIGN CORPORATION AUTHORIZED TO CONDUCT AFFAIRS IN THIS STATE.

(ii) THE CORPORATE NAME OF ANY DOMESTIC BUSINESS CORPORATION OR
FOREIGN BUSINESS CORPORATION AUTHORIZED TO TRANSACT BUSINESS IN
THIS STATE.

(iii) A CORPORATE NAME CURRENTLY RESERVED, REGISTERED, OR
ASSUMED UNDER THIS ACT OR THE BUSINESS CORPORATION ACT.

(iv) THE NAME OF ANY DOMESTIC LIMITED PARTNERSHIP OR FOREIGN
LIMITED PARTNERSHIP AS FILED OR REGISTERED UNDER THE MICHIGAN
REVISED UNIFORM LIMITED PARTNERSHIP ACT, 1982 PA 213, MCL 449.1101
TO 449.2108, OR ANY NAME CURRENTLY RESERVED OR ASSUMED UNDER THAT

1 ACT.

2 (v) THE NAME OF ANY DOMESTIC LIMITED LIABILITY COMPANY OR
3 FOREIGN LIMITED LIABILITY COMPANY AS FILED OR REGISTERED UNDER THE
4 MICHIGAN LIMITED LIABILITY COMPANY ACT, 1993 PA 23, MCL 450.4101 TO
5 450.5200, OR ANY NAME CURRENTLY RESERVED OR ASSUMED UNDER THAT ACT.

6 (c) Shall not contain a word or phrase, ~~or an abbreviation, or~~
7 derivative thereof, **OF A WORD OR PHRASE**, the use of which is
8 prohibited or restricted by any other statute of this state, unless
9 the **USE OF THE NAME COMPLIES WITH THAT** restriction. ~~has been~~
10 ~~complied with.~~

11 (2) ~~Whenever~~ **IF** a foreign corporation is unable to obtain a
12 certificate of authority to conduct affairs in this state because
13 its corporate name does not comply with ~~the provisions of~~
14 subsection (1), ~~it~~ **THE FOREIGN CORPORATION** may apply for authority
15 to conduct affairs in this state by adding to its corporate name in
16 ~~such~~ **THE** application a word, abbreviation, or other distinctive and
17 distinguishing element, or alternatively, adopting for use in this
18 state an assumed name otherwise available for use. If in the
19 judgment of the administrator ~~this assumed~~ **THAT** name would comply
20 with the provisions of subsection (1), that subsection ~~shall~~ **DOES**
21 ~~not be a bar to the issuance to~~ **PREVENT THE ADMINISTRATOR FROM**
22 **ISSUING** the **FOREIGN** corporation ~~of~~ a certificate of authority to
23 conduct affairs in this state. The certificate issued to the
24 foreign corporation shall be issued in ~~this assumed~~ **THE** name
25 **APPLIED FOR** and the **FOREIGN** corporation shall use ~~this~~ **THAT** name in
26 all its dealings with the administrator and in the conduct of its
27 affairs in this state.

1 (3) A **CHARITABLE PURPOSE** corporation ~~incorporated for the~~
 2 ~~purpose of receiving and administering funds for perpetuation of~~
 3 ~~the memory of persons, preservation of objects of historical or~~
 4 ~~natural interest, educational, charitable, or religious purposes,~~
 5 ~~or public welfare may use the name foundation.~~WORD "FOUNDATION" IN
 6 ITS CORPORATE NAME OR IN AN ASSUMED NAME. THIS SUBSECTION DOES NOT
 7 PROHIBIT A CORPORATION FROM CONTINUING TO USE THE WORD "FOUNDATION"
 8 IN ITS CORPORATE NAME OR IN AN ASSUMED NAME IF THE CORPORATION WAS
 9 IN EXISTENCE AND USED THE WORD "FOUNDATION" IN ITS CORPORATE NAME
 10 OR IN AN ASSUMED NAME BEFORE THE EFFECTIVE DATE OF THE AMENDATORY
 11 ACT THAT ADDED THIS SENTENCE.

12 (4) THE FACT THAT A CORPORATION COMPLIES WITH THIS SECTION
 13 DOES NOT CREATE SUBSTANTIVE RIGHTS TO USE OF A CORPORATE NAME.

14 Sec. 215. (1) A person may reserve the right to use ~~of a~~
 15 corporate name by executing and filing an application to reserve
 16 the name. If the administrator finds that the name is available for
 17 corporate use, ~~the administrator~~ HE OR SHE shall reserve it for
 18 exclusive use of the applicant for a period ~~expiring~~ **THAT EXPIRES**
 19 at the end of the ~~fourth~~ **SIXTH** full calendar month following the
 20 month in which the application was filed.

21 ~~— (2) The administrator, for good cause shown, may extend the~~
 22 ~~reservation for periods of not more than 2 calendar months each.~~
 23 ~~Not more than 2 extensions shall be granted.~~

24 (2) ~~(3) The~~ **A PERSON MAY TRANSFER A** right to exclusive use of
 25 a corporate name ~~so reserved may be transferred~~ **UNDER SUBSECTION**
 26 **(1)** to another person by filing a notice of the transfer, executed
 27 by the applicant for ~~whom~~ **WHICH** the name was reserved, ~~and stating~~

1 **THAT STATES** the name and address of the transferee.

2 Sec. 217. (1) Except as **PROVIDED IN SECTION 212 OR** otherwise
 3 prohibited by law, a domestic or foreign corporation may conduct
 4 its affairs under any assumed name or names other than its
 5 corporate name, ~~not precluded from use by section 212, and the same~~
 6 ~~name may be assumed by 2 or more corporations participating~~
 7 ~~together in any partnership or joint venture by filing a~~
 8 certificate stating the true name of the corporation and the
 9 assumed name under which its affairs are to be conducted. ~~The~~ **A**
 10 certificate ~~shall be~~ **OF ASSUMED NAME IS** effective, unless sooner
 11 terminated by ~~the filing of~~ a certificate of termination or by the
 12 dissolution or withdrawal of the corporation, for a period ~~expiring~~
 13 **THAT EXPIRES** on December 31 of the fifth full calendar year
 14 following the year in which it was filed. ~~It~~ **A CERTIFICATE OF**
 15 **ASSUMED NAME** may be extended for additional consecutive periods of
 16 5 full calendar years each by ~~the filing of~~ similar certificates
 17 not earlier than 90 days preceding the expiration of ~~any such~~ **THE**
 18 **INITIAL OR A SUBSEQUENT 5-YEAR** period. The administrator shall
 19 notify the corporation of the impending expiration of the
 20 certificate of assumed name ~~no~~ **NOT** later than 90 days before **THE**
 21 **EXPIRATION OF** the initial or subsequent 5-year period. ~~will expire.~~
 22 ~~This~~ **IF AUTHORIZED BY THE CORPORATION, THE ADMINISTRATOR MAY**
 23 **ELECTRONICALLY TRANSMIT THE NOTICE TO THE RESIDENT AGENT OF THE**
 24 **CORPORATION. A CERTIFICATE OF ASSUMED NAME FILED UNDER THIS** section
 25 does not create substantive rights to the use of a particular
 26 assumed name.

27 (2) **TWO OR MORE CORPORATIONS, OR 1 OR MORE CORPORATIONS AND 1**

1 OR MORE BUSINESS CORPORATIONS, LIMITED PARTNERSHIPS, LIMITED
2 LIABILITY COMPANIES, OR OTHER ENTERPRISES THAT PARTICIPATE TOGETHER
3 IN A PARTNERSHIP OR JOINT VENTURE MAY ASSUME THE SAME NAME. EACH
4 PARTICIPANT CORPORATION SHALL FILE A CERTIFICATE UNDER THIS
5 SECTION.

6 (3) A CORPORATION THAT PARTICIPATES IN A MERGER, OR ANY OTHER
7 ENTITY THAT PARTICIPATES IN A MERGER UNDER SECTION 735 OR 736A, MAY
8 TRANSFER TO THE SURVIVING ENTITY THE USE OF AN ASSUMED NAME FOR
9 WHICH A CERTIFICATE OF ASSUMED NAME IS ON FILE WITH THE
10 ADMINISTRATOR BEFORE THE MERGER, IF THE TRANSFER IS NOTED IN THE
11 CERTIFICATE OF MERGER UNDER SECTION 707(1)(F), 712(1)(C), OR
12 736A(3)(F) OR OTHER APPLICABLE STATUTE. THE USE OF AN ASSUMED NAME
13 TRANSFERRED UNDER THIS SUBSECTION MAY CONTINUE FOR THE REMAINING
14 EFFECTIVE PERIOD OF THE CERTIFICATE OF ASSUMED NAME ON FILE BEFORE
15 THE MERGER, AND THE SURVIVING ENTITY MAY TERMINATE OR EXTEND THE
16 CERTIFICATE OF ASSUMED NAME UNDER SUBSECTION (1).

17 (4) A CORPORATION THAT SURVIVES A MERGER MAY USE AS AN ASSUMED
18 NAME THE CORPORATE NAME OF A MERGING CORPORATION, OR THE NAME OF
19 ANY OTHER ENTITY THAT PARTICIPATES IN THE MERGER UNDER SECTION 735
20 OR 736A, BY FILING A CERTIFICATE OF ASSUMED NAME UNDER SUBSECTION
21 (1) OR BY PROVIDING FOR THE USE OF THE NAME AS AN ASSUMED NAME IN
22 THE CERTIFICATE OF MERGER. THE SURVIVING CORPORATION ALSO MAY FILE
23 A CERTIFICATE OF ASSUMED NAME UNDER SUBSECTION (1) OR PROVIDE IN
24 THE CERTIFICATE OF MERGER FOR THE USE AS AN ASSUMED NAME OF AN
25 ASSUMED NAME OF A MERGING ENTITY THAT IS NOT TRANSFERRED UNDER
26 SUBSECTION (3). A PROVISION IN THE CERTIFICATE OF MERGER UNDER THIS
27 SUBSECTION IS CONSIDERED A NEW CERTIFICATE OF ASSUMED NAME.

(5) A BUSINESS ORGANIZATION INTO WHICH A CORPORATION HAS CONVERTED UNDER SECTION 745 MAY USE AN ASSUMED NAME OF THE CONVERTING CORPORATION, IF THE CORPORATION HAS A CERTIFICATE OF ASSUMED NAME FOR THAT ASSUMED NAME ON FILE WITH THE ADMINISTRATOR BEFORE THE CONVERSION, BY PROVIDING FOR THE USE OF THE NAME AS AN ASSUMED NAME IN THE CERTIFICATE OF CONVERSION. THE USE OF AN ASSUMED NAME UNDER THIS SUBSECTION MAY CONTINUE FOR THE REMAINING EFFECTIVE PERIOD OF THE CERTIFICATE OF ASSUMED NAME ON FILE BEFORE THE CONVERSION, AND THE SURVIVING BUSINESS ORGANIZATION MAY TERMINATE OR EXTEND THE CERTIFICATE OF ASSUMED NAME UNDER SUBSECTION (1).

(6) A CORPORATION INTO WHICH 1 OR MORE BUSINESS ORGANIZATIONS HAVE CONVERTED UNDER SECTION 746 MAY USE AS AN ASSUMED NAME THE NAME OF ANY BUSINESS ORGANIZATION CONVERTING INTO THAT CORPORATION, OR USE AS AN ASSUMED NAME AN ASSUMED NAME OF THAT BUSINESS ORGANIZATION, BY FILING A CERTIFICATE OF ASSUMED NAME UNDER SUBSECTION (1) OR BY PROVIDING FOR THE USE OF THAT NAME OR ASSUMED NAME AS AN ASSUMED NAME OF THE CORPORATION IN THE CERTIFICATE OF CONVERSION. A PROVISION IN THE CERTIFICATE OF CONVERSION UNDER THIS SUBSECTION IS CONSIDERED A NEW CERTIFICATE OF ASSUMED NAME.

Sec. 221. The corporate existence ~~shall begin~~ **OF A CORPORATION BEGINS** on the effective date of the articles of incorporation as provided in section 131. Filing **OF THE ARTICLES OF INCORPORATION** is conclusive evidence that all conditions precedent required to be performed under this act have been fulfilled and that the corporation has been ~~organized~~ **FORMED** under this act, except in an action or special proceeding by the attorney general.

1 Sec. 241. Each domestic corporation and each foreign
2 corporation authorized to conduct affairs in this state shall have
3 and continuously maintain in this state **BOTH OF THE FOLLOWING:**

4 (a) A registered office ~~which~~**THAT** may be the same as its
5 place of business.

6 (b) A resident agent. ~~, which agent may be either an~~**ANY OF**
7 **THE FOLLOWING MAY SERVE AS RESIDENT AGENT:**

8 (i) **AN** individual resident in this state whose business office
9 **OR RESIDENCE** is identical with the ~~corporation's~~ registered office.

10 ~~, a~~

11 (ii) **A** domestic ~~or~~**CORPORATION, A** domestic business
12 corporation, ~~or a foreign or~~**CORPORATION, A** foreign business
13 corporation, **A LIMITED LIABILITY COMPANY, OR ANOTHER ENTITY, IF IT**
14 **IS** authorized to conduct affairs or transact business in this state
15 and ~~having~~**IT HAS** a business office identical with the
16 ~~corporation's~~ registered office.

17 Sec. 242. (1) A domestic corporation or a foreign corporation
18 authorized to conduct affairs in this state may change its
19 registered office or change its resident agent, or both, ~~upon~~**BY**
20 filing a statement ~~, which~~**WITH THE DEPARTMENT. THE STATEMENT** may
21 be executed by any of the individuals ~~set forth~~**DESCRIBED** in
22 section 132 or by the secretary or assistant secretary of the
23 corporation. ~~, setting forth~~**THE STATEMENT SHALL PROVIDE ALL OF THE**
24 **FOLLOWING INFORMATION:**

25 (a) The **CORPORATE** name. ~~of the corporation.~~

26 (b) The street address of ~~its then~~**THE CORPORATION'S**
27 registered office **AT THE TIME OF FILING**, and its mailing address if

1 different from its street address.

2 (c) If the address of ~~its~~ **THE CORPORATION'S** registered office
3 is changed, the street address and the mailing address, if
4 different from the street address, to which the registered office
5 is to be changed.

6 (d) The name of ~~its then~~ **THE CORPORATION'S** resident agent **AT**
7 **THE TIME OF FILING.**

8 (e) If ~~its~~ **THE CORPORATION'S** resident agent is changed, the
9 name of its successor resident agent.

10 (f) That the address of ~~its~~ **THE CORPORATION'S** registered
11 office and the address ~~of the business office~~ of its resident
12 agent, as changed, will be identical.

13 (g) That ~~such~~ **THE** change was authorized by resolution duly
14 adopted by ~~its~~ **THE CORPORATION'S** board, **OR, IF NO BOARD HAS BEEN**
15 **APPOINTED, BY THE INCORPORATORS.**

16 (2) **IF A RESIDENT AGENT CHANGES ITS BUSINESS OR RESIDENCE**
17 **ADDRESS TO ANOTHER PLACE WITHIN THIS STATE, THE RESIDENT AGENT MAY**
18 **CHANGE THE ADDRESS OF THE REGISTERED OFFICE OF ANY DOMESTIC OR**
19 **FOREIGN CORPORATION OF WHICH THE PERSON IS A RESIDENT AGENT BY**
20 **FILING THE STATEMENT REQUIRED UNDER SUBSECTION (1), EXCEPT THAT THE**
21 **STATEMENT NEED ONLY BE SIGNED BY THE RESIDENT AGENT, NEED NOT BE**
22 **RESPONSIVE TO SUBSECTION (1) (E) OR (G), AND SHALL RECITE THAT A**
23 **COPY OF THE STATEMENT HAS BEEN MAILED TO THE CORPORATION.**

24 Sec. 243. A resident agent of a domestic or foreign
25 corporation may resign by filing a written notice of resignation
26 with the president or a ~~vice-president~~ **VICE PRESIDENT** of the
27 corporation and with the administrator. ~~The~~ **A** corporation shall

1 promptly appoint a successor resident agent **AFTER ITS RESIDENT**
 2 **AGENT HAS RESIGNED**. The appointment of ~~the~~ **A** resigning **RESIDENT**
 3 agent terminates ~~upon appointment of a successor or upon expiration~~
 4 ~~of~~ **WHEN A SUCCESSOR IS APPOINTED OR** 30 days after receipt of the
 5 notice by the administrator, whichever first occurs. **WHEN A**
 6 **RESIGNATION BECOMES EFFECTIVE UNDER THIS SECTION, THE BUSINESS OR**
 7 **RESIDENCE ADDRESS OF THE RESIGNED AGENT IS NO LONGER THE REGISTERED**
 8 **OFFICE OF THE CORPORATION.**

9 Sec. 246. (1) The resident agent ~~so~~ appointed by a corporation
 10 is an agent of the corporation ~~upon whom~~ **ON WHICH** any process,
 11 notice, or demand required or permitted by law to be served ~~upon~~ **ON**
 12 the corporation may be served.

13 (2) ~~A person,~~ **IF AN INDIVIDUAL**, whether a resident or
 14 nonresident of this state, ~~by acceptance of~~ **ACCEPTS** election,
 15 appointment, or employment as a director or officer of a
 16 corporation ~~organized~~ **FORMED** under this act or in existence on the
 17 effective date of this act, ~~by such~~ **THE** acceptance is ~~held to have~~
 18 ~~appointed~~ **CONSIDERED AN APPOINTMENT OF** the resident agent of the
 19 corporation as ~~the person's~~ **HIS OR HER** agent ~~upon whom~~ **ON WHICH**
 20 process may be served while ~~the person~~ **HE OR SHE** is a director or
 21 officer, in any action commenced in a court of general jurisdiction
 22 in this state, arising out of or founded ~~upon~~ **ON** any action of ~~such~~
 23 ~~a~~ **THE** domestic corporation or of ~~such person~~ **THE INDIVIDUAL** as a
 24 director or officer of the domestic corporation. ~~Upon~~ **AFTER**
 25 accepting service of process, the resident agent shall promptly
 26 forward it to the director or officer at ~~the director or officer's~~
 27 **HIS OR HER** last known address.

1 (3) THE ADMINISTRATOR MAY SERVE A NOTICE DESCRIBED IN
2 SUBSECTION (1) BY ELECTRONICALLY TRANSMITTING THE NOTICE TO THE
3 RESIDENT AGENT OF THE CORPORATION IN THE MANNER AUTHORIZED BY THE
4 CORPORATION.

5 Sec. 251. (1) ~~Except if required by law to incorporate under~~
6 ~~another statute of this state, a~~ A corporation may be formed under
7 this act for any lawful purposes not involving pecuniary gain or
8 profit for its officers, directors, shareholders, or members, **OTHER**
9 **THAN A PURPOSE FOR WHICH A CORPORATION MAY BE FORMED UNDER ANY**
10 **OTHER STATUTE OF THIS STATE AND THAT STATUTE EXPRESSLY PROHIBITS**
11 **FORMATION UNDER THIS ACT. A CORPORATION THAT IS FORMED UNDER THIS**
12 **ACT FOR A PURPOSE FOR WHICH A CORPORATION MAY BE FORMED UNDER**
13 **ANOTHER STATUTE OF THIS STATE DOES NOT HAVE ANY POWERS OR**
14 **PRIVILEGES CONFERRED BY THAT OTHER STATUTE THAT ARE NOT CONFERRED**
15 **UNDER THIS ACT.**

16 (2) In time of war or other national emergency, a corporation
17 may ~~conduct~~ **TAKE** any lawful activity, **ACTION TO PROVIDE AID,**
18 including any business activity, ~~in aid thereof,~~ notwithstanding
19 the purposes set forth in its articles of incorporation, at the
20 request or direction of a competent governmental authority.

21 Sec. 261. (1) A corporation, subject to any limitation
22 provided in this act, in any other statute of this state, **OR** in its
23 articles of incorporation, ~~or otherwise by law,~~ has the power in
24 furtherance of its corporate purposes to do any of the following:

25 (a) Have perpetual duration.

26 (b) Sue and be sued in all courts and participate in actions
27 and proceedings judicial, administrative, arbitative, or

1 otherwise, in the same manner as ~~a natural person~~. **AN INDIVIDUAL.**

2 (c) Have a corporate seal, ~~and~~ alter the seal, and use it by
3 causing it or a facsimile to be affixed, impressed, or reproduced
4 in any other manner.

5 (d) Adopt, amend, or repeal bylaws, including emergency
6 bylaws, relating to the purposes of the corporation, the conduct of
7 its affairs, its rights and powers, and the rights and powers of
8 its shareholders, members, directors, or officers.

9 (e) Elect or appoint officers, employees, and other agents of
10 the corporation, prescribe their duties, fix their compensation and
11 the compensation of directors, and indemnify corporate directors,
12 officers, employees, and agents.

13 (f) Purchase, receive, take by grant, gift, devise, bequest,
14 or otherwise, lease, or otherwise acquire, own, hold, improve,
15 **ADMINISTER**, employ, use, and otherwise deal in and with, real or
16 personal property, or an interest in real or personal property,
17 wherever situated, either absolutely, ~~or~~ in trust, **OR AS AN**
18 **ENDOWMENT OR DONOR RESTRICTED FUND**, and without limitation as to
19 amount or value.

20 (g) Sell, convey, lease, exchange, transfer, or otherwise
21 dispose of, or mortgage or pledge, or create a security interest
22 in, any of its property, or an interest in the property, wherever
23 situated.

24 (h) Purchase, take, receive, subscribe for, or otherwise
25 acquire, own, hold, vote, employ, sell, lend, lease, exchange,
26 transfer, or otherwise dispose of, mortgage, pledge, use, and
27 otherwise deal in and with, bonds and other obligations, shares or

1 other securities or interests or memberships issued by others,
2 whether engaged in similar or different business, governmental, or
3 other activities, including banking corporations or trust
4 companies. A corporation organized or conducting affairs in this
5 state under this act shall not guarantee or become surety ~~upon~~ **ON** a
6 bond or other undertaking securing the deposit of public money.

7 (i) Make contracts, give guarantees, and incur liabilities,
8 borrow money at ~~such~~ rates of interest as the corporation may
9 determine, issue its notes, bonds, and other obligations, and
10 secure any of its obligations by mortgage or pledge of any of its
11 property or an interest in the property, wherever situated. **WITHOUT**
12 **LIMITING THE PRECEDING, THESE POWERS INCLUDE THE POWERS TO GIVE**
13 **GUARANTEES AND TO INCUR JOINT INDEBTEDNESS THAT ARE NECESSARY OR**
14 **CONVENIENT TO THE CONDUCT, PROMOTION, OR ATTAINMENT OF THE PURPOSES**
15 **OF ANY OF THE FOLLOWING ENTITIES, WHETHER OR NOT SUBJECT TO THIS**
16 **ACT, AND THOSE GUARANTEES OR JOINT INDEBTEDNESS IS CONSIDERED TO BE**
17 **IN FURTHERANCE OF THE CORPORATE PURPOSE OF THE CONTRACTING**
18 **CORPORATION:**

19 (i) A CORPORATION, FOREIGN CORPORATION, DOMESTIC BUSINESS
20 CORPORATION, OR FOREIGN BUSINESS CORPORATION, IF ALL OF ITS
21 OUTSTANDING SHARES ARE OWNED, DIRECTLY OR INDIRECTLY, OR ALL OF THE
22 OUTSTANDING MEMBERSHIPS ARE OWNED OR CONTROLLED, DIRECTLY OR
23 INDIRECTLY, BY ANY OF THE FOLLOWING:

24 (A) THE CONTRACTING CORPORATION.

25 (B) A DIRECTORSHIP CORPORATION WHOSE DIRECTORS ARE ALL ELECTED
26 OR APPOINTED, DIRECTLY OR INDIRECTLY, BY THE CONTRACTING
27 CORPORATION.

1 (C) A DOMESTIC OR FOREIGN LIMITED LIABILITY COMPANY, IF ALL OF
2 ITS MEMBERSHIP INTERESTS ARE OWNED OR CONTROLLED, DIRECTLY OR
3 INDIRECTLY, BY THE CONTRACTING CORPORATION.

4 (ii) A CORPORATION OR FOREIGN CORPORATION THAT OWNS OR
5 CONTROLS, DIRECTLY OR INDIRECTLY, ALL OF THE OUTSTANDING SHARES OF
6 THE CONTRACTING CORPORATION; OR THAT OWNS OR CONTROLS, DIRECTLY OR
7 INDIRECTLY, ALL OF THE OUTSTANDING MEMBERSHIP INTERESTS OF THE
8 CONTRACTING CORPORATION; OR THAT ELECTS OR APPOINTS, DIRECTLY OR
9 INDIRECTLY, ALL OF THE DIRECTORS OF THE CONTRACTING DIRECTORSHIP
10 CORPORATION.

11 (iii) A CORPORATION OR FOREIGN CORPORATION, IF ALL OF ITS
12 OUTSTANDING SHARES ARE OWNED OR CONTROLLED, DIRECTLY OR INDIRECTLY,
13 OR ALL OF ITS OUTSTANDING MEMBERSHIPS ARE OWNED OR CONTROLLED,
14 DIRECTLY OR INDIRECTLY, BY AN AFFILIATE; OR A DIRECTORSHIP
15 CORPORATION, IF ALL OF ITS DIRECTORS ARE ELECTED OR APPOINTED,
16 DIRECTLY OR INDIRECTLY, BY AN AFFILIATE. AS USED IN THIS
17 SUBPARAGRAPH, "AFFILIATE" MEANS A NONPROFIT CORPORATION, WHETHER OR
18 NOT SUBJECT TO THIS ACT, OR A FOREIGN CORPORATION, THAT OWNS OR
19 CONTROLS, DIRECTLY OR INDIRECTLY, ALL OF THE OUTSTANDING SHARES OF
20 THE CONTRACTING CORPORATION; OR THAT OWNS OR CONTROLS, DIRECTLY OR
21 INDIRECTLY, ALL OF THE OUTSTANDING MEMBERSHIPS OF THE CONTRACTING
22 CORPORATION; OR THAT ELECTS OR APPOINTS, DIRECTLY OR INDIRECTLY,
23 ALL OF THE DIRECTORS OF THE CONTRACTING CORPORATION IF IT IS A
24 DIRECTORSHIP CORPORATION.

25 (j) Lend money, invest and reinvest its funds, and take and
26 hold real and personal property as security for the payment of
27 funds loaned, ~~or~~ invested, OR REINVESTED.

(k) Make donations for **ANY OF THE FOLLOWING: THE** public welfare; ~~or for~~ **A** community fund; ~~OR~~ hospital; ~~OR~~ **A** charitable, educational, scientific, civic, or similar purposes, ~~and~~ **PURPOSE. A CORPORATION ALSO HAS THE POWER TO PROVIDE AID** in time of war or other national emergency. ~~in aid of war or other national emergency.~~

(l) Pay pensions, establish and carry out pension, **FEDERALLY QUALIFIED PROFIT SHARING**, savings, thrift, and other retirement, incentive, and benefit plans, trusts, and provisions for any of its directors, officers, and employees.

(m) Purchase, receive, take, otherwise acquire, own, hold, sell, lend, exchange, transfer, otherwise dispose of, pledge, use, and otherwise deal in and with its own shares, bonds, and other securities.

(n) Participate with others in any **DOMESTIC** corporation, **FOREIGN CORPORATION, DOMESTIC** business corporation, **FOREIGN BUSINESS CORPORATION**, partnership, limited partnership, **LIMITED LIABILITY COMPANY, LIMITED LIABILITY PARTNERSHIP**, joint venture, or other association of any kind, or ~~participate with others~~ in any transaction, undertaking, or agreement that the participating corporation would have power to conduct by itself, whether or not the participation involves sharing or delegation of control with or to others.

(o) Cease its corporate activities and dissolve.

(p) Conduct its affairs, carry on its operations, and have offices and exercise the powers granted ~~by~~ **UNDER** this act in any jurisdiction ~~within or without~~ **IN OR OUTSIDE** the United States,

1 and, in the case of a corporation the purpose or purposes of which
2 require the transaction of business, the receipt and payment of
3 money, the care and custody of property, and other incidental
4 business matters, transact ~~such~~**THAT** business, receive, collect,
5 and disburse ~~such~~**THAT** money, and engage in ~~such~~**THOSE** other
6 incidental business matters as are naturally or properly within the
7 scope of its articles.

8 (q) Have and exercise all powers necessary or convenient to
9 effect any purpose for which the corporation is formed.

10 (2) A corporation **THAT IS** subject to the uniform prudent
11 management of institutional funds act, **2009 PA 87, MCL 451.921 TO**
12 **451.931**, has all powers granted under both this act and that act.
13 However, in the event of an inconsistency between the 2 acts, the
14 uniform prudent management of institutional funds act, **2009 PA 87,**
15 **MCL 451.921 TO 451.931**, controls.

16 (3) The corporate existence of all corporations incorporated
17 before January 1, 1983, without capital stock, for religious,
18 benevolent, social, or fraternal purposes, shall be considered to
19 be in perpetuity. A limitation or term fixed in the articles or in
20 the law under which the corporation originally incorporated is not
21 effective unless the corporation affirmatively waived its right to
22 perpetual existence after September 18, 1931, by fixing a definite
23 term of existence by amendment to its articles.

24 (4) Any nonprofit power corporation that is authorized to
25 furnish electric service may construct, maintain, and operate its
26 lines along, over, across, or under any public places, streets, and
27 highways, and across or under the waters in this state, with all

1 necessary erections and fixtures. A nonprofit power corporation may
2 exercise the power of eminent domain, in the manner provided by the
3 uniform condemnation procedures act, 1980 PA 87, MCL 213.51 to
4 213.75. As a condition to the exercise of any of these powers,
5 nonprofit corporations are subject to the jurisdiction of the
6 Michigan public service commission ~~pursuant to~~ **UNDER** 1909 PA 106,
7 MCL 460.551 to 460.559, 1919 PA 419, MCL 460.54 to 460.62, and 1939
8 PA 3, MCL 460.1 to 460.11.

9 **(5) A CORPORATION FORMED UNDER THIS ACT THAT IS OPERATING A**
10 **PUBLIC SCHOOL ACADEMY AS DEFINED IN SECTION 5 OF THE REVISED SCHOOL**
11 **CODE, 1976 PA 451, MCL 380.5, IS A PUBLIC BODY CORPORATE AND A**
12 **GOVERNMENTAL AGENCY AND SHALL HAVE ALL POWERS GRANTED UNDER THIS**
13 **ACT AND UNDER THE REVISED SCHOOL CODE, 1976 PA 451, MCL 380.1 TO**
14 **380.1853. HOWEVER, IN THE EVENT OF AN INCONSISTENCY BETWEEN THIS**
15 **ACT AND THE REVISED SCHOOL CODE, THE REVISED SCHOOL CODE SHALL**
16 **CONTROL.**

17 **(6) SUBJECT TO THE LIMITATIONS ON THE PRACTICE OF LAW BY**
18 **CORPORATIONS CONTAINED IN 1917 PA 354, MCL 450.681, A DOMESTIC**
19 **CORPORATION MAY BE FORMED AND A FOREIGN CORPORATION MAY BE**
20 **AUTHORIZED TO CONDUCT AFFAIRS IN THIS STATE FOR THE PURPOSE OF**
21 **PROVIDING SERVICES IN A LEARNED PROFESSION AND MAY EMPLOY AND ENTER**
22 **INTO OTHER ARRANGEMENTS WITH DULY LICENSED OR AUTHORIZED**
23 **INDIVIDUALS WHO SHALL FURNISH THOSE SERVICES ON BEHALF OF THE**
24 **CORPORATION.**

25 **(7) EXCEPT AS PROVIDED IN SECTION 209(1) (D) OR SECTION**
26 **209(1) (E), ANY DULY LICENSED OR AUTHORIZED INDIVIDUAL WHO IS**
27 **EMPLOYED BY A CORPORATION DESCRIBED IN SUBSECTION (6) IS PERSONALLY**

1 AND FULLY LIABLE AND ACCOUNTABLE FOR ANY NEGLIGENT OR WRONGFUL ACTS
2 OR MISCONDUCT COMMITTED BY HIM OR HER, OR BY ANY INDIVIDUAL UNDER
3 HIS OR HER DIRECT SUPERVISION AND CONTROL, WHILE RENDERING
4 PROFESSIONAL SERVICES ON BEHALF OF THE CORPORATION TO THE PERSON
5 FOR WHOM THOSE PROFESSIONAL SERVICES WERE BEING RENDERED. HOWEVER,
6 THE CORPORATION THAT EMPLOYS THAT DULY LICENSED OR AUTHORIZED
7 INDIVIDUAL MAY INDEMNIFY HIM OR HER FOR ANY RESULTING LIABILITIES
8 AND EXPENSES AS PROVIDED IN THIS ACT AND UNDER OTHER APPLICABLE
9 LAW.

10 (8) A DOMESTIC OR FOREIGN CORPORATION FORMED FOR PURPOSES THAT
11 INCLUDE OPERATING A CHURCH OR RELIGIOUS INSTITUTION MAY OWN AND
12 OPERATE 1 OR MORE CEMETERIES.

13 Sec. 275. A domestic CORPORATION or foreign corporation,
14 whether or not formed at the request of a lender OR IN FURTHERANCE
15 OF A BUSINESS ENTERPRISE, may by agreement in writing, and not
16 otherwise, agree to pay a rate of interest in excess of the legal
17 rate and ~~in such case IS PROHIBITED FROM ASSERTING~~ the defense of
18 usury ~~is prohibited.~~ IN AN ACTION ON THE DEBT.

19 Sec. 301. (1) A payment or distribution of any part of the
20 assets, income, or profit of a corporation shall ~~be in conformity~~
21 ~~with~~ CONFORM TO the purposes of the corporation.

22 (2) A corporation may confer benefits on its shareholders or
23 members ~~in conformity with~~ THAT CONFORM TO the purposes of the
24 corporation.

25 (3) A CORPORATION SHALL NOT MAKE A DIRECT OR INDIRECT TRANSFER
26 OF MONEY OR OTHER PROPERTY OR INCUR INDEBTEDNESS TO OR FOR THE
27 BENEFIT OF ITS DIRECTORS OR OFFICERS WITHOUT ADEQUATE

1 CONSIDERATION. THIS SUBSECTION DOES NOT PREVENT A CORPORATION FROM
2 PAYING COMPENSATION TO ITS DIRECTORS AND OFFICERS IN REASONABLE
3 AMOUNTS FOR SERVICES RENDERED TO THE CORPORATION OR FROM ENTERING
4 INTO TRANSACTIONS WITH OFFICERS AND DIRECTORS UNDER SECTIONS 545A
5 AND 548.

6 (4) ~~(3)~~ A corporation shall not pay dividends or distribute
7 **MAKE DISTRIBUTIONS OF** any part of its assets, income, or profit to
8 its shareholders ~~, OR members, directors, or officers,~~ except as
9 follows:

10 (a) A corporation may pay compensation in ~~a reasonable amount~~
11 **AMOUNTS** to shareholders ~~, OR members, directors, or officers~~ for
12 services rendered to the corporation.

13 (b) ~~Upon dissolution as permitted by this act, a~~ **IF A**
14 **CORPORATION DISSOLVES, THE** corporation may make distributions of
15 assets, other than assets held for charitable purposes, to
16 shareholders or members **AS PERMITTED UNDER THIS ACT AND THE**
17 **CORPORATION MAY DISTRIBUTE ASSETS HELD FOR CHARITABLE PURPOSES TO 1**
18 **OR MORE MEMBER OR SHAREHOLDER DOMESTIC CORPORATIONS, FOREIGN**
19 **CORPORATIONS, TRUSTS, OR SIMILAR ENTITIES THAT ARE ORGANIZED AND**
20 **OPERATED EXCLUSIVELY FOR CHARITABLE PURPOSES THAT ARE NOT**
21 **INCONSISTENT WITH THE CHARITABLE PURPOSES FOR WHICH THE CORPORATION**
22 **HOLDS THE ASSETS.**

23 (c) The articles of incorporation or bylaws of a corporation
24 whose **LAWFUL** purposes include providing a benefit to its member or
25 shareholder corporation may provide that the corporation may pay
26 dividends or distribute its income or profit to its member or
27 shareholder corporation.

1 (d) ~~As permitted in subsection (4).~~ A CORPORATION WHOSE LAWFUL
2 PURPOSES INCLUDE SELLING SERVICES OR PRODUCTS TO ITS SHAREHOLDERS
3 OR MEMBERS MAY MAKE DISTRIBUTIONS OF PROFIT TO ITS SHAREHOLDERS OR
4 MEMBERS IF BOTH OF THE FOLLOWING ARE MET:

5 (i) THE PROFIT IS DERIVED SOLELY FROM THE CHARGING OF FEES OR
6 PRICES TO ITS SHAREHOLDERS OR MEMBERS FOR ITS SERVICES OR PRODUCTS.

7 (ii) THE PROFIT IS DISTRIBUTED TO THE SHAREHOLDERS OR MEMBERS
8 ON THE BASIS OF, OR IN PROPORTION TO, THE FEES OR PRICES PAID BY
9 THE SHAREHOLDERS OR MEMBERS TO THE CORPORATION FOR ITS SERVICES OR
10 PRODUCTS.

11 (e) ~~If provision for redemption of shares is made pursuant to~~
12 ~~sections 361 to 365.~~ A CORPORATION MAY MAKE DISTRIBUTIONS TO
13 SHAREHOLDERS OR MEMBERS THAT ARE DOMESTIC OR FOREIGN CORPORATIONS,
14 TRUSTS, OR SIMILAR NONPROFIT ENTITIES ORGANIZED AND OPERATED
15 EXCLUSIVELY FOR CHARITABLE PURPOSES THAT ARE NOT INCONSISTENT WITH
16 THE PURPOSES OF THE CORPORATION.

17 (F) A CORPORATION MAY MAKE DISTRIBUTIONS TO SHAREHOLDERS OR
18 MEMBERS THAT ARE DOMESTIC CORPORATIONS OR FOREIGN CORPORATIONS,
19 TRUSTS, OR SIMILAR NONPROFIT ENTITIES ORGANIZED AND OPERATED
20 EXCLUSIVELY FOR PURPOSES THAT ARE CONSISTENT WITH THE PURPOSES OF
21 THE CORPORATION.

22 (G) A CORPORATION MAY MAKE DISTRIBUTIONS OF STOCK OR
23 MEMBERSHIPS IN ANOTHER DOMESTIC OR FOREIGN CORPORATION TO ITS
24 SHAREHOLDERS OR MEMBERS IF ITS SHAREHOLDERS OR MEMBERS WILL HAVE NO
25 GREATER RIGHTS TO RECEIVE DISTRIBUTIONS FROM THE DOMESTIC
26 CORPORATION OR FOREIGN CORPORATION WHOSE STOCK OR MEMBERSHIPS ARE
27 BEING DISTRIBUTED THAN THE SHAREHOLDERS OR MEMBERS HAVE WITH

1 **RESPECT TO THE CORPORATION MAKING THE DISTRIBUTION.**

2 (5) ~~(4)~~ A corporation whose lawful activities include the
3 charging of fees or prices for its services or products may receive
4 the income and may make a profit as a result of its receipt. ~~All~~
5 ~~such~~ **EXCEPT AS AUTHORIZED IN SUBSECTIONS (2), (3), AND (4), THE**
6 **CORPORATION SHALL APPLY ALL OF THAT** resulting profit ~~shall be~~
7 ~~applied to the maintenance, expansion, or operation of the lawful~~
8 ~~activities of the corporation. and shall not be distributed to the~~
9 ~~shareholders, members, directors, or officers of the corporation.~~
10 ~~However, profit derived solely from the charging of fees or prices~~
11 ~~by a corporation to its shareholders or members for its services or~~
12 ~~products may be distributed to the shareholders or members on the~~
13 ~~basis of, or in proportion to, the fees or prices paid by~~
14 ~~shareholders or members to the corporation for its services or~~
15 ~~products.~~

16 (6) ~~(5)~~ This act shall not be ~~deemed to permit~~ **INTERPRETED IN**
17 **A WAY THAT PERMITS** assets held by a corporation for charitable
18 purposes to be used, conveyed, or distributed for noncharitable
19 purposes.

20 Sec. 303. (1) A corporation **THAT IS** organized ~~upon~~ **ON** a stock
21 basis may issue the number of shares authorized in its articles of
22 incorporation. ~~Except as otherwise provided in this act, the~~
23 ~~articles of incorporation or bylaws may prescribe the~~
24 ~~qualifications, liquidation rights, preferences, and limitations,~~
25 ~~and other rights, preferences, and limitations of or upon the~~
26 ~~shareholders of the corporation.~~ **ALL OF THE FOLLOWING APPLY TO**
27 **SHARES ISSUED BY THE CORPORATION:**

1 (A) THE SHARES MAY BE ALL OF 1 CLASS OR MAY BE DIVIDED INTO 2
2 OR MORE CLASSES. EACH CLASS SHALL CONSIST OF SHARES THAT HAVE THE
3 DESIGNATIONS AND RELATIVE VOTING, DISTRIBUTION, LIQUIDATION, AND
4 OTHER RIGHTS, PREFERENCES, AND LIMITATIONS, THAT ARE CONSISTENT
5 WITH THIS ACT, STATED IN THE ARTICLES OF INCORPORATION OR BYLAWS.

6 (B) THE ARTICLES OF INCORPORATION OR BYLAWS MAY DENY, LIMIT,
7 OR OTHERWISE PRESCRIBE THE DISTRIBUTION OR LIQUIDATION RIGHTS OF
8 SHARES OF ANY CLASS. APPROVAL BY THE SHAREHOLDERS AND EACH AFFECTED
9 CLASS OF SHAREHOLDERS, IF ANY, VOTING AS A CLASS, IS REQUIRED TO
10 ADOPT, AMEND, OR REPEAL ANY BYLAW DENYING, LIMITING, OR OTHERWISE
11 PRESCRIBING THE VOTING RIGHTS OF SHAREHOLDERS OR THE AFFECTED CLASS
12 OF SHAREHOLDERS.

13 (C) IF THE SHARES ARE DIVIDED INTO 2 OR MORE CLASSES, THE
14 SHARES OF EACH CLASS SHALL BE DESIGNATED TO DISTINGUISH THEM FROM
15 THE SHARES OF THE OTHER CLASSES.

16 (D) EACH SHARE IS EQUAL TO EVERY OTHER SHARE OF THE SAME
17 CLASS.

18 ~~—— (2) The articles of incorporation may provide that the shares~~
19 ~~of a corporation shall be all of 1 class or shall be divided into 2~~
20 ~~or more classes. If the shares are divided into 2 or more classes,~~
21 ~~the shares of each class shall be designated to distinguish them~~
22 ~~from the shares of the other classes. Except as otherwise provided~~
23 ~~in this act, each class shall consist of shares of the designation~~
24 ~~and number stated in the articles of incorporation, and having~~
25 ~~relative qualifications, liquidation rights, preferences, and~~
26 ~~limitations, and other rights, preferences, and limitations as may~~
27 ~~be stated in the articles of incorporation or the bylaws. Each~~

1 ~~share shall be equal to every other share of the same class.~~

2 ~~—— (3) Each shareholder shall have 1 vote for each share of stock~~
3 ~~held by that shareholder on each matter submitted to a vote of~~
4 ~~shareholders, unless the articles or bylaws provide that each~~
5 ~~shareholder shall have 1 vote regardless of shares held by that~~
6 ~~shareholder or unless the articles or bylaws deny, limit, or~~
7 ~~otherwise prescribe the voting rights of shares of any class. The~~
8 ~~shareholders and each affected class of shareholders, if any, shall~~
9 ~~adopt, amend, or repeal any bylaw denying, limiting, or otherwise~~
10 ~~prescribing the voting rights of shareholders or any class of~~
11 ~~shareholders.~~

12 (E) ~~(4)~~ Except as otherwise provided by the articles or
13 bylaws, shares of stock ~~shall not be~~ **ARE NOT** transferable and shall
14 be canceled upon the death or resignation of the owner of the
15 shares.

16 (F) **ANY OF THE VOTING, DISTRIBUTION, LIQUIDATION, OR OTHER**
17 **RIGHTS, PREFERENCES, OR LIMITATIONS OF A CLASS MAY BE MADE**
18 **DEPENDENT ON FACTS OR EVENTS ASCERTAINABLE OUTSIDE OF THE ARTICLES**
19 **OF INCORPORATION OR THE BYLAWS, IF THE MANNER IN WHICH THE FACTS OR**
20 **EVENTS OPERATE ON THE RIGHTS, PREFERENCES, OR LIMITATIONS IS SET**
21 **FORTH IN THE ARTICLES OF INCORPORATION OR THE BYLAWS.**

22 (2) ~~(5)~~ A corporation may adopt rules of qualification and
23 government of its shareholders pursuant to its articles and bylaws.
24 Adopted rules shall be reasonable, germane to the purposes of the
25 corporation, and equally enforced as to all shareholders **OF THE**
26 **SAME CLASS**. A corporation may provide for the cancellation of the
27 stock of a shareholder ~~who~~ **THAT** fails to comply with adopted rules

1 without liability for an accounting.

2 SEC. 303A. THE BOARD OF A CORPORATION THAT IS ORGANIZED ON A
3 STOCK BASIS BY RESOLUTION MAY ADOPT AND FILE AN AMENDMENT OF THE
4 ARTICLES OF INCORPORATION DELETING ANY REFERENCE TO PAR VALUE.

5 SEC. 303B. (1) IF PROVIDED IN THE ARTICLES OF INCORPORATION,
6 AND SUBJECT TO THE RESTRICTIONS IN SECTIONS 301 AND 303C, A
7 CORPORATION MAY ISSUE SHARES THAT ARE CONVERTIBLE AT THE OPTION OF
8 THE HOLDER OR THE CORPORATION OR ON THE HAPPENING OF A SPECIFIED
9 EVENT, INTO SHARES OF ANY CLASS OR INTO BONDS. A CORPORATION MAY
10 CONVERT SHARES INTO BONDS ONLY IF THE CORPORATION COULD AT THE TIME
11 OF CONVERSION HAVE PURCHASED, REDEEMED, OR OTHERWISE ACQUIRED THE
12 SHARES BY ISSUING THE BONDS UNDER SECTION 345. AUTHORIZED SHARES,
13 WHETHER ISSUED OR UNISSUED, MAY BE MADE CONVERTIBLE AS PROVIDED IN
14 THIS SUBSECTION WITHIN THE PERIOD AND ON THE TERMS AND CONDITIONS
15 AUTHORIZED IN THE ARTICLES OF INCORPORATION.

16 (2) UNLESS OTHERWISE PROVIDED IN THE ARTICLES OF
17 INCORPORATION, AND SUBJECT TO SECTIONS 301 AND 303C, A CORPORATION
18 MAY ISSUE BONDS THAT ARE CONVERTIBLE AT THE OPTION OF THE HOLDER
19 INTO OTHER BONDS OR INTO SHARES OF THE CORPORATION WITHIN THE
20 PERIOD AND ON THE TERMS AND CONDITIONS AS FIXED BY THE BOARD.

21 (3) IF THE SHAREHOLDERS APPROVE THE ISSUE OF BONDS OR SHARES
22 CONVERTIBLE INTO SHARES OF THE CORPORATION, THE APPROVAL MAY
23 PROVIDE THAT THE BOARD IS AUTHORIZED BY AMENDMENT OF THE ARTICLES
24 OF INCORPORATION TO INCREASE THE AUTHORIZED SHARES OF ANY CLASS TO
25 THE NUMBER THAT WILL BE SUFFICIENT, WHEN ADDED TO THE PREVIOUSLY
26 AUTHORIZED BUT UNISSUED SHARES OF THE CLASS, TO SATISFY THE
27 CONVERSION PRIVILEGES OF ANY BONDS OR SHARES CONVERTIBLE INTO

1 SHARES OF THE CLASS.

2 SEC. 303C. (1) A CORPORATION SHALL NOT ISSUE BONDS THAT ARE
3 CONVERTIBLE INTO SHARES OR SHARES CONVERTIBLE INTO OTHER SHARES OF
4 A CORPORATION UNLESS 1 OF THE FOLLOWING CONDITIONS IS SATISFIED:

5 (A) A SUFFICIENT NUMBER OF AUTHORIZED BUT UNISSUED SHARES OF
6 THE APPROPRIATE CLASS ARE RESERVED BY THE BOARD TO BE ISSUED ONLY
7 IN SATISFACTION OF THE CONVERSION PRIVILEGES OF THE CONVERTIBLE
8 BONDS OR SHARES WHEN ISSUED.

9 (B) THE AGGREGATE CONVERSION PRIVILEGES OF THE CONVERTIBLE
10 BONDS OR SHARES WHEN ISSUED DO NOT EXCEED THE AGGREGATE OF ANY
11 SHARES RESERVED UNDER SUBDIVISION (A) AND ANY ADDITIONAL SHARES
12 WHICH THE BOARD MAY AUTHORIZE UNDER SECTION 303B(3).

13 (2) THE CORPORATION SHALL CANCEL BONDS THAT ARE CONVERTED INTO
14 SHARES. UNLESS OTHERWISE PROVIDED IN THE ARTICLES OF INCORPORATION,
15 SHARES THAT ARE CONVERTED INTO OTHER SHARES SHALL BE RESTORED TO
16 THE STATUS OF AUTHORIZED BUT UNISSUED SHARES.

17 SEC. 303D. THE ARTICLES OF INCORPORATION MAY PROVIDE FOR 1 OR
18 MORE CLASSES OF SHARES THAT ARE REDEEMABLE, IN WHOLE OR IN PART, AT
19 THE OPTION OF THE SHAREHOLDER, OR THE CORPORATION, OR IF A
20 SPECIFIED EVENT OCCURS. SUBJECT TO RESTRICTIONS IMPOSED IN SECTIONS
21 301 AND 345, THE SHARES MAY BE REDEEMABLE IN CASH, BONDS,
22 SECURITIES, OR OTHER PROPERTY AT PRICES, WITHIN THE PERIODS, AND
23 UNDER CONDITIONS STATED IN THE ARTICLES OF INCORPORATION.

24 Sec. 304. (1) Except as otherwise provided in this act, the
25 articles of incorporation or bylaws of a corporation organized ~~upon~~
26 ON a membership basis may prescribe the number, **VOTING RIGHTS**,
27 qualifications, liquidation rights, preferences, and limitations,

1 and other rights, preferences, and limitations of or ~~upon~~**ON** the
2 members of the corporation.

3 (2) A corporation organized ~~upon~~**ON** a membership basis may
4 have 1 or more classes of members. Except as otherwise provided in
5 this act, any provision for classes of members and the relative
6 number, **VOTING RIGHTS**, qualifications, liquidation rights,
7 preferences, and limitations, and other rights, preferences, and
8 limitations of or ~~upon~~**ON** each class shall be set forth in the
9 articles of incorporation or the bylaws. Each member of any class
10 of members ~~shall have~~**HAS** equal rights with all members of that
11 class.

12 (3) ~~Each~~**EXCEPT AS PROVIDED IN THE ARTICLES OF INCORPORATION**
13 **OR BYLAWS, EACH** member of a corporation, regardless of class, ~~shall~~
14 ~~be~~**IS** entitled to 1 vote on each matter submitted to a vote of
15 members, unless the articles **OF INCORPORATION** or bylaws deny,
16 limit, or otherwise prescribe the voting rights of any class of
17 members. The members and each affected class of members **OF A**
18 **CORPORATION ORGANIZED ON A MEMBERSHIP BASIS**, if any, shall adopt,
19 amend, or repeal any bylaw denying, limiting, or otherwise
20 prescribing the voting rights of any class of members.

21 (4) Members of a condominium association ~~formed~~**ORGANIZED** for
22 the purposes of administering the affairs of a condominium project
23 are entitled to **THE** voting rights ~~as designated by~~**IN** the master
24 deed of the condominium.

25 (5) The articles of incorporation or the bylaws may provide
26 that members of a homeowners or property owners association are
27 entitled to voting rights ~~predicated~~**BASED** on the number of lots

1 owned by each member.

2 (6) Except as otherwise provided in this act, the articles of
3 incorporation, or the bylaws, membership ~~shall~~**IS** not be
4 transferable and ~~shall be~~**IS** terminated by death, resignation,
5 expulsion, or expiration of a term of membership.

6 (7) A corporation may adopt rules of qualification and
7 government of its members, including rules of admission to,
8 retention of, and expulsion from membership, ~~pursuant to~~**UNDER** its
9 articles ~~and~~**OF INCORPORATION OR** bylaws, ~~Such rules shall be~~**IF**
10 **THOSE RULES ARE** reasonable, germane to the purposes of the
11 corporation, and equally enforced as to all members.

12 (8) The articles of incorporation of a corporation **THAT IS**
13 organized ~~upon~~**ON** a membership basis may provide that membership
14 ~~shall be~~**IS** limited to persons ~~who~~**THAT** are members in good
15 standing in other corporations. The articles of incorporation may
16 provide that failure to remain a member in good standing in the
17 other corporation constitutes grounds for expulsion of a member if
18 the **ARTICLES OF INCORPORATION OR** bylaws of the corporation
19 ~~prescribe~~**DESCRIBE** the nature of the evidence ~~and~~**THAT IS REQUIRED**
20 **AND ESTABLISH** the procedures for expulsion ~~which shall be~~
21 ~~followed~~**OF A MEMBER.**

22 Sec. 305. (1) A corporation **THAT IS** organized ~~upon~~**ON** a
23 directorship basis may or may not have members. If a corporation
24 **THAT IS** organized ~~upon~~**ON** a directorship basis has members, the
25 members ~~shall not be~~**ARE NOT** entitled **TO NOTICE OF OR** to vote **ON**
26 **ANY MATTER, INCLUDING, BUT NOT LIMITED TO, ANY ACTION DENYING,**
27 **LIMITING, OR OTHERWISE PRESCRIBING THEIR RIGHTS AS MEMBERS OR**

1 **EXCLUDING THEM FROM MEMBERSHIP.**

2 (2) ~~Unless the context of a provision of~~ **EXCEPT AS OTHERWISE**
3 **PROVIDED IN** this act, ~~otherwise requires, all matters which~~ **THAT**
4 are subject to membership vote or other action ~~in~~ **UNDER** this act in
5 the case of a membership corporation ~~shall be~~ **ARE** subject to duly
6 authorized action by the board of directors of a directorship
7 corporation. **THIS SUBSECTION DOES NOT, HOWEVER, ALLOW THE BOARD OF**
8 **DIRECTORS OF A DIRECTORSHIP CORPORATION TO ADOPT AN AMENDMENT TO**
9 **THE ARTICLES OF INCORPORATION UNDER SECTION 407(1) PERMITTING**
10 **ACTION BY THE BOARD OF DIRECTORS BY LESS THAN UNANIMOUS WRITTEN**
11 **CONSENT.**

12 Sec. 307. (1) A subscription for shares or membership made
13 before or after ~~organization of a corporation~~ **IS FORMED** is not
14 enforceable unless **IT IS** in writing and signed by the subscriber.

15 (2) A subscription for shares of or membership in a
16 corporation to be ~~organized may provide that it~~ **FORMED** is
17 irrevocable and ~~may be accepted by the corporation~~ **MAY ACCEPT IT**
18 for a period of 6 months, unless **OTHERWISE PROVIDED IN THE**
19 **SUBSCRIPTION AGREEMENT OR UNLESS** all **OF** the subscribers consent to
20 its revocation.

21 (3) A contract with a corporation to purchase its shares to be
22 issued ~~or its treasury shares~~ is a subscription agreement and not
23 an executory contract to purchase shares, unless otherwise provided
24 in the contract.

25 Sec. 308. Unless otherwise provided in the subscription
26 agreement:

27 (a) A subscription for shares or for membership made before or

1 after ~~organization~~ **FORMATION** of a corporation ~~, shall be paid in~~
 2 full at ~~such~~ **THE** time, or in ~~such~~ installments and at ~~such~~ **THE**
 3 times, as ~~shall be determined by the board~~ **DETERMINES**.

4 (b) A call made by the board for payment on subscriptions
 5 ~~shall be~~ **IS** ratable as to all shares or members of the same class.

6 (c) A corporation may retain **A SECURITY INTEREST IN** any shares
 7 **OR MEMBERSHIPS** as security for performance by the subscriber of the
 8 subscriber's obligations under a subscription agreement and subject
 9 to the power of sale or rescission ~~upon~~ **ON** default provided in
 10 section 309.

11 Sec. 309. (1) ~~In case of default~~ **IF A SUBSCRIBER DEFAULTS** in
 12 payment of an installment or call or other amount due under a
 13 subscription agreement, including an amount ~~which may become~~ **THAT**
 14 **BECOMES** due as a result of a default in performance of any
 15 provision ~~thereof,~~ **OF A SUBSCRIPTION AGREEMENT**, the corporation has
 16 the following rights and duties:

17 (a) It may collect the amount due in the same manner as any
 18 other debt owing to it.

19 ~~——(b) If~~ **THE CORPORATION IS ORGANIZED ON A STOCK BASIS AND IF**
 20 the articles of incorporation or bylaws of a corporation ~~organized~~
 21 ~~upon a stock basis~~ permit the transfer of shares, ~~it may~~ **THE**
 22 **CORPORATION MAY AT ANY TIME BEFORE FULL SATISFACTION OF THE CLAIM**
 23 **OR A JUDGMENT** sell the shares in any reasonable manner **THAT IS**
 24 ~~consistent therewith at any time before full satisfaction of the~~
 25 ~~claim or a judgment therefor. Notice~~ **WITH THE ARTICLES OF**
 26 **INCORPORATION AND BYLAWS. THE CORPORATION SHALL GIVE NOTICE** of the
 27 time and place of a public sale or of the time after which a

1 private sale may ~~be had, together with a~~ **OCCUR, AND A WRITTEN**
 2 statement of the amount due ~~upon~~ **ON** each share, ~~shall be given in~~
 3 ~~writing to the subscriber personally or by registered or certified~~
 4 mail at least 20 days before ~~any such~~ **THE** time stated in the
 5 notice. ~~Any~~ **THE CORPORATION SHALL PAY ANY** excess of net proceeds
 6 realized over the amount due plus interest ~~shall be paid to the~~
 7 subscriber. If the sale is made in good faith, in a reasonable
 8 manner, ~~and upon such notice,~~ **AFTER THE NOTICE REQUIRED IN THIS**
 9 **SUBDIVISION,** the corporation may recover the difference between the
 10 amount due plus interest and the net proceeds of the sale. A good
 11 faith purchaser for value acquires title to the sold shares free of
 12 any right of the subscriber even ~~though~~ **IF** the corporation fails to
 13 comply with 1 or more of the requirements of this subdivision.

14 (B) ~~(e)~~ It may rescind the subscription, with the effect
 15 provided in section 310, and may recover damages for breach of
 16 contract. In the case of transferable shares of a corporation
 17 organized ~~upon~~ **ON** a stock basis, unless special circumstances show
 18 proximate damages of a different amount, the measure of damages
 19 ~~shall be~~ **IS** the difference between the **FAIR** market ~~price~~ **VALUE** at
 20 the time and place of tender of the shares and the unpaid contract
 21 price. ~~Liquidated damages may be provided for in the subscription~~
 22 ~~agreement in any amount which is reasonable, including the~~
 23 ~~difficulties of proof of loss.~~ **A SUBSCRIPTION AGREEMENT MAY ALSO**
 24 **PROVIDE FOR LIQUIDATED DAMAGES IN ANY REASONABLE AMOUNT.** The
 25 subscriber may have restitution of the amount by which the sum of
 26 payments exceeds the corporation's damages for breach of contract,
 27 whether fixed by agreement or judgment.

1 (2) The rights and duties set forth in this section ~~shall be~~
 2 ~~interpreted as ARE~~ cumulative so far as is consistent with
 3 entitling the corporation to a full and single recovery of the
 4 amount due or its damages. ~~The A~~ subscription agreement may limit
 5 the rights and remedies of the corporation set forth in this
 6 section, and may add to them so far as is consistent with this
 7 subsection.

8 Sec. 313. (1) Except as otherwise provided in the articles of
 9 incorporation or the bylaws, corporations, **FOREIGN CORPORATIONS,**
 10 business corporations, **FOREIGN BUSINESS CORPORATIONS, LIMITED**
 11 **LIABILITY COMPANIES,** unincorporated associations, and partnerships,
 12 and any other person without limitation, may be a shareholder or a
 13 member of a corporation.

14 (2) If a corporation, ~~or FOREIGN CORPORATION,~~ business
 15 corporation, **OR FOREIGN BUSINESS CORPORATION** is a shareholder or a
 16 member in a corporation, its officers or directors may serve as a
 17 director of the corporation of which it is a shareholder or member.
 18 A corporation, ~~or FOREIGN CORPORATION,~~ business corporation,
 19 **FOREIGN BUSINESS CORPORATION, LIMITED LIABILITY COMPANY,**
 20 **UNINCORPORATED ASSOCIATION, PARTNERSHIP, OR OTHER PERSON** that is
 21 ~~also a shareholder or member of a corporation shall possess and~~
 22 **POSSESSES AND MAY** exercise all the rights, powers, privileges, and
 23 liabilities of individual shareholders or members.

24 **SEC. 314. (1) ALL OF THE FOLLOWING APPLY TO THE ISSUANCE OF**
 25 **SHARES BY A CORPORATION THAT IS ORGANIZED ON A STOCK BASIS:**

26 **(A) THE BOARD MAY AUTHORIZE SHARES THAT ARE ISSUED FOR NO**
 27 **CONSIDERATION OR FOR CONSIDERATION THAT MAY CONSIST OF ANY TANGIBLE**

1 OR INTANGIBLE PROPERTY OR BENEFIT TO THE CORPORATION, INCLUDING,
2 BUT NOT LIMITED TO, CASH, PROMISSORY NOTES, SERVICES PERFORMED,
3 CONTRACTS FOR SERVICES TO BE PERFORMED, OR OTHER SECURITIES OF THE
4 CORPORATION.

5 (B) A DETERMINATION BY THE BOARD THAT ANY CONSIDERATION
6 RECEIVED OR TO BE RECEIVED FOR ISSUED SHARES IS CONCLUSIVE
7 CONCERNING THE NATURE AND AMOUNT OF CONSIDERATION FOR THE ISSUANCE
8 OF SHARES IN DETERMINING WHETHER THE SHARES ARE VALIDLY ISSUED,
9 FULLY PAID, AND NONASSESSABLE.

10 (C) WHEN THE CORPORATION RECEIVES THE CONSIDERATION FOR WHICH
11 THE BOARD AUTHORIZED THE ISSUANCE OF SHARES, THE SHARES ISSUED ARE
12 FULLY PAID AND NONASSESSABLE AND THE SUBSCRIBER HAS ALL THE RIGHTS
13 AND PRIVILEGES OF A HOLDER OF THE SHARES.

14 (2) THE POWERS GRANTED IN THIS SECTION TO THE BOARD MAY BE
15 RESERVED TO THE SHAREHOLDERS IN THE ARTICLES OF INCORPORATION.

16 Sec. 317. (1) ~~A holder of or subscriber for shares or~~
17 ~~membership of a corporation is under no obligation to the~~
18 ~~corporation or its creditors to pay for the shares or membership~~
19 ~~other than the obligation to pay to the corporation the unpaid~~
20 ~~portion of the consideration for which the shares were issued or to~~
21 ~~be issued or the membership was granted or to be granted.~~ A PERSON
22 THAT PURCHASES SHARES OF A CORPORATION FROM THE CORPORATION OR
23 PURCHASES A MEMBERSHIP IN A CORPORATION IS NOT LIABLE TO THE
24 CORPORATION OR ITS CREDITORS WITH RESPECT TO THE SHARES OR
25 MEMBERSHIP EXCEPT TO PAY THE CONSIDERATION FOR THE ISSUANCE OF THE
26 SHARES OR MEMBERSHIP.

27 (2) A person ~~holding~~ THAT HOLDS stock or membership IN A

1 **CORPORATION** in a fiduciary or representative capacity is not
 2 personally liable to the corporation as the holder of or subscriber
 3 for shares or membership, ~~of a corporation, but the estate and OR~~
 4 ~~funds in the person's hands are so~~ **FOR WHICH THE PERSON IS HOLDING**
 5 **THE STOCK OR MEMBERSHIP ARE** liable **TO THE CORPORATION AS THE HOLDER**
 6 **OR SUBSCRIBER.**

7 (3) A person ~~becoming~~ **THAT BECOMES** an assignee, transferee, or
 8 pledgee of shares or membership or of a subscription for shares or
 9 membership in good faith and without knowledge or notice that the
 10 full consideration ~~therefor~~ has not been paid is not liable to the
 11 corporation or its creditors for any unpaid portion of the
 12 consideration, but the original holder or subscriber and any
 13 assignee or transferee before an assignment or transfer to a person
 14 ~~taking~~ **THAT TAKES** in good faith and without knowledge or notice
 15 remains liable ~~therefor~~ **FOR THAT AMOUNT.**

16 (4) **UNLESS OTHERWISE PROVIDED IN THE ARTICLES OF**
 17 **INCORPORATION, A PERSON THAT IS A SHAREHOLDER OR MEMBER OF A**
 18 **CORPORATION IS NOT PERSONALLY LIABLE FOR THE ACTS OR DEBTS OF THE**
 19 **CORPORATION EXCEPT THAT THE PERSON MAY BECOME PERSONALLY LIABLE BY**
 20 **REASON OF THE PERSON'S OWN ACTS OR CONDUCT.**

21 Sec. 331. ~~The~~ **EXCEPT AS PROVIDED IN SECTION 336, THE** shares of
 22 a corporation shall be represented by certificates **THAT ARE** signed
 23 by the chairperson of the board, vice-chairperson of the board,
 24 president ~~, OR A vice-president, treasurer, or other officer~~
 25 ~~authorized by the bylaws or a resolution of the board, and may be~~
 26 ~~sealed~~ **AND THAT ALSO MAY BE SIGNED BY ANOTHER OFFICER OF THE**
 27 **CORPORATION. THE CORPORATION MAY SEAL THE CERTIFICATE** with the seal

1 of the corporation or a facsimile thereof. ~~OF THE SEAL.~~ The
 2 signatures of the officers may be ~~facsimile if the certificate is~~
 3 ~~countersigned by a transfer agent or registered by a registrar~~
 4 ~~other than the corporation itself or its employee. In case~~
 5 **FACSIMILES. IF** an officer who has signed or whose facsimile
 6 signature has been placed ~~upon~~ **ON** a certificate ceases to be an
 7 officer before the certificate is issued, ~~it may be issued by the~~
 8 corporation ~~with~~ **MAY ISSUE THE CERTIFICATE AND HIS OR HER SIGNATURE**
 9 **HAS** the same effect as if ~~the person~~ **HE OR SHE** were an officer at
 10 **ON** the date of issue.

11 Sec. 332. (1) A certificate ~~representing~~ **THAT REPRESENTS**
 12 shares **ISSUED BY A CORPORATION** shall state ~~upon~~ **ON** its face **ALL OF**
 13 **THE FOLLOWING:**

14 (a) That the corporation is a nonprofit corporation formed
 15 under the laws of this state.

16 (b) The name of the person to ~~whom~~ **WHICH THE CERTIFICATE IS**
 17 issued.

18 (c) The number and class of shares ~~which~~ **THAT** the certificate
 19 represents.

20 (d) A statement that the shares are not transferable, unless
 21 the articles or bylaws provide that shares ~~shall be~~ **ARE**
 22 transferable. ~~in which case~~ **IF THE SHARES ARE TRANSFERABLE,** the
 23 certificate shall state any conditions or limitations on
 24 transferability of the shares.

25 (e) The act under which the corporation was formed.

26 (2) A certificate ~~representing~~ **THAT REPRESENTS** shares issued
 27 by a corporation ~~which~~ **THAT** is authorized to issue shares of more

1 than 1 class shall set forth on its face or back or state **ON ITS**
 2 **FACE OR BACK** that the corporation will furnish to a shareholder,
 3 ~~upon~~**ON** request and without charge, a full statement of the
 4 designation, relative rights, preferences, and limitations of the
 5 shares of each class **THE CORPORATION IS** authorized to ~~be~~
 6 ~~issued.~~**ISSUE.**

7 **SEC. 336. (1) UNLESS THE ARTICLES OF INCORPORATION OR BYLAWS**
 8 **PROVIDE OTHERWISE, THE BOARD OF A CORPORATION MAY AUTHORIZE THE**
 9 **ISSUANCE OF SOME OR ALL OF THE SHARES OF ANY OR ALL OF ITS CLASSES**
 10 **OF SHARES WITHOUT CERTIFICATES. THE AUTHORIZATION DOES NOT AFFECT**
 11 **SHARES THAT ARE ALREADY REPRESENTED BY CERTIFICATES UNTIL THEY ARE**
 12 **SURRENDERED TO THE CORPORATION.**

13 **(2) WITHIN A REASONABLE TIME AFTER THE ISSUANCE OR TRANSFER OF**
 14 **SHARES WITHOUT CERTIFICATES UNDER THIS SECTION, THE CORPORATION**
 15 **SHALL SEND THE SHAREHOLDER A WRITTEN STATEMENT OF THE INFORMATION**
 16 **REQUIRED ON CERTIFICATES UNDER SECTION 332 AND, IF APPLICABLE,**
 17 **SECTIONS 472 AND 488.**

18 **Sec. 338. (1) A corporation may issue ~~certificates for~~**
 19 **~~fractions of a share where necessary to effect share transfer,~~**
 20 **~~share distributions, or a reclassification, merger, consolidation,~~**
 21 **~~or reorganization, which shall entitle the holders, FRACTIONS OF A~~**
 22 **SHARE AND MAY DO ANY 1 OR MORE OF THE FOLLOWING:**

23 **(A) ISSUE CERTIFICATES FOR FRACTIONS OF SHARES THAT ENTITLE**
 24 **THE HOLDERS TO EXERCISE VOTING RIGHTS AND RECEIVE DISTRIBUTIONS**
 25 **PERMITTED UNDER SECTION 301 in proportion to their fractional**
 26 **holdings. ~~, to exercise voting rights and participate in~~**
 27 **~~liquidating distributions.~~**

1 (B) ~~(2) As an alternative, a corporation may pay~~ **PAY** in cash
 2 the fair value of fractions of ~~a share~~ **SHARES** as of the time when
 3 those entitled to receive the fractions are determined.

4 (C) ~~(3) As an alternative, a corporation may issue~~ **ISSUE** scrip
 5 in registered or bearer form over the manual or facsimile signature
 6 of an officer of the corporation or of its agent, exchangeable as
 7 ~~therein provided~~ **IN THE SCRIP** for full shares. ~~, but such~~ **THE** scrip
 8 ~~shall~~ **DOES** not entitle the holder to any right of a shareholder
 9 except as ~~therein provided~~ **IN THE SCRIP**. ~~The~~ **A CORPORATION SHALL**
 10 **ISSUE** scrip ~~shall be issued~~ subject to the condition that it
 11 becomes void if **IT IS** not exchanged for certificates ~~representing~~
 12 **THAT REPRESENT** full shares before a specified date. The scrip may
 13 be subject to the condition that the shares for which the scrip is
 14 exchangeable may be sold by the corporation and the proceeds of the
 15 sale distributed to the holders of the scrip, or subject to any
 16 other condition ~~which~~ **THAT IS ESTABLISHED BY** the board. ~~may~~
 17 ~~determine.~~

18 (2) ~~(4)~~ A corporation may provide reasonable opportunity for
 19 ~~persons~~ **A PERSON THAT IS** entitled to fractions of a share or scrip
 20 to sell them or to purchase additional fractions of a share or
 21 scrip ~~needed~~ **THAT THE PERSON NEEDS** to acquire a full share.

22 **SEC. 341A. (1) UNLESS THE ARTICLES OF INCORPORATION PROVIDE**
 23 **OTHERWISE, A CORPORATION MAY ISSUE SHARES PRO RATA AND WITHOUT**
 24 **CONSIDERATION TO THE CORPORATION'S SHAREHOLDERS OR TO THE**
 25 **SHAREHOLDERS OF 1 OR MORE CLASSES AS A SHARE DIVIDEND.**

26 (2) **A CORPORATION MAY NOT ISSUE SHARES OF 1 CLASS AS A SHARE**
 27 **DIVIDEND IN RESPECT OF SHARES OF ANOTHER CLASS UNLESS THE ARTICLES**

1 AUTHORIZE THE ISSUANCE, THE ISSUANCE IS CONSISTENT WITH THE
2 LIMITATIONS IN SECTION 301, AND EITHER A MAJORITY OF THE VOTES
3 ENTITLED TO BE CAST BY THE CLASS TO BE ISSUED APPROVE THE ISSUE OR
4 THERE ARE NO OUTSTANDING SHARES OF THE CLASS TO BE ISSUED.

5 (3) AS USED IN THIS SECTION, "SHARE DIVIDEND" MEANS SHARES
6 ISSUED UNDER SUBSECTION (1).

7 SEC. 343. (1) THE SHAREHOLDERS OF A CORPORATION ORGANIZED ON A
8 STOCK BASIS DO NOT HAVE A PREEMPTIVE RIGHT TO ACQUIRE THE
9 CORPORATION'S UNISSUED SHARES EXCEPT TO THE EXTENT PROVIDED IN THE
10 ARTICLES OF INCORPORATION OR BY AGREEMENT BETWEEN THE CORPORATION
11 AND 1 OR MORE SHAREHOLDERS.

12 (2) IF A STATEMENT IS INCLUDED IN THE ARTICLES OF
13 INCORPORATION OR AN AGREEMENT DESCRIBED IN SUBSECTION (1) THAT THE
14 CORPORATION ELECTS TO HAVE PREEMPTIVE RIGHTS, OR WORDS OF SIMILAR
15 IMPORT ARE INCLUDED IN THE ARTICLES OR AGREEMENT, THE FOLLOWING
16 PRINCIPLES APPLY EXCEPT TO THE EXTENT THE ARTICLES OF INCORPORATION
17 OR AGREEMENT EXPRESSLY PROVIDE OTHERWISE:

18 (A) THE SHAREHOLDERS OF THE CORPORATION HAVE A PREEMPTIVE
19 RIGHT, GRANTED ON UNIFORM TERMS AND CONDITIONS PRESCRIBED BY THE
20 BOARD, TO PROVIDE A FAIR AND REASONABLE OPPORTUNITY TO EXERCISE THE
21 RIGHT TO ACQUIRE PROPORTIONAL AMOUNTS OF THE CORPORATION'S UNISSUED
22 SHARES IF THE BOARD DECIDES TO ISSUE THEM.

23 (B) A SHAREHOLDER MAY WAIVE HIS OR HER PREEMPTIVE RIGHT. A
24 WAIVER EVIDENCED BY A WRITING IS IRREVOCABLE EVEN THOUGH IT IS NOT
25 SUPPORTED BY CONSIDERATION.

26 (C) THERE IS NO PREEMPTIVE RIGHT WITH RESPECT TO ANY OF THE
27 FOLLOWING:

1 (i) SHARES THAT ARE AUTHORIZED IN THE ARTICLES OF INCORPORATION
2 AND ARE ISSUED WITHIN 6 MONTHS AFTER THE EFFECTIVE DATE OF
3 INCORPORATION.

4 (ii) SHARES THAT ARE NOT ISSUED FOR MONEY.

5 (D) HOLDERS OF SHARES OF ANY CLASS THAT DO NOT HAVE GENERAL
6 VOTING RIGHTS BUT DO HAVE PREFERENTIAL RIGHTS TO DISTRIBUTIONS OR
7 ASSETS DO NOT HAVE PREEMPTIVE RIGHTS WITH RESPECT TO SHARES OF ANY
8 CLASS.

9 (E) HOLDERS OF SHARES OF ANY CLASS THAT HAVE GENERAL VOTING
10 RIGHTS BUT DO NOT HAVE PREFERENTIAL RIGHTS TO DISTRIBUTIONS OR
11 ASSETS DO NOT HAVE PREEMPTIVE RIGHTS WITH RESPECT TO SHARES OF ANY
12 CLASS WITH PREFERENTIAL RIGHTS TO DISTRIBUTIONS OR ASSETS UNLESS
13 THE SHARES WITH PREFERENTIAL RIGHTS ARE CONVERTIBLE INTO OR CARRY A
14 RIGHT TO SUBSCRIBE FOR OR ACQUIRE SHARES WITHOUT PREFERENTIAL
15 RIGHTS.

16 (F) SHARES THAT ARE SUBJECT TO PREEMPTIVE RIGHTS THAT ARE NOT
17 ACQUIRED BY SHAREHOLDERS MAY BE ISSUED TO ANY PERSON FOR A PERIOD
18 OF 1 YEAR AFTER THE SHARES ARE OFFERED TO SHAREHOLDERS AT A
19 CONSIDERATION SET BY THE BOARD THAT IS NOT LOWER THAN THE
20 CONSIDERATION SET FOR THE EXERCISE OF PREEMPTIVE RIGHTS. AN OFFER
21 AT A LOWER CONSIDERATION OR AFTER THE EXPIRATION OF 1 YEAR IS
22 SUBJECT TO THE SHAREHOLDERS' PREEMPTIVE RIGHTS.

23 (3) THE PREEMPTIVE RIGHTS, IF ANY, WHETHER CREATED BY STATUTE
24 OR COMMON LAW, OF SHAREHOLDERS OF A CORPORATION FORMED BEFORE
25 JANUARY 1, 1973, ARE NOT AFFECTED BY SUBSECTIONS (1) AND (2). A
26 CORPORATION MAY ALTER OR ABOLISH ITS SHAREHOLDERS' PREEMPTIVE
27 RIGHTS BY AN AMENDMENT TO ITS ARTICLES OF INCORPORATION.

1 (4) AS USED IN THIS SECTION, "SHARES" INCLUDES A SECURITY
2 CONVERTIBLE INTO OR CARRYING A RIGHT TO SUBSCRIBE FOR OR ACQUIRE
3 SHARES.

4 SEC. 344. (1) SUBJECT TO RESTRICTIONS IMPOSED UNDER THIS ACT
5 OR THE ARTICLES OF INCORPORATION, A CORPORATION THAT IS ORGANIZED
6 ON A STOCK OR MEMBERSHIP BASIS MAY ACQUIRE ITS OWN SHARES OR
7 MEMBERSHIPS. EXCEPT AS PROVIDED IN SUBSECTION (4), THOSE SHARES OR
8 MEMBERSHIPS CONSTITUTE AUTHORIZED BUT UNISSUED SHARES OR
9 MEMBERSHIPS.

10 (2) IF THE ARTICLES OF INCORPORATION PROHIBIT REISSUE OF ANY
11 SHARES OR MEMBERSHIPS ACQUIRED UNDER SUBSECTION (1), THE BOARD BY
12 RESOLUTION SHALL ADOPT AND FILE ANY NECESSARY AMENDMENT TO THE
13 ARTICLES OF INCORPORATION TO REDUCE THE NUMBER OF AUTHORIZED SHARES
14 OR MEMBERSHIPS ACCORDINGLY.

15 (3) A CORPORATION SHALL NOT ACQUIRE ITS OWN SHARES OR
16 MEMBERSHIPS BY PURCHASE, REDEMPTION, OR OTHERWISE UNLESS AFTER THE
17 ACQUISITION THERE REMAIN OUTSTANDING SHARES OR MEMBERSHIPS THAT
18 POSSESS, COLLECTIVELY, VOTING RIGHTS OR UNLESS THE ARTICLES OF
19 INCORPORATION HAVE BEEN AMENDED TO PROVIDE THAT THE CORPORATION IS
20 ORGANIZED ON A DIRECTORSHIP BASIS AFTER THE ACQUISITION.

21 (4) A CORPORATION THAT ACQUIRES ITS OWN SHARES OR MEMBERSHIPS
22 MAY GRANT A SECURITY INTEREST IN THE SHARES OR MEMBERSHIPS AS
23 SECURITY FOR THE PAYMENT OF THE PURCHASE PRICE OF THE SHARES OR
24 MEMBERSHIPS. ANY SHARES OR MEMBERSHIPS ACQUIRED BY THE CORPORATION
25 IN WHICH IT HAS GRANTED A SECURITY INTEREST ARE NOT CANCELED AND DO
26 NOT CONSTITUTE AUTHORIZED BUT UNISSUED SHARES OR MEMBERSHIPS UNTIL
27 THE CORPORATION PAYS THE PURCHASE PRICE. IF A CORPORATION HAS

1 GRANTED A SECURITY INTEREST IN ITS OWN SHARES OR MEMBERSHIPS, THE
2 SHARES OR MEMBERSHIPS SHALL NOT BE VOTED DIRECTLY OR INDIRECTLY AND
3 ARE NOT COUNTED IN DETERMINING THE TOTAL NUMBER OF ISSUED SHARES OR
4 MEMBERS ENTITLED TO VOTE AT ANY GIVEN TIME, EXCEPT TO THE EXTENT
5 PROVIDED BY THE AGREEMENT CREATING THE SECURITY INTEREST IN THE
6 EVENT OF DEFAULT. WHEN THE PURCHASE PRICE IS PAID, THE SHARES OR
7 MEMBERSHIPS ARE CANCELED AND CONSTITUTE AUTHORIZED BUT UNISSUED
8 SHARES OR MEMBERSHIPS. IF THE ARTICLES OF INCORPORATION PROHIBIT
9 REISSUE OF CANCELED SHARES OR MEMBERSHIPS, THEN THE BOARD BY
10 RESOLUTION SHALL ADOPT AND FILE ANY AMENDMENT TO THE ARTICLES OF
11 INCORPORATION REQUIRED UNDER SUBSECTION (2).

12 SEC. 345. (1) A BOARD MAY AUTHORIZE AND THE CORPORATION MAY
13 MAKE DISTRIBUTIONS TO ITS SHAREHOLDERS OR MEMBERS THAT ARE
14 PERMITTED IN SECTION 301, SUBJECT TO SUBSECTION (3) AND ANY
15 RESTRICTION IN THE ARTICLES OF INCORPORATION.

16 (2) IF THE BOARD DOES NOT FIX THE RECORD DATE FOR DETERMINING
17 SHAREHOLDERS OR MEMBERS ENTITLED TO A DISTRIBUTION, OTHER THAN A
18 DISTRIBUTION INVOLVING A PURCHASE, REDEMPTION, OR ACQUISITION OF
19 THE CORPORATION'S SHARES OR MEMBERSHIPS, THE RECORD DATE IS THE
20 DATE THE BOARD AUTHORIZES THE DISTRIBUTION.

21 (3) A CORPORATION SHALL NOT MAKE A DISTRIBUTION IF AFTER
22 GIVING IT EFFECT THE CORPORATION WOULD NOT BE ABLE TO PAY ITS DEBTS
23 AS THE DEBTS BECOME DUE IN THE USUAL COURSE OF BUSINESS, OR THE
24 CORPORATION'S TOTAL ASSETS WOULD BE LESS THAN THE SUM OF ITS TOTAL
25 LIABILITIES PLUS, UNLESS THE ARTICLES OF INCORPORATION PERMIT
26 OTHERWISE, THE AMOUNT THAT WOULD BE NEEDED, IF THE CORPORATION WERE
27 DISSOLVED AT THE TIME OF THE DISTRIBUTION, TO SATISFY THE

1 PREFERENTIAL RIGHTS ON DISSOLUTION OF SHAREHOLDERS OR MEMBERS WHOSE
2 PREFERENTIAL RIGHTS ARE SUPERIOR TO THOSE THAT RECEIVE THE
3 DISTRIBUTION.

4 (4) THE BOARD MAY BASE A DETERMINATION THAT A DISTRIBUTION IS
5 NOT PROHIBITED UNDER SUBSECTION (3) ON FINANCIAL STATEMENTS
6 PREPARED ON THE BASIS OF ACCOUNTING PRACTICES AND PRINCIPLES THAT
7 ARE REASONABLE IN THE CIRCUMSTANCES, ON A FAIR VALUATION, OR ON ANY
8 OTHER METHOD THAT IS REASONABLE.

9 (5) THE EFFECT OF A DISTRIBUTION UNDER SUBSECTION (3) IS
10 MEASURED AT THE FOLLOWING TIMES:

11 (A) EXCEPT AS PROVIDED IN SUBSECTION (7), FOR DISTRIBUTIONS BY
12 PURCHASE, REDEMPTION, OR OTHER ACQUISITION OF THE CORPORATION'S
13 SHARES OR MEMBERSHIPS, AS OF THE EARLIER OF THE DATE MONEY OR OTHER
14 PROPERTY IS TRANSFERRED OR DEBT INCURRED BY THE CORPORATION, OR THE
15 DATE THE SHAREHOLDER OR MEMBER CEASES TO BE A SHAREHOLDER OR MEMBER
16 WITH RESPECT TO THE ACQUIRED SHARES OR CEASES TO BE A MEMBER.

17 (B) FOR ANY OTHER DISTRIBUTION OF INDEBTEDNESS, AS OF THE DATE
18 THE INDEBTEDNESS IS AUTHORIZED IF DISTRIBUTION OCCURS WITHIN 120
19 DAYS AFTER THE DATE OF AUTHORIZATION OR THE DATE THE INDEBTEDNESS
20 IS DISTRIBUTED IF IT OCCURS MORE THAN 120 DAYS AFTER THE DATE OF
21 AUTHORIZATION.

22 (C) FOR ANY OTHER PURPOSE, AS OF THE DATE THE DISTRIBUTION IS
23 AUTHORIZED IF THE PAYMENT OCCURS WITHIN 120 DAYS AFTER THE DATE OF
24 AUTHORIZATION OR THE DATE THE PAYMENT IS MADE IF IT OCCURS MORE
25 THAN 120 DAYS AFTER THE DATE OF AUTHORIZATION.

26 (6) A CORPORATION'S INDEBTEDNESS TO A SHAREHOLDER OR MEMBER
27 THAT IS INCURRED BY REASON OF A DISTRIBUTION MADE UNDER THIS

1 SECTION IS AT PARITY WITH THE CORPORATION'S INDEBTEDNESS TO ITS
2 GENERAL, UNSECURED CREDITORS, EXCEPT AS OTHERWISE AGREED.

3 (7) IF A CORPORATION ACQUIRES ITS SHARES OR MEMBERSHIPS IN
4 EXCHANGE FOR AN OBLIGATION TO MAKE FUTURE PAYMENTS, AND
5 DISTRIBUTION OF AN OBLIGATION WOULD OTHERWISE BE PROHIBITED UNDER
6 SUBSECTION (3) AT THE TIME IT IS MADE, THE CORPORATION MAY ISSUE
7 THE OBLIGATION AND ALL OF THE FOLLOWING APPLY:

8 (A) THE PORTION OF THE OBLIGATION THAT COULD HAVE BEEN
9 DISTRIBUTE WITHOUT VIOLATING SUBSECTION (3) IS TREATED AS
10 INDEBTEDNESS AS DESCRIBED IN SUBSECTION (6).

11 (B) ALL OF THE FOLLOWING APPLY TO THE PORTION OF THE
12 OBLIGATION THAT EXCEEDS THE AMOUNT TREATED AS INDEBTEDNESS UNDER
13 SUBDIVISION (A):

14 (i) AT ANY TIME BEFORE THE DUE DATE OF THE OBLIGATION, PAYMENTS
15 OF PRINCIPAL AND INTEREST MAY BE MADE AS A DISTRIBUTION TO THE
16 EXTENT THAT A DISTRIBUTION MAY THEN BE MADE UNDER THIS SECTION.

17 (ii) AT ANY TIME ON OR AFTER THE DUE DATE, THE OBLIGATION TO
18 PAY PRINCIPAL AND INTEREST IS CONSIDERED DISTRIBUTED AND TREATED AS
19 INDEBTEDNESS DESCRIBED IN SUBSECTION (6) TO THE EXTENT THAT A
20 DISTRIBUTION MAY BE MADE AT THAT TIME UNDER THIS SECTION.

21 (iii) UNLESS OTHERWISE PROVIDED IN THE AGREEMENT FOR THE
22 ACQUISITION OF THE SHARES, THE OBLIGATION IS A LIABILITY OR DEBT
23 FOR PURPOSES OF DETERMINING WHETHER DISTRIBUTIONS OTHER THAN
24 PAYMENTS ON THE OBLIGATION MAY BE MADE UNDER THIS SECTION, EXCEPT
25 FOR PURPOSES OF DETERMINING WHETHER DISTRIBUTIONS MAY BE MADE WITH
26 RESPECT TO SHARES THAT HAVE PREFERENTIAL RIGHTS SUPERIOR TO THOSE
27 OF SHARES ACQUIRED IN EXCHANGE FOR THE OBLIGATION.

1 (8) THE ENFORCEABILITY OF A GUARANTY OR OTHER UNDERTAKING BY A
2 THIRD PARTY THAT RELATES TO A DISTRIBUTION IS NOT AFFECTED BY THE
3 PROHIBITION OF THE DISTRIBUTION UNDER SUBSECTION (3).

4 (9) IF A CLAIM IS MADE TO RECOVER A DISTRIBUTION THAT VIOLATES
5 SUBSECTION (3), OR IF A VIOLATION OF SUBSECTION (3) IS RAISED AS A
6 DEFENSE TO A CLAIM BASED ON A DISTRIBUTION, THIS SECTION DOES NOT
7 PREVENT THE PERSON THAT RECEIVED THE DISTRIBUTION FROM ASSERTING A
8 RIGHT OF RESCISSION OR OTHER LEGAL OR EQUITABLE RIGHTS.

9 SEC. 392. THIS CHAPTER DOES NOT APPLY TO DISTRIBUTIONS MADE IN
10 A DISSOLUTION UNDER CHAPTER 8.

11 Sec. 402. ~~An~~ A CORPORATION SHALL HOLD AN annual meeting of ITS
12 shareholders or members, ~~for election of~~ TO ELECT directors and ~~for~~
13 ~~such~~ CONDUCT ANY other business as ~~THAT~~ may come before the
14 meeting, ~~shall be held at a time as provided~~ ON A DATE DESIGNATED
15 in the bylaws, unless ~~such action is taken~~ THE SHAREHOLDERS OR
16 MEMBERS ACT by written consent as ~~provided in~~ UNDER section 407 OR
17 BY BALLOT UNDER SECTION 408 OR 409. ~~Failure~~ A FAILURE to hold the
18 annual meeting at the designated time, or to elect a sufficient
19 number of directors at the meeting or any adjournment of the
20 meeting, does not affect otherwise valid corporate acts or work a
21 forfeiture or give cause for dissolution of the corporation, except
22 as provided in section 823. If the annual meeting is not held on
23 the date designated ~~therefor~~, FOR THE MEETING, the board shall
24 cause the meeting to be held as soon ~~thereafter as~~ AFTER THAT DATE
25 AS IS convenient. If the annual meeting is not held for 90 days
26 after the date designated ~~therefor~~, FOR THE MEETING, or if no date
27 ~~has been~~ IS designated for 15 months after ~~organization~~ FORMATION

1 of the corporation or after its last annual meeting, the circuit
 2 court for the county in which the **PRINCIPAL PLACE OF BUSINESS OR**
 3 registered office of the corporation is located, ~~upon~~**ON**
 4 application of a shareholder or member, may summarily order **THAT**
 5 the **CORPORATION HOLD THE** meeting or the election, or both, ~~to be~~
 6 **AND THAT IT IS** held at ~~such~~**THE** time and place, ~~upon such~~**AFTER THE**
 7 notice, and for the transaction of ~~such~~**THE** business ~~as may be~~**THAT**
 8 **IS** designated in the order. At any ~~such~~ meeting ordered ~~to be~~
 9 ~~called by the court~~ **UNDER THIS SECTION**, the shareholders or members
 10 ~~—THAT ARE~~ present in person or by proxy and ~~having~~**THAT HAVE**
 11 voting powers ~~—~~constitute a quorum for transaction of the business
 12 designated in the order.

13 Sec. 403. ~~A~~**THE BOARD MAY CALL A** special meeting of
 14 shareholders or members ~~may be called by the board, or by~~**OR THE**
 15 officers, directors, shareholders, or members **MAY CALL A SPECIAL**
 16 **MEETING** as provided in the bylaws. Notwithstanding any ~~such~~
 17 provision **IN THE BYLAWS CONCERNING THE CALL OF A SPECIAL MEETING**,
 18 ~~upon~~**IF IT RECEIVES AN** application ~~of~~**FROM** the holders of not less
 19 than 10% of all the shares or ~~of~~**FROM** not less than 10% of all the
 20 members entitled to vote at a meeting, the circuit court for the
 21 county in which the **PRINCIPAL PLACE OF BUSINESS OR** registered
 22 office is located, for good cause shown, may order **THE CALL OF** a
 23 special meeting of shareholders or members ~~to be called and~~ **THAT IT**
 24 **IS** held at ~~such~~**THE** time and place, ~~upon such~~**AFTER THE** notice, and
 25 for the transaction of ~~such~~**THE** business ~~as may be~~**THAT IS**
 26 designated in the order. At any ~~such~~ meeting ordered ~~to be called~~
 27 by the court **UNDER THIS SECTION**, the shareholders or members **THAT**

1 **ARE** present in person or by proxy and ~~having~~**THAT HAVE** voting
2 powers constitute a quorum for transaction of the business
3 designated in the order.

4 Sec. 404. (1) Except as otherwise provided in this act,
5 **WRITTEN** notice of the time, place, if any, and purposes of a
6 meeting of shareholders or members shall be given in any of the
7 following manners:

8 (a) ~~By written notice, given personally,~~**PERSONALLY**, by mail,
9 or by electronic transmission, not less than 10 ~~nor~~**OR** more than 60
10 days before the date of the meeting to each shareholder or member
11 of record **THAT IS** entitled to vote at the meeting.

12 (b) By including the notice, prominently displayed, in a
13 newspaper or other periodical **THAT IS** regularly published at least
14 semiannually by or in behalf of the corporation and addressed and
15 mailed, postage prepaid, to ~~a~~**EACH** member or shareholder entitled
16 to vote at the meeting not less than 10 ~~nor~~**OR** more than 60 days
17 before the meeting.

18 (2) **A CORPORATION MAY PROVIDE NOTICE TO A SHAREHOLDER OR**
19 **MEMBER THAT IS NOT OR MAY NOT BE ENTITLED TO VOTE AT A MEETING OF**
20 **SHAREHOLDERS OR MEMBERS IN A MANNER PROVIDED IN SUBSECTION (1),**
21 **WHETHER OR NOT THE NOTICE IS REQUIRED UNDER THIS ACT OR UNDER OTHER**
22 **APPLICABLE LAW.**

23 (3) **NOTICE OF THE PURPOSES OF A MEETING SHALL INCLUDE NOTICE**
24 **OF ANY PROPOSAL A SHAREHOLDER OR MEMBER INTENDS TO PROPOSE, IF THAT**
25 **PROPOSAL IS A PROPER SUBJECT FOR SHAREHOLDER OR MEMBER ACTION AND**
26 **THE SHAREHOLDER OR MEMBER NOTIFIED THE CORPORATION IN WRITING OF**
27 **THE SHAREHOLDER'S OR MEMBER'S INTENTION TO PRESENT THE PROPOSAL AT**

1 THE MEETING. THE BYLAWS MAY ESTABLISH REASONABLE PROCEDURES FOR THE
2 SUBMISSION OF PROPOSALS TO THE CORPORATION IN ADVANCE OF A MEETING.

3 (4) ~~(2)~~—If a meeting of the shareholders or members is
4 adjourned to another time or place, it is not necessary, unless the
5 bylaws otherwise provide, to give notice of the adjourned meeting
6 if the time and place to which the meeting is adjourned are
7 announced at the meeting at which the adjournment is taken. If
8 after ~~the~~ **AN** adjournment the board fixes a new record date for the
9 adjourned meeting, ~~a~~ **THE CORPORATION SHALL GIVE** notice of the
10 adjourned meeting ~~shall be given~~ to each shareholder or member of
11 record on the new record date **THAT IS** entitled to notice under
12 subsection (1).

13 (5) ~~(3)~~—If a meeting of shareholders or members is adjourned
14 under subsection ~~(2)~~, ~~only~~ **(4)**, **THE SHAREHOLDERS OR MEMBERS MAY**
15 **ONLY TRANSACT** business that **THEY** might have ~~been~~ transacted at the
16 original meeting ~~may be transacted~~ at the adjourned meeting if a
17 notice of the adjourned meeting is not given. **A SHAREHOLDER,**
18 **MEMBER, OR PROXY HOLDER MAY BE PRESENT AND VOTE AT THE ADJOURNED**
19 **MEETING BY A MEANS OF REMOTE COMMUNICATION IF THAT PERSON WAS**
20 **PERMITTED TO BE PRESENT AND VOTE BY THAT MEANS OF REMOTE**
21 **COMMUNICATION IN THE ORIGINAL MEETING NOTICE.**

22 (6) ~~(4) Attendance of a person at a meeting of shareholders or~~
23 ~~members, in person or by proxy, constitutes a waiver~~ **A**
24 **SHAREHOLDER'S OR MEMBER'S ATTENDANCE AT A MEETING, IN PERSON OR BY**
25 **PROXY, WILL RESULT IN BOTH OF THE FOLLOWING:**

26 (A) **WAIVER** of objection to lack of notice or defective notice
27 of the meeting, unless the shareholder or member at the beginning

1 of the meeting objects to holding the meeting or transacting
2 business at the meeting.

3 (B) WAIVER OF OBJECTION TO CONSIDERATION OF A PARTICULAR
4 MATTER AT THE MEETING THAT IS NOT WITHIN THE PURPOSE OR PURPOSES
5 DESCRIBED IN THE MEETING NOTICE, UNLESS THE SHAREHOLDER OR MEMBER
6 OBJECTS TO CONSIDERING THE MATTER WHEN IT IS PRESENTED.

7 (7) ~~(5)~~ If a shareholder, ~~ex~~-member, OR PROXY HOLDER is
8 permitted to participate in and vote at a meeting by remote
9 communication under section 405, the notice described in subsection
10 (1) shall include a description of the means of remote
11 communication by which a shareholder, ~~ex~~-member, OR PROXY HOLDER
12 may participate.

13 (8) THIS SECTION DOES NOT PROHIBIT A CORPORATION FROM
14 CONDUCTING A MEETING OF ITS SHAREHOLDERS OR MEMBERS WITHOUT NOTICE
15 OR WITH THE NOTICE PRESCRIBED IN THE ARTICLES OF INCORPORATION OR
16 BYLAWS, IF THE MEETING IS FOR A PURPOSE OR PURPOSES THAT DO NOT
17 INVOLVE THE ELECTION OF DIRECTORS OR THE TAKING OF OTHER ACTIONS
18 INVOLVING CONTROL OR GOVERNANCE OF THE CORPORATION FOR WHICH A VOTE
19 OF THE SHAREHOLDERS OR MEMBERS IS REQUIRED UNDER THIS ACT, THE
20 ARTICLES OF INCORPORATION, THE BYLAWS, OR AN AGREEMENT UNDER
21 SECTION 488.

22 Sec. 405. (1) ~~A corporation may provide in its articles of~~
23 ~~incorporation or in its bylaws for a shareholder's or member's~~
24 ~~participation~~ UNLESS OTHERWISE RESTRICTED BY THE ARTICLES OF
25 INCORPORATION OR BYLAWS, A SHAREHOLDER, MEMBER, OR PROXY HOLDER MAY
26 PARTICIPATE in a meeting of shareholders or members by a conference
27 telephone or other means of remote communication ~~by which~~ THAT

1 ~~PERMITS~~ all persons ~~participating~~ **THAT PARTICIPATE** in the meeting
2 ~~may hear each other if all~~ **TO COMMUNICATE WITH ALL THE OTHER**
3 **PARTICIPANTS. ALL** participants ~~are~~ **SHALL BE** advised of the means of
4 remote communication. ~~in use and the names of the participants in~~
5 ~~the meeting are divulged to all participants.~~

6 (2) Participation in a meeting ~~pursuant to~~ **UNDER** this section
7 constitutes presence in person at the meeting.

8 (3) Unless otherwise restricted by any provisions of the
9 articles of incorporation or bylaws, the board of directors may
10 hold a meeting of shareholders or members **THAT IS** conducted solely
11 by means of remote communication.

12 (4) Subject to any guidelines and procedures adopted by the
13 board of directors, shareholders, ~~or~~ members, **AND PROXY HOLDERS**
14 **THAT ARE** not physically present at a meeting of shareholders or
15 members may participate in the meeting by **A** means of remote
16 communication and are considered present in person and may vote at
17 the meeting if all of the following are met:

18 (a) The corporation implements reasonable measures to verify
19 that each person **THAT IS** considered present and permitted to vote
20 at the meeting by means of remote communication is a shareholder,
21 ~~or~~ member, **OR PROXY HOLDER.**

22 (b) The corporation implements reasonable measures to provide
23 each shareholder, ~~or~~ member, **OR PROXY HOLDER** a reasonable
24 opportunity to participate in the meeting and to vote on matters
25 submitted to the shareholders or members, including an opportunity
26 to read or hear the proceedings of the meeting substantially
27 concurrently with the proceedings.

1 (c) If any shareholder, ~~ex-member~~, **OR PROXY HOLDER** votes or
2 takes other action at the meeting by **A** means of remote
3 communication, a record of the vote or other action is maintained
4 by the corporation.

5 ~~—— (d) A shareholder or member may be present and vote at an~~
6 ~~adjourned meeting of the shareholders or members by a means of~~
7 ~~remote communication if he or she was permitted to be present and~~
8 ~~vote by that means of remote communication in the original meeting~~
9 ~~notice given under section 404.~~

10 **SEC. 406. (1) AT EACH MEETING OF SHAREHOLDERS OR MEMBERS, A**
11 **CHAIRPERSON SHALL PRESIDE. THE CHAIRPERSON SHALL BE APPOINTED AS**
12 **PROVIDED IN THE BYLAWS OR, IN THE ABSENCE OF A PROVISION IN THE**
13 **BYLAWS, BY THE BOARD OF DIRECTORS.**

14 **(2) UNLESS THE ARTICLES OF INCORPORATION OR BYLAWS PROVIDE**
15 **OTHERWISE, THE CHAIRPERSON THAT PRESIDES AT A MEETING OF THE**
16 **SHAREHOLDERS OR MEMBERS SHALL DETERMINE THE ORDER OF BUSINESS AND**
17 **HAS THE AUTHORITY TO ESTABLISH RULES FOR THE CONDUCT OF THE**
18 **MEETING. ANY RULES ADOPTED FOR, OR FOR THE CONDUCT OF, THE MEETING**
19 **MUST BE FAIR TO SHAREHOLDERS OR MEMBERS.**

20 **(3) THE CHAIRPERSON OF A MEETING SHALL ANNOUNCE AT THE MEETING**
21 **WHEN THE POLLS CLOSE FOR EACH VOTE OF THE SHAREHOLDERS OR MEMBERS.**
22 **IF AN ANNOUNCEMENT IS NOT MADE, THE POLLS CLOSE ON THE FINAL**
23 **ADJOURNMENT OF THE MEETING. AFTER THE POLLS CLOSE, BALLOTS,**
24 **PROXIES, AND VOTES AND ANY REVOCATIONS OR CHANGES TO BALLOTS,**
25 **PROXIES, OR VOTES, SHALL NOT BE ACCEPTED.**

26 **Sec. 407. (1) The articles of incorporation may provide that**
27 **any action THE SHAREHOLDERS OR MEMBERS ARE required or permitted by**

1 this act to ~~be taken~~ **TAKE** at an annual or special meeting of
 2 ~~shareholders or members~~ may be taken without a meeting, without
 3 prior notice, and without a vote, if **WRITTEN** consents, ~~in writing,~~
 4 setting forth the action taken, are signed and dated by the holders
 5 of outstanding ~~stock~~ **SHARES** or members ~~having~~ **OR THEIR PROXIES THAT**
 6 **HAVE** not less than the minimum number of votes that ~~would be~~ **IS**
 7 necessary to authorize or take the action at a meeting at which all
 8 shares or members entitled to vote on the action were present and
 9 voted. ~~Prompt~~ **THE CORPORATION SHALL GIVE PROMPT** notice of the
 10 ~~taking of the~~ **ANY** corporate action **TAKEN** without a meeting by less
 11 than unanimous written consent ~~shall be given to~~ **THOSE** shareholders
 12 or members ~~who have~~ **THAT DID** not ~~consented~~ **CONSENT TO THE ACTION** in
 13 writing.

14 (2) If **THE SHAREHOLDERS OR MEMBERS TAKE** an action ~~consented to~~
 15 **BY WRITTEN CONSENT** under ~~this section~~ **SUBSECTION (1) THAT** would
 16 ~~have required~~ **REQUIRE** filing of a certificate under any other
 17 section of this act if the action had been ~~voted upon by~~
 18 ~~shareholders or members~~ **TAKEN** at a meeting of the shareholders or
 19 members, the certificate filed under that other section shall
 20 state, in lieu of any statement required by that section concerning
 21 a vote of shareholders or members, that both written consent and
 22 written notice have been given as provided in ~~this~~
 23 ~~section.~~ **SUBSECTION (1).**

24 (3) Any action **THE SHAREHOLDERS OR MEMBERS ARE** required or
 25 permitted by this act to ~~be taken~~ **TAKE** at an annual or special
 26 meeting ~~of shareholders or members~~ may be taken without a meeting,
 27 without prior notice, and without a vote, if **BEFORE OR AFTER THE**

1 **ACTION** all the shareholders or members entitled to vote on the
2 action **OR THEIR PROXIES** consent to the action in writing. **IF THE**
3 **SHAREHOLDERS OR MEMBERS TAKE AN ACTION BY WRITTEN CONSENT UNDER**
4 **THIS SUBSECTION THAT REQUIRES FILING OF A CERTIFICATE UNDER ANY**
5 **OTHER SECTION OF THIS ACT IF THE ACTION HAD BEEN TAKEN AT A**
6 **MEETING, THE CERTIFICATION FILED UNDER THE OTHER SECTION SHALL**
7 **STATE, IN LIEU OF ANY STATEMENT REQUIRED BY THAT SECTION CONCERNING**
8 **A VOTE OF THE SHAREHOLDERS OR MEMBERS, THAT WRITTEN CONSENT HAS**
9 **BEEN GIVEN AS PROVIDED IN THIS SUBSECTION.**

10 (4) An electronic transmission ~~consenting~~ **THAT CONSENTS** to an
11 action **THAT IS** transmitted by a shareholder, ~~or~~ member, **OR PROXY**
12 **HOLDER**, or by a person authorized to act for the shareholder, ~~or~~
13 member, **OR PROXY HOLDER**, is written, signed, and dated for the
14 purposes of this section if the electronic transmission is
15 delivered with information from which the corporation can determine
16 that the electronic transmission was transmitted by the
17 shareholder, ~~or~~ member, **OR PROXY HOLDER**, or by a person authorized
18 to act for the shareholder, ~~or~~ member, **OR PROXY HOLDER**, and the
19 date on which the electronic transmission was transmitted. The date
20 on which an electronic transmission is transmitted is the date on
21 which the consent was signed for purposes of this section. A
22 consent given by electronic transmission is not delivered until **IT**
23 **IS** reproduced in paper form and the paper form **IS** delivered to the
24 corporation by delivery to its registered office in this state, its
25 principal office in this state, or an officer or agent of the
26 corporation ~~having~~ **THAT HAS** custody of the book in which
27 proceedings of meetings of shareholders or members are recorded.

1 Delivery to a corporation's registered office shall be made by hand
2 or by certified or registered mail, return receipt requested.

3 Delivery to a corporation's principal office in this state or to an
4 officer or agent of the corporation ~~having~~ **THAT HAS** custody of the
5 book in which proceedings of meetings of shareholders or members
6 are recorded shall be made by hand, by certified or registered
7 mail, return receipt requested, or in any other manner provided in
8 the articles of incorporation or bylaws or by resolution of the
9 board **OF DIRECTORS** of the corporation.

10 **SEC. 408. (1) A CORPORATION MAY PROVIDE IN ITS ARTICLES OF**
11 **INCORPORATION OR IN BYLAWS THAT ARE APPROVED BY THE SHAREHOLDERS OR**
12 **MEMBERS THAT ANY ACTION THE SHAREHOLDERS OR MEMBERS ARE REQUIRED OR**
13 **PERMITTED TO TAKE AT AN ANNUAL OR SPECIAL MEETING, INCLUDING THE**
14 **ELECTION OF DIRECTORS, MAY BE TAKEN WITHOUT A MEETING IF THE**
15 **CORPORATION PROVIDES A BALLOT TO EACH SHAREHOLDER OR MEMBER THAT IS**
16 **ENTITLED TO VOTE ON THE ACTION IN THE MANNER PROVIDED IN SECTION**
17 **404 FOR PROVIDING NOTICE OF MEETINGS OF SHAREHOLDERS OR MEMBERS. A**
18 **PROVISION IN THE ARTICLES OF INCORPORATION OR BYLAWS AUTHORIZING**
19 **SHAREHOLDER OR MEMBER ACTION BY BALLOT SHALL NOT PRECLUDE CALLING**
20 **OR HOLDING ANNUAL OR SPECIAL MEETINGS OF SHAREHOLDERS OR MEMBERS.**

21 **(2) THE BALLOT PROVIDED TO SHAREHOLDERS OR MEMBERS UNDER**
22 **SUBSECTION (1) SHALL MEET ALL OF THE FOLLOWING:**

23 **(A) SET FORTH EACH PROPOSED ACTION.**

24 **(B) PROVIDE AN OPPORTUNITY FOR THE SHAREHOLDERS OR MEMBERS TO**
25 **VOTE FOR OR AGAINST EACH PROPOSED ACTION.**

26 **(C) SPECIFY A TIME BY WHICH THE CORPORATION MUST RECEIVE A**
27 **BALLOT IN ORDER TO BE COUNTED AS A VOTE OF THE SHAREHOLDER OR**

1 MEMBER. THE TIME SPECIFIED SHALL BE NOT LESS THAN 20 OR MORE THAN
2 90 DAYS AFTER THE DATE THE CORPORATION PROVIDES THE BALLOT TO THE
3 SHAREHOLDERS OR MEMBERS.

4 (3) AN ACTION IS CONSIDERED APPROVED BY THE SHAREHOLDERS OR
5 MEMBERS BY BALLOT IF THE TOTAL NUMBER OF SHAREHOLDERS OR MEMBERS
6 VOTING OR THE TOTAL NUMBER OF SHAREHOLDER OR MEMBER VOTES CAST IN
7 BALLOTS RECEIVED BY THE CORPORATION BY THE TIME SPECIFIED IN THE
8 BALLOTS EQUALS OR EXCEEDS THE QUORUM REQUIRED TO BE PRESENT AT A
9 MEETING TO TAKE THE ACTION, AND THE NUMBER OF FAVORABLE VOTES
10 EQUALS OR EXCEEDS THE NUMBER OF VOTES THAT WOULD BE REQUIRED TO
11 APPROVE THE ACTION AT A MEETING AT WHICH THE NUMBER OF VOTES CAST
12 BY SHAREHOLDERS OR MEMBERS PRESENT WAS THE SAME AS THE NUMBER OF
13 VOTES CAST BY BALLOT. EXCEPT AS OTHERWISE PROVIDED IN THE ARTICLES
14 OF INCORPORATION, AN INVALID BALLOT, AN ABSTENTION, OR THE
15 SUBMISSION OF A BALLOT MARKED "ABSTAIN" WITH RESPECT TO ANY ACTION
16 DOES NOT CONSTITUTE A VOTE CAST ON THAT ACTION.

17 (4) EXCEPT AS OTHERWISE PROVIDED IN THE ARTICLES OF
18 INCORPORATION OR BYLAWS, A SHAREHOLDER OR MEMBER MAY NOT REVOKE A
19 BALLOT RECEIVED BY THE CORPORATION.

20 (5) SUBJECT TO SUBSECTION (6), A CORPORATION THAT PROVIDES IN
21 ITS ARTICLES OF INCORPORATION OR BYLAWS FOR SHAREHOLDER OR MEMBER
22 ACTION BY BALLOT MAY ESTABLISH PROCEDURES THAT ENABLE SHAREHOLDERS
23 OR MEMBERS OR A SPECIFIED NUMBER OR PERCENTAGE OF SHAREHOLDERS OR
24 MEMBERS TO INCLUDE PROPOSED ACTIONS IN A BALLOT.

25 (6) IF HOLDERS OF AT LEAST 10% OF ALL THE VOTING SHARES OR OF
26 AT LEAST 10% OF THE MEMBER VOTES SUBMIT A PROPOSAL FOR ACTION BY
27 THE SHAREHOLDERS OR MEMBERS, A CORPORATION THAT PROVIDES IN ITS

1 ARTICLES OF INCORPORATION OR BYLAWS FOR MEMBERSHIP ACTION BY BALLOT
2 SHALL INCLUDE THE PROPOSED ACTION IN A BALLOT AND SUBMIT THAT
3 BALLOT TO THE SHAREHOLDERS OR MEMBERS AS PROVIDED IN THIS SECTION.

4 (7) IF ANY OTHER SECTION OF THIS ACT REQUIRES THE FILING OF A
5 CERTIFICATE WITH THE DEPARTMENT IF AN ACTION IS APPROVED BY VOTE OF
6 THE SHAREHOLDERS OR MEMBERS AT A MEETING, THE SHAREHOLDERS OR
7 MEMBERS MAY APPROVE THAT ACTION BY BALLOT UNDER SUBSECTION (1) AND,
8 IN LIEU OF ANY STATEMENT REQUIRED UNDER THAT SECTION CONCERNING THE
9 VOTE OF THE SHAREHOLDERS OR MEMBERS AT A MEETING, THE CERTIFICATE
10 SHALL STATE THAT THE ACTION WAS APPROVED BY BALLOT UNDER THIS
11 SECTION.

12 SEC. 409. (1) A CORPORATION MAY PROVIDE IN ITS ARTICLES OF
13 INCORPORATION OR IN BYLAWS THAT ARE APPROVED BY THE SHAREHOLDERS OR
14 MEMBERS THAT ANY ACTION THE SHAREHOLDERS OR MEMBERS ARE REQUIRED OR
15 PERMITTED TAKE AT AN ANNUAL OR SPECIAL MEETING, INCLUDING THE
16 ELECTION OF DIRECTORS, MAY BE TAKEN WITHOUT A MEETING IF THE
17 CORPORATION PROVIDES A BALLOT TO EACH SHAREHOLDER OR MEMBER THAT IS
18 ENTITLED TO VOTE THAT ALLOWS THE SHAREHOLDER OR MEMBER TO VOTE AT A
19 POLLING PLACE OR AT POLLING PLACES ESTABLISHED BY THE CORPORATION
20 THAT ARE REASONABLY ACCESSIBLE TO THE SHAREHOLDERS OR MEMBERS. THE
21 CORPORATION SHALL PROVIDE NOTICE TO EACH SHAREHOLDER OR MEMBER THAT
22 IS ENTITLED TO CAST A BALLOT AT A SHAREHOLDER OR MEMBER VOTE HELD
23 AT A POLLING PLACE OR AT POLLING PLACES UNDER THIS SUBSECTION
24 WITHIN THE SAME TIME AND IN THE SAME MANNER PROVIDED FOR NOTICE OF
25 MEETINGS OF SHAREHOLDERS OR MEMBERS UNDER THIS ACT. THE NOTICE
26 SHALL DESCRIBE EACH PROPOSED ACTION THAT IS INCLUDED ON THE BALLOT,
27 THE LOCATION OF THE POLLING PLACE OR PLACES, AND THE TIMES WHEN THE

1 POLLING PLACES ARE OPEN. A PROVISION IN THE ARTICLES OF
2 INCORPORATION OR BYLAWS THAT AUTHORIZES SHAREHOLDER OR MEMBER
3 ACTION BY BALLOT CAST AT A POLLING PLACE OR AT POLLING PLACES DOES
4 NOT PRECLUDE THE CALLING OR HOLDING OF AN ANNUAL OR SPECIAL MEETING
5 OF SHAREHOLDERS OR MEMBERS.

6 (2) A BALLOT AUTHORIZED UNDER SUBSECTION (1) SHALL DESCRIBE
7 EACH PROPOSED ACTION AND PROVIDE AN OPPORTUNITY FOR A SHAREHOLDER
8 OR MEMBER TO VOTE FOR OR AGAINST THE ACTION.

9 (3) AN ACTION IS CONSIDERED APPROVED BY THE SHAREHOLDERS OR
10 MEMBERS BY BALLOT UNDER THIS SECTION IF THE TOTAL NUMBER OF
11 SHAREHOLDERS OR MEMBERS THAT VOTE OR THE TOTAL NUMBER OF VOTES CAST
12 BY SHAREHOLDERS OR MEMBERS AT THE POLLING PLACE OR POLLING PLACES
13 DURING THE PERIOD WHEN THE POLLS WERE OPEN EQUALS OR EXCEEDS THE
14 QUORUM REQUIRED TO BE PRESENT AT A MEETING TO TAKE THAT ACTION, AND
15 THE NUMBER OF FAVORABLE VOTES EQUALS OR EXCEEDS THE NUMBER OF VOTES
16 THAT WOULD BE REQUIRED TO TAKE THE ACTION AT A MEETING AT WHICH THE
17 NUMBER OF VOTES CAST BY SHAREHOLDERS OR MEMBERS PRESENT WAS THE
18 SAME AS THE NUMBER OF VOTES CAST BY BALLOT. EXCEPT AS OTHERWISE
19 PROVIDED IN THE ARTICLES OF INCORPORATION, AN INVALID BALLOT, AN
20 ABSTENTION, OR THE SUBMISSION OF A BALLOT MARKED "ABSTAIN" WITH
21 RESPECT TO ANY ACTION DOES NOT CONSTITUTE A VOTE CAST ON THAT
22 ACTION.

23 (4) EXCEPT AS OTHERWISE PROVIDED IN THE ARTICLES OF
24 INCORPORATION OR BYLAWS, A SHAREHOLDER OR MEMBER MAY NOT REVOKE A
25 BALLOT CAST AT A POLLING PLACE.

26 (5) SUBJECT TO SUBSECTION (6), A CORPORATION THAT PROVIDES IN
27 ITS ARTICLES OF INCORPORATION OR BYLAWS FOR SHAREHOLDER OR MEMBER

1 ACTION BY BALLOT CAST AT A POLLING PLACE OR AT POLLING PLACES MAY
2 ESTABLISH PROCEDURES THAT ENABLE SHAREHOLDERS OR MEMBERS OR A
3 SPECIFIED NUMBER OR PERCENTAGE OF SHAREHOLDERS OR MEMBERS TO
4 INCLUDE PROPOSED ACTIONS IN A BALLOT.

5 (6) IF HOLDERS OF AT LEAST 10% OF ALL THE VOTING SHARES OR OF
6 AT LEAST 10% OF THE MEMBER VOTES SUBMIT A PROPOSED ACTION BY THE
7 SHAREHOLDERS OR MEMBERS, A CORPORATION THAT PROVIDES IN ITS
8 ARTICLES OF INCORPORATION OR BYLAWS FOR MEMBERSHIP ACTION BY BALLOT
9 CAST AT A POLLING PLACE OR AT POLLING PLACES SHALL INCLUDE THE
10 PROPOSED ACTION IN A BALLOT AND SUBMIT SUCH BALLOT TO THE
11 SHAREHOLDERS OR MEMBERS AS PROVIDED IN THIS SECTION.

12 (7) IF ANY OTHER SECTION OF THIS ACT REQUIRES THE FILING OF A
13 CERTIFICATE WITH THE DEPARTMENT IF AN ACTION IS APPROVED BY VOTE OF
14 THE SHAREHOLDERS OR MEMBERS AT A MEETING, THE SHAREHOLDERS OR
15 MEMBERS MAY APPROVE THAT ACTION BY BALLOT UNDER SUBSECTION (1) AND,
16 IN LIEU OF ANY STATEMENT REQUIRED UNDER THAT SECTION CONCERNING THE
17 VOTE OF THE SHAREHOLDERS OR MEMBERS AT A MEETING, THE CERTIFICATE
18 SHALL STATE THAT THE ACTION WAS APPROVED BY BALLOT UNDER THIS
19 SECTION.

20 SEC. 412. (1) EXCEPT AS PROVIDED IN THIS SUBSECTION, FOR THE
21 PURPOSE OF DETERMINING WHICH SHAREHOLDERS OR MEMBERS ARE ENTITLED
22 TO NOTICE OF AND TO VOTE AT A MEETING OF SHAREHOLDERS OR MEMBERS,
23 NOTICE OF AN ADJOURNMENT OF A MEETING, OR NOTICE OF OR TO CAST A
24 BALLOT AT A POLLING PLACE, AND FOR THE PURPOSE OF DETERMINING THE
25 SHAREHOLDERS OR MEMBERS THAT ARE ENTITLED TO RECEIVE AND TO CAST A
26 BALLOT UNDER SECTION 408, THE BYLAWS MAY PROVIDE FOR ESTABLISHING A
27 RECORD DATE, OR, IN THE ABSENCE OF A BYLAWS PROVISION, THE BOARD

1 SHALL BY RESOLUTION ESTABLISH A RECORD DATE. IF THE BYLAWS
2 ESTABLISH A RECORD DATE, THE BOARD SHALL COMPLY WITH THE BYLAWS IN
3 ESTABLISHING THE RECORD DATE. THE RECORD DATE SHALL NOT PRECEDE THE
4 DATE ON WHICH THE RESOLUTION FIXING THE RECORD DATE IS ADOPTED BY
5 THE BOARD. THE RECORD DATE SHALL NOT BE MORE THAN 60 OR FEWER THAN
6 10 DAYS BEFORE THE DATE OF THE MEETING OR THE FIRST DAY ON WHICH A
7 SHAREHOLDER OR MEMBER MAY CAST A BALLOT AT A POLLING PLACE UNDER
8 SECTION 409. IF THE VOTE IS BY BALLOT UNDER SECTION 408, THE RECORD
9 DATE SHALL BE NOT MORE THAN 60 OR FEWER THAN 20 DAYS BEFORE THE
10 LAST DATE ON WHICH THE CORPORATION MUST RECEIVE THE BALLOTS FOR
11 THEM TO BE COUNTED. IF A RECORD DATE IS NOT FIXED, THE RECORD DATE
12 FOR DETERMINATION OF SHAREHOLDERS OR MEMBERS ENTITLED TO NOTICE OF
13 OR TO VOTE AT A MEETING OF SHAREHOLDERS OR MEMBERS OR TO CAST A
14 BALLOT AT A POLLING PLACE IS THE CLOSE OF BUSINESS ON THE DAY NEXT
15 PRECEDING THE DAY ON WHICH NOTICE IS GIVEN, OR IF NO NOTICE IS
16 GIVEN, THE DAY NEXT PRECEDING THE DAY ON WHICH THE MEETING IS HELD
17 OR THE DAY NEXT PRECEDING THE FIRST DAY ON WHICH A SHAREHOLDER OR
18 MEMBER MAY CAST A BALLOT AT A POLLING PLACE UNDER SECTION 409. IF
19 THE VOTE IS BY BALLOT UNDER SECTION 408, AND A RECORD DATE IS NOT
20 FIXED, THE RECORD DATE FOR DETERMINATION OF WHICH SHAREHOLDERS OR
21 MEMBERS ARE ENTITLED TO RECEIVE AND CAST A BALLOT IS THE CLOSE OF
22 BUSINESS OF THE DAY NEXT PRECEDING THE DAY ON WHICH THE CORPORATION
23 PROVIDES THE BALLOT TO THE SHAREHOLDERS OR MEMBERS UNDER SECTION
24 408(1). IF A DETERMINATION OF WHICH SHAREHOLDERS OR MEMBERS OF
25 RECORD ARE ENTITLED TO NOTICE OF OR TO VOTE AT A MEETING OF
26 SHAREHOLDERS OR MEMBERS IS MADE UNDER THIS SECTION, THE
27 DETERMINATION APPLIES TO ANY ADJOURNMENT OF THE MEETING, UNLESS THE

1 BOARD ESTABLISHES A NEW RECORD DATE UNDER THIS SECTION FOR THE
2 ADJOURNED MEETING.

3 (2) FOR THE PURPOSE OF DETERMINING WHICH SHAREHOLDERS OR
4 MEMBERS ARE ENTITLED TO EXPRESS CONSENT TO OR TO DISSENT FROM A
5 PROPOSAL WITHOUT A MEETING UNDER SECTION 407, THE BYLAWS MAY
6 PROVIDE FOR ESTABLISHING A RECORD DATE. THE RECORD DATE SHALL NOT
7 BE MORE THAN 60 DAYS BEFORE THE PROPOSED EFFECTIVE DATE OF THE
8 SHAREHOLDER OR MEMBER ACTION. IF THE BYLAWS DO NOT ESTABLISH A
9 RECORD DATE, THE BOARD MAY ESTABLISH A RECORD DATE THAT DOES NOT
10 PRECEDE THE DATE THE BOARD ADOPTS THE RESOLUTION ESTABLISHING THE
11 RECORD DATE AND IS NOT MORE THAN 10 DAYS AFTER THE BOARD
12 RESOLUTION. IF A RECORD DATE IS NOT ESTABLISHED AND PRIOR ACTION BY
13 THE BOARD IS REQUIRED WITH RESPECT TO ANY CORPORATE ACTION TO BE
14 TAKEN WITHOUT A MEETING UNDER SECTION 407, THE RECORD DATE IS THE
15 CLOSE OF BUSINESS ON THE DAY ON WHICH THE RESOLUTION OF THE BOARD
16 IS ADOPTED. IF A RECORD DATE IS NOT FIXED AND PRIOR ACTION BY THE
17 BOARD IS NOT REQUIRED, THE RECORD DATE IS THE FIRST DATE ON WHICH A
18 SIGNED WRITTEN CONSENT IS DELIVERED TO THE CORPORATION UNDER
19 SECTION 407.

20 (3) FOR THE PURPOSE OF DETERMINING SHAREHOLDERS OR MEMBERS
21 THAT ARE ENTITLED TO RECEIVE PAYMENT OF A SHARE DIVIDEND,
22 DISTRIBUTION, OR ALLOTMENT OF A RIGHT OR FOR THE PURPOSE OF ANY
23 OTHER ACTION, THE BYLAWS MAY PROVIDE FOR ESTABLISHING A RECORD
24 DATE, OR, IN THE ABSENCE OF A BYLAWS PROVISION, THE BOARD MAY
25 ESTABLISH A RECORD DATE. THE RECORD DATE SHALL NOT PRECEDE THE DATE
26 ON WHICH THE RESOLUTION ESTABLISHING THE RECORD DATE IS ADOPTED BY
27 THE BOARD. THE DATE SHALL NOT BE MORE THAN 60 DAYS BEFORE THE

1 PAYMENT OF THE SHARE DIVIDEND, DISTRIBUTION, OR ALLOTMENT OF A
2 RIGHT OR OTHER ACTION. IF A RECORD DATE IS NOT ESTABLISHED, THE
3 RECORD DATE IS THE CLOSE OF BUSINESS ON THE DAY ON WHICH THE
4 RESOLUTION OF THE BOARD RELATING TO THE CORPORATE ACTION IS
5 ADOPTED.

6 Sec. 413. (1) The officer or agent ~~having charge of~~
7 **RESPONSIBLE FOR** the shareholder or membership records of a
8 corporation shall make and certify a complete list of the
9 shareholders or members entitled to vote at a ~~shareholders' or~~
10 ~~members' meeting or any adjourned shareholders' or members'~~
11 ~~meeting. The list shall meet all of the following:~~ **MEETING OF THE**
12 **SHAREHOLDERS OR MEMBERS. ALL OF THE FOLLOWING APPLY TO THE LIST:**

13 (a) ~~Be arranged~~ **THE OFFICER OR AGENT SHALL ARRANGE THE LIST**
14 alphabetically within each class ~~with~~ **AND INCLUDE** the address of
15 each member or shareholder and, **IF APPLICABLE**, the number of shares
16 held by each shareholder.

17 (b) ~~Be produced~~ **THE OFFICER OR AGENT SHALL PRODUCE THE LIST** at
18 the time and place of the meeting.

19 (c) ~~Be~~ **THE LIST IS** open to examination by any shareholder or
20 member during the entire meeting. If the meeting is held solely by
21 means of remote communication, then **THE OFFICER OR AGENT SHALL MAKE**
22 the list ~~shall be open~~ to the examination of any shareholder or
23 member during the entire meeting by posting the list on a
24 reasonably accessible electronic network, and **PROVIDING** the
25 information required to access the list ~~shall be provided~~ with the
26 notice of the meeting.

27 (d) ~~Be~~ **THE LIST IS** prima facie evidence ~~as to who are the~~ **OF**

1 **WHICH** shareholders or members **ARE** entitled to examine the list or
2 to vote at the meeting.

3 (2) If the requirements of this section ~~have not been~~ **ARE NOT**
4 complied with, and a shareholder or member **THAT IS** present in
5 person or by proxy in good faith challenges the existence of
6 sufficient votes to ~~carry~~ **APPROVE** any action at the meeting, the
7 **CORPORATION SHALL ADJOURN THE** meeting ~~shall be adjourned~~ until the
8 requirements are complied with. Failure to comply with the
9 requirements of this section does not affect the validity of an
10 action taken at the meeting before ~~the making of~~ a challenge under
11 this subsection.

12 Sec. 415. (1) Unless a greater or lesser quorum is provided in
13 the articles of incorporation, in a bylaw adopted by the
14 shareholders, ~~or members,~~ **OR INCORPORATORS,** or in this act, shares
15 or members entitled to cast a majority of the votes at a meeting
16 constitute a quorum at the meeting. ~~The~~ **IF THE WITHDRAWAL OF**
17 **SHAREHOLDERS OR MEMBERS LEAVES LESS THAN A QUORUM BEFORE**
18 **ADJOURNMENT, THE REMAINING** shareholders or members present in
19 person or by proxy at ~~such~~ **THE** meeting may continue to do business
20 until adjournment. ~~, notwithstanding the withdrawal of enough~~
21 ~~shareholders or members to leave less than a quorum.~~ Whether or not
22 a quorum is present, ~~the~~ **A** meeting may be adjourned by a vote of
23 the shareholders or members present.

24 (2) ~~When~~ **IF** the holders of a class of shares or members of a
25 class are entitled to vote separately on an item of business, this
26 section applies in determining the presence of a quorum of the
27 class for transaction of the item of business.

1 Sec. 421. (1) Except as otherwise provided **BY STATUTE**, in the
2 articles of incorporation, or in a bylaw **THAT IS** adopted by the
3 shareholders or members **OF A CORPORATION ORGANIZED ON A STOCK OR**
4 **MEMBERSHIP BASIS**, a shareholder or member **THAT IS** entitled to vote
5 at a meeting of shareholders or members, **TO CAST A BALLOT UNDER**
6 **SECTION 408 OR 409**, or to express consent or dissent without a
7 meeting may authorize other persons to act for the shareholder or
8 member by proxy. **EXCEPT AS OTHERWISE PROVIDED BY STATUTE, IN THE**
9 **ARTICLES OF INCORPORATION, OR IN A BYLAW, A DIRECTOR OR OTHER**
10 **PERSON THAT IS ENTITLED TO VOTE IN THE ELECTION OF DIRECTORS OF A**
11 **CORPORATION ORGANIZED ON A DIRECTORSHIP BASIS MAY AUTHORIZE ANOTHER**
12 **PERSON OR PERSONS TO ACT FOR THE DIRECTOR OR OTHER PERSON WITH**
13 **RESPECT TO THE ELECTION OF DIRECTORS BY PROXY.**

14 (2) ~~A proxy shall be signed by the shareholder or member or an~~
15 ~~authorized agent or representative.~~ A proxy is not valid after the
16 expiration of 3 years from its date unless otherwise provided in
17 the proxy.

18 (3) A proxy is revocable at the pleasure of the ~~shareholder or~~
19 ~~member executing~~ **PERSON THAT EXECUTES** it, except as otherwise
20 provided in this section and sections 422 and 423.

21 (4) The authority of the holder of a proxy to act is not
22 revoked by the incompetence or death of the ~~shareholder or member~~
23 **PERSON** who executed the proxy unless, before the authority is
24 exercised, written notice of an adjudication of the incompetence or
25 death is received by the corporate officer **THAT IS** responsible for
26 maintaining the list of shareholders, ~~or~~ members, **OR PERSONS THAT**
27 **ARE ENTITLED TO VOTE IN THE ELECTION OF DIRECTORS OF A DIRECTORSHIP**

1 CORPORATION.

2 (5) Without limiting the manner in which a shareholder, ~~or~~
 3 member, OR PERSON THAT IS ENTITLED TO VOTE IN THE ELECTION OF
 4 DIRECTORS OF A DIRECTORSHIP CORPORATION may authorize another
 5 person or persons to act ~~for him or her~~ as proxy FOR THE
 6 SHAREHOLDER, MEMBER, OR PERSON under subsection (1), each of the
 7 following methods constitute a valid means by which a shareholder,
 8 ~~or~~ member, OR PERSON ENTITLED TO VOTE IN THE ELECTION OF DIRECTORS
 9 OF A DIRECTORSHIP CORPORATION may grant authority to another person
 10 to act as proxy:

11 (a) Delivering a writing to the person ~~authorizing~~ THAT
 12 AUTHORIZES that person to act for the shareholder, ~~or~~ member, OR
 13 PERSON ENTITLED TO VOTE IN THE ELECTION OF DIRECTORS OF A
 14 DIRECTORSHIP CORPORATION as proxy ~~—AND IS~~ executed by the
 15 shareholder, ~~or~~ member, OR PERSON ENTITLED TO VOTE IN THE ELECTION
 16 OF DIRECTORS OF A DIRECTORSHIP CORPORATION, or by an authorized
 17 officer, director, employee, or agent of the shareholder, ~~or~~
 18 member, OR PERSON ENTITLED TO VOTE IN THE ELECTION OF DIRECTORS OF
 19 A DIRECTORSHIP CORPORATION, by signing the writing or causing his
 20 or her signature to be affixed to the writing by any reasonable
 21 means, including, but not limited to, facsimile signature.

22 (b) Transmitting or authorizing the transmission of a
 23 telegram, cablegram, or other means of electronic transmission to
 24 the person ~~who~~ THAT will hold the proxy; or to a proxy solicitation
 25 firm, proxy support service organization, or similar agent ~~fully~~
 26 ~~authorized by the~~ THAT THE person who will hold the proxy
 27 AUTHORIZED to receive that transmission ON THE PERSON'S BEHALF. Any

1 telegram, cablegram, or other means of electronic transmission must
 2 either set forth or ~~be submitted with~~ **INCLUDE WITH IT** information
 3 from which it can be determined that the telegram, cablegram, or
 4 other electronic transmission was authorized by the shareholder, ~~or~~
 5 member, **OR PERSON ENTITLED TO VOTE IN THE ELECTION OF DIRECTORS OF**
 6 **A DIRECTORSHIP CORPORATION.** If a telegram, cablegram, or other
 7 electronic transmission is determined to be valid, the inspectors
 8 or, if there are no inspectors, the persons making the
 9 determination shall specify the information ~~upon~~ **ON** which they
 10 relied.

11 (6) A copy, facsimile telecommunication, or other reliable
 12 reproduction of the writing or transmission created under
 13 subsection (5) may be substituted or used in lieu of the original
 14 writing or transmission for any purpose for which the original
 15 writing or transmission could be used, if the copy, facsimile
 16 telecommunication, or other reproduction is a complete reproduction
 17 of the entire original writing or transmission.

18 Sec. 422. A proxy ~~which~~ **THAT** is entitled "irrevocable proxy",
 19 and ~~which~~ **THAT** states that it is irrevocable, is irrevocable when
 20 it is held by any of the following or a nominee of any of the
 21 following:

22 (a) In the case of shares or memberships ~~which~~ **THAT** are
 23 transferable, a ~~pledgee~~ **HOLDER OF A PLEDGE OR OTHER SECURITY**
 24 **INTEREST IN THE SHARES OR MEMBERSHIP.**

25 (b) In the case of shares or memberships ~~which~~ **THAT** are
 26 transferable, a person ~~who~~ **THAT** has purchased or agreed to purchase
 27 the shares or ~~members~~ **MEMBERSHIP.**

1 (c) A creditor of the corporation ~~who~~**THAT** extends or
2 continues credit to the corporation in consideration of the proxy.

3 (d) ~~A person~~**AN INDIVIDUAL** who has contracted to perform
4 services as a director, officer, or employee of the corporation, if
5 a proxy is required by the contract of employment.

6 ~~(e) A holder of any other proxy coupled with an interest.~~**A**
7 **PERSON DESIGNATED BY OR UNDER AN AGREEMENT UNDER SECTION 461.**

8 ~~(f) A person designated by or under an agreement under section~~
9 ~~461.~~**A HOLDER OF ANY OTHER PROXY COUPLED WITH AN INTEREST.**

10 Sec. 423. (1) A proxy **DESCRIBED IN SECTION 422** becomes
11 revocable, notwithstanding a provision ~~making~~**THAT MAKES** it
12 irrevocable, after the pledge is redeemed, ~~or~~**THE SECURITY INTEREST**
13 **IS TERMINATED**, the debt of the corporation is paid, ~~or~~the period
14 of employment provided for in the contract of employment ~~has~~
15 ~~terminated,~~**EXPIRES**, or the agreement under section 461 ~~has~~**IS**
16 terminated. ~~In a case provided for~~**A PROXY DESCRIBED** in section
17 422(c) or (d) ~~the proxy~~ is revocable 3 years after the date of the
18 proxy or at the end of ~~the~~**ANY** period ~~, if any, specified therein,~~
19 **IN THE PROXY**, whichever period is less, unless the period of
20 irrevocability is renewed by execution of a new irrevocable proxy.
21 This subsection does not affect the duration of a proxy under
22 section 421(2).

23 (2) A proxy is revocable, notwithstanding a provision ~~making~~
24 **THAT MAKES** it irrevocable, by a purchaser of shares ~~without~~
25 ~~knowledge~~**THAT DID NOT KNOW AT THE TIME OF PURCHASE** of **THE**
26 existence of the provision unless the existence of the proxy and
27 its irrevocability are noted conspicuously on the face or back of

1 the certificate representing the shares.

2 SEC. 432. (1) A CORPORATION MAY ESTABLISH A PROCEDURE UNDER
3 WHICH THE BENEFICIAL OWNER OF SHARES OR MEMBERSHIPS THAT ARE
4 REGISTERED IN THE NAME OF A NOMINEE IS RECOGNIZED BY THE
5 CORPORATION AS THE SHAREHOLDER OR MEMBER. THE PROCEDURE ESTABLISHED
6 MAY DETERMINE THE EXTENT OF THIS RECOGNITION.

7 (2) A PROCEDURE ESTABLISHED UNDER SUBSECTION (1) MAY INCLUDE
8 ANY OF THE FOLLOWING:

9 (A) THE TYPE OF NOMINEES TO WHICH IT APPLIES.

10 (B) THE RIGHTS OR PRIVILEGES THAT THE CORPORATION RECOGNIZES
11 IN THE BENEFICIAL OWNER.

12 (C) THE MANNER IN WHICH THE PROCEDURE IS SELECTED BY THE
13 NOMINEE.

14 (D) THE INFORMATION THAT THE NOMINEE, SHAREHOLDER, OR MEMBER
15 MUST PROVIDE IF THE PROCEDURE IS SELECTED.

16 (E) THE PERIOD FOR WHICH SELECTION OF THE PROCEDURE IS
17 EFFECTIVE.

18 (F) OTHER ASPECTS OF THE RIGHTS AND DUTIES CREATED.

19 Sec. 441. (1) Each outstanding share or member is entitled to
20 1 vote on each matter submitted to a vote, unless otherwise
21 provided ~~pursuant to~~ UNDER section 303 or 304. A PERSON MAY CAST A
22 vote ~~may be cast~~ AT A MEETING OF THE SHAREHOLDERS OR MEMBERS either
23 orally or in writing, unless otherwise provided in the bylaws. ~~In~~
24 ~~addition, the bylaws may provide for voting by electronic~~
25 ~~transmission.~~

26 (2) ~~When~~ IF an action, other than the election of directors,
27 ~~is to be taken by~~ IS SUBMITTED FOR A vote of the shareholders or

1 members, ~~it shall be~~ **THE ACTION IS APPROVED OR** authorized ~~by~~ **IF IT**
 2 **RECEIVES THE AFFIRMATIVE VOTE OF** a majority of the votes cast by
 3 the holders of shares or members entitled to vote on ~~that~~ **THE**
 4 action, unless a ~~greater plurality~~ **HIGHER VOTE** is required ~~by~~ **IN**
 5 the articles of incorporation or **A HIGHER OR LOWER VOTE IS REQUIRED**
 6 **UNDER** another section of this act. **UNLESS OTHERWISE PROVIDED BY THE**
 7 **ARTICLES OF INCORPORATION, ABSTAINING FROM A VOTE OR SUBMITTING A**
 8 **BALLOT MARKED "ABSTAIN" WITH RESPECT TO AN ACTION IS NOT A VOTE**
 9 **CAST ON THAT ACTION.** Except as otherwise provided ~~by~~ **IN** the
 10 articles **OF INCORPORATION**, directors ~~shall be~~ **ARE** elected by a
 11 plurality of the votes cast at an election.

12 Sec. 442. (1) The articles of incorporation **OR BYLAWS** may
 13 provide that a class of shares or members shall vote as a class to
 14 authorize any action, including amendment to the articles **OF**
 15 **INCORPORATION.** ~~Such voting~~ **A VOTE** as a class ~~shall be~~ **UNDER THIS**
 16 **SECTION IS** in addition to any other vote required ~~by~~ **UNDER** this
 17 act. ~~Where~~ **IF** voting as a class is provided in the articles **OF**
 18 **INCORPORATION OR BYLAWS**, it shall be by the proportionate vote
 19 provided in the articles **OF INCORPORATION OR BYLAWS** or, if a
 20 proportionate vote is not so provided, then for any action other
 21 than the election of directors, by a majority of the votes cast by
 22 the holders of shares or members of ~~such~~ **THE** class entitled to vote
 23 ~~thereon~~ **ON THE ACTION.**

24 (2) ~~Where~~ **IF** voting as a class is required ~~by~~ **UNDER** this act
 25 to authorize an action, the action ~~shall be~~ **IS** authorized ~~by~~ **IF IT**
 26 **RECEIVES THE AFFIRMATIVE VOTE OF** a majority of the votes cast by
 27 the ~~holders of shares~~ **SHAREHOLDERS** or members of each class

1 entitled to vote ~~thereon~~, **ON THAT ACTION**, unless a ~~greater~~ **HIGHER**
 2 vote is required ~~by~~ **IN** the articles of incorporation or **UNDER**
 3 another section of this act. ~~The voting~~ **A VOTE** as a class ~~shall be~~
 4 **UNDER THIS SUBSECTION IS** in addition to any other vote required ~~by~~
 5 **UNDER** this act.

6 (3) **UNLESS OTHERWISE PROVIDED IN THE ARTICLES OF**
 7 **INCORPORATION, ABSTAINING FROM A VOTE OR SUBMITTING A BALLOT MARKED**
 8 **"ABSTAIN" WITH RESPECT TO AN ACTION THAT REQUIRES AUTHORIZATION BY**
 9 **A CLASS OF SHAREHOLDERS OR MEMBERS IS NOT A VOTE CAST ON THAT**
 10 **ACTION.**

11 Sec. 444. (1) ~~The vote of a shareholder or member which is a~~
 12 **SHARES OR MEMBERSHIPS THAT ARE HELD BY ANOTHER** domestic
 13 corporation, ~~or~~ domestic business corporation, ~~or~~ foreign
 14 corporation, or foreign business corporation, whether or not the
 15 corporation or business corporation is subject to this act, may be
 16 ~~cast~~ **VOTED** by an officer or agent, or by **A proxy THAT IS** appointed
 17 by an officer or agent or by some other person, who by action of
 18 its board or ~~pursuant to~~ **UNDER** its bylaws ~~shall be~~ **IS** appointed to
 19 ~~cast such vote~~ **THE SHARES OR MEMBERSHIP.**

20 (2) A shareholder whose shares are pledged is entitled to vote
 21 the shares until they ~~have been~~ **ARE** transferred into the name of
 22 the pledgee or a nominee of the pledgee.

23 Sec. 446. ~~The vote of shares or a membership~~ **SHARES OR A**
 24 **MEMBERSHIP THAT ARE** held by 2 or more persons as joint tenants or
 25 as tenants in common may be ~~cast or~~ voted at a meeting of
 26 shareholders or members **OR BY BALLOT UNDER SECTION 408 OR 409** by
 27 ~~any of those persons,~~ **JOINT TENANT OR TENANT IN COMMON**, unless

1 another joint tenant or tenant in common seeks to vote **THE SHARES**
2 **OR MEMBERSHIP** in person or by proxy. In the latter event, the
3 written agreement, if any, ~~which~~**THAT** governs the manner in which
4 the shares or membership ~~shall be~~**ARE** voted, controls if presented
5 at the meeting, either physically or by means of electronic
6 transmission **OR IF PRESENTED TO THE CORPORATION EITHER PHYSICALLY**
7 **OR BY MEANS OF ELECTRONIC TRANSMISSION BEFORE THE TIME FOR CASTING**
8 **A BALLOT UNDER SECTION 408 OR 409 EXPIRES.** If ~~the~~**AN** agreement **THAT**
9 **GOVERNS VOTES** is not presented at the meeting, the majority in
10 interest of the joint tenants or tenants in common present ~~shall~~
11 ~~control~~**DETERMINES** the manner of voting. In the case of a stock
12 corporation **OR A MEMBERSHIP THAT CARRIES MORE THAN 1 VOTE**, if there
13 is no majority in interest of the joint tenants or tenants in
14 common present, the shares **OR MEMBER VOTES**, for the purpose of
15 voting, shall be divided among those joint tenants or tenants in
16 common **THAT ARE PRESENT IN PERSON** in accordance with their interest
17 in the shares **OR MEMBERSHIP**.

18 **SEC. 447A. UNLESS SPECIFICALLY OTHERWISE PROVIDED IN THE**
19 **ARTICLES OF INCORPORATION OR BYLAWS, ABSENT AN ORDER OF A COURT OF**
20 **COMPETENT JURISDICTION BASED ON A DETERMINATION THAT SPECIAL**
21 **CIRCUMSTANCES EXIST AND THE BEST INTERESTS OF THE CORPORATION WOULD**
22 **BE SERVED, THE SHARES OR MEMBERSHIPS OF A CORPORATION SHALL NOT BE**
23 **VOTED ON ANY MATTER OR CONSIDERED TO BE OUTSTANDING SHARES OR**
24 **MEMBERSHIPS FOR ANY PURPOSE RELATED TO VOTING IF THEY ARE OWNED,**
25 **DIRECTLY OR INDIRECTLY, BY ANOTHER CORPORATION, FOREIGN**
26 **CORPORATION, BUSINESS CORPORATION, OR FOREIGN BUSINESS CORPORATION,**
27 **AND THE FIRST CORPORATION OWNS, DIRECTLY OR INDIRECTLY, A MAJORITY**

1 OF THE SHARES OR MEMBERSHIPS ENTITLED TO VOTE FOR DIRECTORS OF THE
2 SECOND CORPORATION.

3 Sec. 451. (1) The articles of incorporation OF A CORPORATION
4 THAT IS ORGANIZED ON A STOCK OR MEMBERSHIP BASIS may provide that a
5 shareholder or member THAT IS entitled to vote at an election for
6 directors may vote, in person, by proxy, ~~or by electronic~~
7 ~~transmission,~~ OR BY BALLOT AS PROVIDED IN SECTION 408 OR 409, for
8 as many ~~persons~~ INDIVIDUALS as there are directors to be elected
9 and for whose election the shareholder or member has a right to
10 vote, or to cumulate votes by giving 1 candidate as many votes as
11 the number of ~~those~~ directors TO BE ELECTED multiplied by the
12 number of ~~shares~~ VOTES held by the shareholder or member, or by
13 distributing the votes of the shareholder or member on the same
14 principle among any number of the candidates.

15 (2) THE ARTICLES OF INCORPORATION OF A CORPORATION THAT IS
16 ORGANIZED ON A DIRECTORSHIP BASIS MAY PROVIDE THAT A PERSON THAT IS
17 ENTITLED TO VOTE AT AN ELECTION FOR DIRECTORS MAY VOTE, IN PERSON,
18 BY PROXY, OR BY ELECTRONIC TRANSMISSION, FOR AS MANY INDIVIDUALS AS
19 THERE ARE DIRECTORS TO BE ELECTED AND FOR WHOSE ELECTION THE PERSON
20 HAS A RIGHT TO VOTE, OR TO CUMULATE VOTES BY GIVING 1 CANDIDATE AS
21 MANY VOTES AND THE NUMBER OF DIRECTORS TO BE ELECTED MULTIPLIED BY
22 THE NUMBER OF VOTES HELD BY THE PERSON, OR BY DISTRIBUTING THE
23 VOTES OF THE PERSON ON THE SAME PRINCIPLE AMONG ANY NUMBER OF THE
24 CANDIDATES.

25 Sec. 455. ~~When, with~~ WITH respect to an action to be taken by
26 the shareholders or members, IF the articles of incorporation
27 require the vote or concurrence of THE holders of a greater

1 proportion of the shares or a greater proportion of members, or of
 2 a class thereof, ~~OF SHARES OR MEMBERS~~, than required by ~~UNDER~~ this
 3 act with respect to the action, the articles ~~OF INCORPORATION~~ shall
 4 control. An amendment of the articles ~~which OF INCORPORATION THAT~~
 5 adds, changes, or deletes ~~such a THAT~~ provision ~~shall be authorized~~
 6 ~~by the vote~~ **REQUIRES THE SAME VOTE THAT IS** required to amend the
 7 articles ~~pursuant to OF INCORPORATION UNDER~~ section 611, or ~~by the~~
 8 same vote ~~as THAT~~ would be required to take action under ~~such THAT~~
 9 provision, whichever is greater. **A FAILURE TO INCLUDE A PROVISION**
 10 **DESCRIBED IN THIS SECTION IN THE ARTICLES OF INCORPORATION DOES NOT**
 11 **INVALIDATE ANY BYLAW OR AGREEMENT THAT WOULD OTHERWISE BE**
 12 **CONSIDERED VALID.**

13 Sec. 461. An agreement between 2 or more shareholders or
 14 members, if **IT IS** in writing and signed by the parties, ~~thereto,~~
 15 may provide that in exercising voting rights, they shall cast their
 16 votes as provided in the agreement, or as they ~~may~~ agree, or as
 17 determined ~~in accordance with UNDER~~ a procedure agreed ~~upon ON~~ by
 18 them. **A VOTING AGREEMENT EXECUTED UNDER THIS SECTION, WHETHER OR**
 19 **NOT PROXIES ARE EXECUTED UNDER THAT AGREEMENT, IS NOT SUBJECT TO**
 20 **SECTIONS 466 TO 468. A VOTING AGREEMENT UNDER THIS SECTION IS**
 21 **SPECIFICALLY ENFORCEABLE.**

22 **SEC. 466. (1) IF SHARES OR MEMBERSHIPS OF A CORPORATION ARE**
 23 **TRANSFERABLE, A SHAREHOLDER OR MEMBER MAY CONFER ON A TRUSTEE THE**
 24 **RIGHT TO VOTE OR OTHERWISE REPRESENT THOSE SHARES OR MEMBERSHIPS**
 25 **FOR A PERIOD THAT DOES NOT EXCEED 10 YEARS, BY ENTERING INTO A**
 26 **WRITTEN VOTING TRUST AGREEMENT THAT INCLUDES THE TERMS AND**
 27 **CONDITIONS OF THE VOTING TRUST, BY FILING AN EXECUTED COUNTERPART**

1 OF THE AGREEMENT AT THE REGISTERED OFFICE OF THE CORPORATION, AND
2 BY TRANSFERRING THOSE SHARES OR MEMBERSHIP TO THE TRUSTEE FOR
3 PURPOSES OF THE AGREEMENT.

4 (2) IF A VOTING RIGHTS AGREEMENT UNDER SUBSECTION (1) IS
5 FILED, THE HOLDER OF ANY CERTIFICATES FOR SHARES OR MEMBERSHIPS
6 TRANSFERRED SHALL SURRENDER THE CERTIFICATES AND THE CORPORATION
7 SHALL CANCEL THE CERTIFICATES AND ISSUE NEW CERTIFICATES FOR THE
8 SHARES OR MEMBERSHIPS TO THE TRUSTEE THAT STATE THAT THEY ARE
9 ISSUED UNDER THE AGREEMENT. THE CORPORATION SHALL ALSO DESCRIBE THE
10 TRANSFER OF OWNERSHIP IN THE RECORDS OF THE CORPORATION, AND THE
11 TRUSTEE MAY VOTE THE TRANSFERRED SHARES OR MEMBERSHIPS DURING THE
12 TERM OF THE AGREEMENT.

13 (3) A TRUSTEE THAT HOLDS MEMBERSHIPS TRANSFERRED UNDER AN
14 AGREEMENT EXECUTED UNDER THIS SECTION HAS THE SAME VOTING AND OTHER
15 RIGHTS AS THE BENEFICIARIES WOULD HAVE IF THE MEMBERSHIPS WERE NOT
16 IN TRUST.

17 (4) THE FILED COPY OF A VOTING TRUST AGREEMENT UNDER THIS
18 SECTION IS SUBJECT TO INSPECTION AT ANY REASONABLE TIME BY A
19 SHAREHOLDER, MEMBER, OR A HOLDER OF A BENEFICIAL INTEREST IN THE
20 VOTING TRUST, IN PERSON OR BY AGENT OR ATTORNEY.

21 (5) ANY VOTING TRUST CERTIFICATES ISSUED UNDER SUBSECTION (2)
22 SHALL DESCRIBE THE BENEFICIAL INTERESTS IN THE VOTING TRUST.

23 SEC. 467. (1) A TRUSTEE THAT VOTES SHARES OR MEMBERSHIPS THAT
24 ARE SUBJECT TO A VOTING TRUST UNDER SECTION 466 IS NOT LIABLE AS A
25 SHAREHOLDER, MEMBER, TRUSTEE OR OTHERWISE, EXCEPT FOR THE TRUSTEE'S
26 MALFEASANCE.

27 (2) IF 2 OR MORE PERSONS ARE DESIGNATED AS VOTING TRUSTEES,

1 AND THE RIGHT AND METHOD OF VOTING SHARES OR MEMBERSHIPS IN THEIR
2 NAMES ARE NOT FIXED IN THE AGREEMENT THAT APPOINTS THE TRUSTEES, A
3 MAJORITY OF THE TRUSTEES SHALL DETERMINE THE RIGHT TO VOTE AND
4 MANNER OF VOTING THE SHARES OR MEMBERSHIPS. IF THE TRUSTEES ARE
5 EQUALLY DIVIDED CONCERNING THE RIGHT TO VOTE AND THE MANNER OF
6 VOTING, THE VOTES SHALL BE DIVIDED EQUALLY AMONG THE TRUSTEES.

7 SEC. 468. (1) AT ANY TIME WITHIN THE 12-MONTH PERIOD BEFORE
8 THE EXPIRATION OF THE ORIGINAL TERM OF A VOTING TRUST AGREEMENT
9 UNDER SECTION 466 OR AN EXTENSION OF A VOTING TRUST AGREEMENT UNDER
10 THIS SECTION, 1 OR MORE BENEFICIARIES OF THE VOTING TRUST, BY
11 WRITTEN AGREEMENT AND WITH WRITTEN CONSENT OF THE VOTING TRUSTEES,
12 MAY EXTEND THE DURATION OF THE VOTING TRUST AGREEMENT WITH REGARD
13 TO THE SHARES OR MEMBERSHIPS SUBJECT TO THEIR BENEFICIAL INTEREST
14 FOR AN ADDITIONAL PERIOD THAT DOES NOT EXCEED 10 YEARS. BEFORE
15 EXPIRATION OF THE ORIGINAL TERM OF A VOTING TRUST AGREEMENT UNDER
16 SECTION 466 OR AN EXTENSION OF A VOTING TRUST AGREEMENT UNDER THIS
17 SECTION, IF THE VOTING TRUSTEES FILE IN THE REGISTERED OFFICE OF
18 THE CORPORATION AN EXECUTED COUNTERPART OF AN EXTENSION AGREEMENT
19 AND OF THEIR CONSENT TO THE EXTENSION, THE TERM OF THE VOTING TRUST
20 AGREEMENT IS EXTENDED FOR THE PERIOD DESCRIBED IN THE EXTENSION
21 AGREEMENT. AN EXTENSION AGREEMENT DOES NOT AFFECT THE RIGHTS OR
22 OBLIGATIONS OF PERSONS THAT ARE NOT PARTIES TO THE EXTENSION
23 AGREEMENT.

24 (2) IF THE TERM OF AN EXTENSION AGREEMENT DESCRIBED IN
25 SUBSECTION (1) OR A VOTING TRUST AGREEMENT THAT OTHERWISE MEETS THE
26 REQUIREMENTS OF THIS ACT IS MORE THAN 10 YEARS, THE VOTING TRUST
27 AGREEMENT OR EXTENSION AGREEMENT IS VALID FOR A PERIOD OF 10 YEARS

1 FROM THE DATE OF ITS COMMENCEMENT AND BECOMES INOPERATIVE AT THE
2 END OF THAT 10-YEAR PERIOD UNLESS EXTENDED UNDER SUBSECTION (1).

3 SEC. 472. (1) THE ARTICLES OF INCORPORATION, THE BYLAWS, OR AN
4 AGREEMENT AMONG ANY NUMBER OF HOLDERS OF BONDS, SHARES, OR
5 MEMBERSHIPS, OR AMONG THE HOLDERS AND THE CORPORATION, MAY CONTAIN
6 A RESTRICTION ON THE TRANSFER OR REGISTRATION OF A BOND, SHARE, OR
7 MEMBERSHIP OF A CORPORATION THAT IS OTHERWISE TRANSFERABLE. A
8 RESTRICTION DESCRIBED IN THIS SUBSECTION IS NOT BINDING WITH
9 RESPECT TO BONDS, SHARES, OR MEMBERSHIPS THAT ARE ISSUED BEFORE
10 ADOPTION OF THE RESTRICTION UNLESS THE HOLDERS ARE PARTIES TO AN
11 AGREEMENT OR VOTED IN FAVOR OF THE RESTRICTION.

12 (2) A WRITTEN RESTRICTION ON THE TRANSFER OR REGISTRATION OF A
13 BOND, SHARE, OR MEMBERSHIP OF A CORPORATION THAT IS OTHERWISE
14 TRANSFERABLE, IF PERMITTED UNDER THIS SECTION OR SECTION 473 AND
15 NOTED CONSPICUOUSLY ON THE FACE OR BACK OF THE INSTRUMENT OR ON THE
16 INFORMATION STATEMENT REQUIRED UNDER SECTION 336, MAY BE ENFORCED
17 AGAINST THE HOLDER OF THE RESTRICTED INSTRUMENT OR A SUCCESSOR OR
18 TRANSFEREE OF THE HOLDER OF THE RESTRICTED INSTRUMENT INCLUDING,
19 BUT NOT LIMITED TO, A PERSONAL REPRESENTATIVE, ADMINISTRATOR,
20 TRUSTEE, GUARDIAN, OR OTHER FIDUCIARY ENTRUSTED WITH SIMILAR
21 RESPONSIBILITY FOR THE PERSON OR ESTATE OF THE HOLDER. IF THE
22 EXISTENCE OF THE RESTRICTION IS NOT NOTED CONSPICUOUSLY ON THE FACE
23 OR BACK OF THE INSTRUMENT OR ON THE INFORMATION STATEMENT REQUIRED
24 UNDER SECTION 336, THE RESTRICTION, EVEN IF PERMITTED UNDER THIS
25 SECTION OR SECTION 473, IS INEFFECTIVE EXCEPT AGAINST ANY PERSON
26 THAT DOES NOT HAVE ACTUAL KNOWLEDGE OF THE RESTRICTION.

27 SEC. 473. WITHOUT LIMITING THE GENERAL AUTHORITY UNDER SECTION

1 472(1) TO IMPOSE RESTRICTIONS ON THE TRANSFER OR REGISTRATION OF
2 BONDS, SHARES, OR MEMBERSHIPS OF A CORPORATION THAT ARE OTHERWISE
3 TRANSFERABLE, A RESTRICTION ON THE TRANSFER OR REGISTRATION OF
4 TRANSFER OF BONDS, SHARES, OR MEMBERSHIPS OF A CORPORATION THAT IS
5 CONSISTENT WITH SECTION 301 IS PERMITTED IF IT DOES ANY OF THE
6 FOLLOWING:

7 (A) OBLIGATES THE HOLDERS OF THE RESTRICTED INSTRUMENTS TO
8 OFFER TO THE CORPORATION OR TO ANY OTHER HOLDERS OF BONDS, SHARES
9 OR MEMBERSHIPS OF THE CORPORATION, TO ANY OTHER PERSON, OR TO ANY
10 COMBINATION OF THOSE PERSONS, A PRIOR OPPORTUNITY TO ACQUIRE THE
11 RESTRICTED INSTRUMENTS.

12 (B) OBLIGATES THE CORPORATION OR A HOLDER OF BONDS, SHARES, OR
13 MEMBERSHIPS OF THE CORPORATION, ANY OTHER PERSON, OR ANY
14 COMBINATION OF THOSE PERSONS, TO PURCHASE THE INSTRUMENTS THAT ARE
15 THE SUBJECT OF AN AGREEMENT RESPECTING THE PURCHASE AND SALE OF THE
16 RESTRICTED INSTRUMENTS.

17 (C) REQUIRES THE CORPORATION OR THE HOLDERS OF A CLASS OF
18 BONDS, SHARES, OR MEMBERSHIPS OF THE CORPORATION TO CONSENT TO A
19 PROPOSED TRANSFER OF THE RESTRICTED INSTRUMENTS OR TO APPROVE THE
20 PROPOSED TRANSFEREE OF THE RESTRICTED INSTRUMENTS.

21 (D) PROHIBITS THE TRANSFER OF THE RESTRICTED INSTRUMENTS TO
22 DESIGNATED PERSONS OR CLASSES OF PERSONS, AND THE DESIGNATION IS
23 NOT CONTRARY TO PUBLIC POLICY.

24 (E) EXISTS FOR THE PURPOSE OF MAINTAINING THE STATUS OF THE
25 CORPORATION UNDER SECTION 115, 501, 521, 527, OR 528 OF THE
26 INTERNAL REVENUE CODE OF 1986, 26 USC 115, 501, 521, 527, AND 528.

27 Sec. 485. A corporation shall keep books and records of

1 account and minutes of the proceedings of its shareholders or
2 members, board, and executive committee, if any. Unless otherwise
3 provided in the bylaws, the **CORPORATION MAY KEEP THE** books,
4 records, and minutes ~~may be kept outside this state.~~ The
5 corporation shall keep at its registered office, or at the office
6 of its transfer agent ~~within or without~~ **IN OR OUTSIDE** this state,
7 records ~~containing~~ **THAT CONTAIN** the names and addresses of all
8 shareholders or members, the number and class of shares held by
9 each shareholder or the class or classes of membership held by each
10 member, and the dates when they respectively became ~~holders~~
11 **SHAREHOLDERS** of record ~~thereof or members.~~ Any of ~~such~~ **THE** books,
12 records, or minutes may be in written form or in any other form
13 ~~capable of being converted~~ **THAT IS CONVERTIBLE** into written form
14 within a reasonable time. A corporation shall convert into written
15 form without charge any ~~such~~ record **THAT IS** not in ~~such~~ **WRITTEN**
16 form, ~~upon written request of~~ **IF REQUESTED BY** a person **THAT IS**
17 entitled to inspect ~~them.~~ **THE RECORD.**

18 Sec. 487. (1) ~~Upon written request of~~ **IF REQUESTED IN WRITING**
19 **BY** a shareholder or member, a corporation shall mail to the
20 shareholder or member its balance sheet as at the end of the
21 preceding fiscal year; its statement of income for ~~such~~ **THAT** fiscal
22 year; and, if prepared by the corporation, its statement of source
23 and application of funds for ~~such~~ **THAT** fiscal year.

24 ~~—— (2) A person who is a shareholder or member of record of a~~
25 ~~corporation, upon at least 10 days' written demand, may examine for~~
26 ~~any proper purpose in person or by agent or attorney, during usual~~
27 ~~business hours, its minutes of shareholders' or members' meetings~~

1 and record of shareholders or members and make extracts therefrom,
2 at the places where they are kept pursuant to section 485.

3 ~~—— (3) Upon proof by a shareholder or member of a proper purpose,~~
4 ~~the circuit court may compel production for examination by the~~
5 ~~shareholder or member of the books and records of account, minutes,~~
6 ~~and record of shareholders or members of a corporation, and may~~
7 ~~allow the shareholder or member to make extracts therefrom.~~

8 (2) EXCEPT AS PROVIDED IN SUBSECTION (7), ANY SHAREHOLDER OR
9 MEMBER OF RECORD OF A CORPORATION THAT IS ORGANIZED ON A STOCK OR
10 MEMBERSHIP BASIS, IN PERSON OR BY ATTORNEY OR OTHER AGENT, MAY
11 DURING REGULAR BUSINESS HOURS INSPECT FOR ANY PROPER PURPOSE THE
12 CORPORATION'S STOCK LEDGER, A LIST OF ITS SHAREHOLDERS OR MEMBERS,
13 AND ITS OTHER BOOKS AND RECORDS, IF THE SHAREHOLDER OR MEMBER GIVES
14 THE CORPORATION WRITTEN DEMAND DESCRIBING WITH REASONABLE
15 PARTICULARITY THE PURPOSE OF THE INSPECTION AND THE RECORDS THE
16 SHAREHOLDER OR MEMBER DESIRES TO INSPECT, AND THE RECORDS SOUGHT
17 ARE DIRECTLY CONNECTED WITH THE PURPOSE. AS USED IN THIS
18 SUBSECTION, "PROPER PURPOSE" MEANS A PURPOSE THAT IS REASONABLY
19 RELATED TO A PERSON'S INTEREST AS A SHAREHOLDER OR MEMBER. A
20 SHAREHOLDER OR MEMBER MUST DELIVER A DEMAND UNDER THIS SUBSECTION
21 TO THE CORPORATION AT ITS REGISTERED OFFICE IN THIS STATE OR AT ITS
22 PRINCIPAL PLACE OF BUSINESS. IF AN ATTORNEY OR OTHER AGENT IS THE
23 PERSON SEEKING TO INSPECT THE RECORDS, THE DEMAND MUST INCLUDE A
24 POWER OF ATTORNEY OR OTHER WRITING THAT AUTHORIZES THE ATTORNEY OR
25 OTHER AGENT TO ACT ON BEHALF OF THE SHAREHOLDER OR MEMBER.

26 (3) IF A CORPORATION DOES NOT PERMIT AN INSPECTION REQUIRED
27 UNDER SUBSECTION (2) WITHIN 5 BUSINESS DAYS AFTER A DEMAND IS

1 RECEIVED UNDER SUBSECTION (2), OR IMPOSES UNREASONABLE CONDITIONS
2 ON THE INSPECTION, THE SHAREHOLDER OR MEMBER MAY APPLY TO THE
3 CIRCUIT COURT FOR THE COUNTY IN WHICH THE PRINCIPAL PLACE OF
4 BUSINESS OR REGISTERED OFFICE OF THE CORPORATION IS LOCATED FOR AN
5 ORDER TO COMPEL THE INSPECTION. IF THE SHAREHOLDER OR MEMBER SEEKS
6 TO INSPECT THE BOOKS AND RECORDS OTHER THAN ITS STOCK LEDGER OR
7 LIST OF SHAREHOLDERS OR MEMBERS, THE SHAREHOLDER OR MEMBER MUST
8 ESTABLISH THAT THE SHAREHOLDER OR MEMBER HAS COMPLIED WITH THIS
9 SECTION CONCERNING THE FORM AND MANNER OF MAKING DEMAND FOR
10 INSPECTION OF THE DOCUMENTS, THAT THE INSPECTION IS FOR A PROPER
11 PURPOSE, AND THAT THE DOCUMENTS SOUGHT ARE DIRECTLY CONNECTED WITH
12 THE PURPOSE. IF THE SHAREHOLDER OR MEMBER SEEKS TO INSPECT THE
13 CORPORATION'S STOCK LEDGER OR LIST OF SHAREHOLDERS OR MEMBERS AND
14 ESTABLISHES THAT THE STOCKHOLDER OR MEMBER HAS COMPLIED WITH THIS
15 SECTION CONCERNING THE FORM AND MANNER OF MAKING DEMAND FOR THE
16 INSPECTION OF THE DOCUMENTS, THE CORPORATION HAS THE BURDEN OF
17 PROOF TO ESTABLISH THAT THE INSPECTION THAT IS SOUGHT IS FOR AN
18 IMPROPER PURPOSE OR THAT THE RECORDS SOUGHT ARE NOT DIRECTLY
19 CONNECTED WITH THE PERSON'S PURPOSE. IN ITS DISCRETION, THE COURT
20 MAY ORDER THE CORPORATION TO PERMIT THE SHAREHOLDER OR MEMBER TO
21 INSPECT THE CORPORATION'S STOCK LEDGER, A LIST OF SHAREHOLDERS OR
22 MEMBERS, AND ITS OTHER BOOKS AND RECORDS, PRESCRIBE CONDITIONS AND
23 LIMITATIONS ON THE INSPECTION, AND AWARD OTHER OR FURTHER RELIEF
24 THAT THE COURT CONSIDERS JUST AND PROPER. THE COURT MAY ORDER
25 BOOKS, DOCUMENTS AND RECORDS, PERTINENT EXTRACTS, OR DULY
26 AUTHENTICATED COPIES TO BE BROUGHT TO THIS STATE AND KEPT IN THIS
27 STATE AND PRESCRIBE TERMS AND CONDITIONS ON THOSE OBLIGATIONS.

1 (4) A DIRECTOR MAY EXAMINE ANY OF THE CORPORATION'S BOOKS AND
2 RECORDS FOR A PURPOSE REASONABLY RELATED TO HIS OR HER POSITION AS
3 A DIRECTOR. THE DIRECTOR MAY APPLY TO THE CIRCUIT COURT OF THE
4 COUNTY IN WHICH THE PRINCIPAL PLACE OF BUSINESS OR REGISTERED
5 OFFICE OF THE CORPORATION IS LOCATED FOR AN ORDER TO COMPEL THE
6 INSPECTION. IN ITS DISCRETION, THE COURT MAY ORDER THE CORPORATION
7 TO PERMIT THE DIRECTOR TO INSPECT ANY AND ALL BOOKS AND RECORDS,
8 PRESCRIBE CONDITIONS AND LIMITATIONS ON THE INSPECTION, AND AWARD
9 OTHER AND FURTHER RELIEF THAT THE COURT CONSIDERS JUST AND PROPER.

10 (5) IF THE COURT ORDERS INSPECTION OF THE RECORDS DEMANDED
11 UNDER SUBSECTION (3) OR (4), IT SHALL ALSO ORDER THE CORPORATION TO
12 PAY THE SHAREHOLDER'S, MEMBER'S, OR DIRECTOR'S COSTS, INCLUDING
13 REASONABLE ATTORNEY FEES, INCURRED TO OBTAIN THE ORDER UNLESS THE
14 CORPORATION PROVES THAT IT FAILED TO PERMIT THE INSPECTION IN GOOD
15 FAITH BECAUSE IT HAD A REASONABLE BASIS TO DOUBT THE RIGHT OF THE
16 SHAREHOLDER, MEMBER, OR DIRECTOR TO INSPECT THE RECORDS DEMANDED.

17 (6) A HOLDER OF A VOTING TRUST CERTIFICATE REPRESENTING SHARES
18 OF, OR MEMBERSHIP IN, THE CORPORATION IS CONSIDERED A SHAREHOLDER
19 OR MEMBER FOR PURPOSES OF THIS SECTION AND SECTION 485.

20 (7) NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS ACT, THE
21 ARTICLES OF INCORPORATION, THE BYLAWS, OR A RESOLUTION OF THE BOARD
22 OF DIRECTORS MAY PROVIDE THAT THE SHAREHOLDERS OR MEMBERS AND
23 ATTORNEYS OR AGENTS FOR SHAREHOLDERS OR MEMBERS DO NOT HAVE THE
24 RIGHT TO INSPECT THE CORPORATION'S STOCK LEDGER, LISTS OF
25 SHAREHOLDER OR MEMBERS, LISTS OF DONORS OR DONATIONS, OR ITS OTHER
26 BOOKS AND RECORDS, IF THE INCORPORATORS, SHAREHOLDERS, MEMBERS, OR
27 DIRECTORS THAT APPROVE A LIMITATION UNDER THIS SUBSECTION MAKE A

1 GOOD FAITH DETERMINATION THAT 1 OR MORE OF THE FOLLOWING APPLY:

2 (A) OPENING THE STOCK LEDGER, LISTS OF SHAREHOLDER OR MEMBERS,
3 LISTS OF DONORS OR DONATIONS, OR ITS OTHER BOOKS AND RECORDS FOR
4 INSPECTION WOULD IMPAIR THE RIGHTS OF PRIVACY OR FREE ASSOCIATION
5 OF THE SHAREHOLDERS OR MEMBERS.

6 (B) OPENING THE STOCK LEDGER, LISTS OF SHAREHOLDER OR MEMBERS,
7 LISTS OF DONORS OR DONATIONS, OR ITS OTHER BOOKS AND RECORDS FOR
8 INSPECTION WOULD IMPAIR THE LAWFUL PURPOSES OF THE CORPORATION.

9 (C) OPENING LISTS OF DONORS OR DONATIONS FOR INSPECTION IS NOT
10 IN THE BEST INTERESTS OF THE CORPORATION OR ITS DONORS.

11 (8) A CORPORATION THAT LIMITS INSPECTION OF LISTS OF ITS
12 SHAREHOLDERS OR MEMBERS UNDER SUBSECTION (7) SHALL PROVIDE A
13 REASONABLE WAY FOR SHAREHOLDERS OR MEMBERS TO COMMUNICATE WITH ALL
14 OTHER SHAREHOLDERS OR MEMBERS CONCERNING THE ELECTION OF DIRECTORS
15 AND OTHER AFFAIRS OF THE CORPORATION. A CORPORATION DESCRIBED IN
16 THIS SUBSECTION MAY REQUIRE A SHAREHOLDER OR MEMBER THAT WISHES TO
17 COMMUNICATE WITH OTHER SHAREHOLDERS OR MEMBERS UNDER THIS
18 SUBSECTION TO PAY THE REASONABLE COSTS TO COVER THE COST OF LABOR
19 AND MATERIALS AND THIRD-PARTY CHARGES INCURRED BY THE CORPORATION
20 IN DOING SO.

21 (9) AS USED IN THIS SECTION:

22 (A) "PROPER PURPOSE" MEANS A PURPOSE THAT IS REASONABLY
23 RELATED TO A PERSON'S INTEREST AS A SHAREHOLDER OR MEMBER OF A
24 CORPORATION.

25 (B) "RIGHT TO INSPECT RECORDS" INCLUDES THE RIGHT TO COPY AND
26 MAKE EXTRACTS FROM THE RECORDS OF A CORPORATION AND, IF REASONABLE,
27 THE RIGHT TO REQUIRE THE CORPORATION TO SUPPLY COPIES MADE BY

1 PHOTOGRAPHIC, XEROGRAPHIC, OR OTHER MEANS. TO COVER THE COST OF
2 LABOR AND MATERIAL, THE CORPORATION MAY REQUIRE A SHAREHOLDER OR
3 MEMBER TO PAY A REASONABLE CHARGE FOR COPIES OF THE DOCUMENTS
4 PROVIDED TO THE SHAREHOLDER OR MEMBER.

5 SEC. 488. (1) SUBJECT TO SUBSECTION (11), AN AGREEMENT AMONG
6 THE MEMBERS OF A CORPORATION THAT IS ORGANIZED ON A MEMBERSHIP
7 BASIS, AMONG THE SHAREHOLDERS OF A CORPORATION THAT IS ORGANIZED ON
8 A STOCK BASIS, OR AMONG THE DIRECTORS OF A CORPORATION THAT IS
9 ORGANIZED ON A DIRECTORSHIP BASIS THAT COMPLIES WITH THIS SECTION
10 IS EFFECTIVE AMONG THE MEMBERS, SHAREHOLDERS, OR DIRECTORS AND THE
11 CORPORATION EVEN THOUGH IT IS INCONSISTENT WITH THIS ACT IN 1 OR
12 MORE OF THE FOLLOWING WAYS:

13 (A) IT RESTRICTS THE DISCRETION OR POWERS OF THE BOARD.

14 (B) IT GOVERNS THE AUTHORIZATION OR MAKING OF DISTRIBUTIONS
15 PERMITTED UNDER SECTION 301 WHETHER OR NOT IN PROPORTION TO THE
16 MEMBERSHIP INTEREST OR SHARES HELD, SUBJECT TO LIMITATIONS IN
17 SECTIONS 345 AND 855 PERTAINING TO THE PROTECTION OF CREDITORS.

18 (C) IT ESTABLISHES WHO SHALL BE DIRECTORS OR OFFICERS OF THE
19 CORPORATION, OR THE TERMS OF OFFICE OR MANNER OF SELECTION OR
20 REMOVAL OF DIRECTORS OR OFFICERS OF THE CORPORATION.

21 (D) IN GENERAL OR IN REGARD TO SPECIFIC MATTERS, IT GOVERNS
22 THE EXERCISE OR DIVISION OF VOTING POWER BY OR BETWEEN THE MEMBERS
23 OR SHAREHOLDERS AND DIRECTORS OR BY OR AMONG ANY OF THE MEMBERS,
24 SHAREHOLDERS, OR DIRECTORS, INCLUDING, BUT NOT LIMITED TO, USE OF
25 WEIGHTED VOTING RIGHTS OR RESTRICTIONS ON THE VOTING RIGHTS OF
26 PARTICULAR MEMBERS, SHAREHOLDERS, OR DIRECTORS.

27 (E) IT ESTABLISHES THE TERMS AND CONDITIONS OF ANY AGREEMENT

1 FOR THE TRANSFER OR USE OF PROPERTY OR THE PROVISION OF SERVICES
2 BETWEEN THE CORPORATION AND ANY MEMBER, SHAREHOLDER, DIRECTOR,
3 OFFICER, OR EMPLOYEE OF THE CORPORATION OR AMONG THE MEMBERS,
4 SHAREHOLDERS, DIRECTORS, OFFICERS, OR EMPLOYEES OF THE CORPORATION.

5 (F) IT TRANSFERS TO 1 OR MORE MEMBERS, SHAREHOLDERS, OR OTHER
6 PERSONS ALL OR PART OF THE AUTHORITY TO EXERCISE THE CORPORATE
7 POWERS OR TO MANAGE THE BUSINESS AND AFFAIRS OF THE CORPORATION,
8 INCLUDING, BUT NOT LIMITED TO, THE RESOLUTION OF ANY ISSUE ABOUT
9 WHICH THERE EXISTS A DEADLOCK AMONG DIRECTORS, MEMBERS, OR
10 SHAREHOLDERS.

11 (G) IT REQUIRES DISSOLUTION OF THE CORPORATION AT THE REQUEST
12 OF 1 OR MORE OF THE MEMBERS, SHAREHOLDERS, OR DIRECTORS OR IF A
13 SPECIFIED EVENT OR CONTINGENCY OCCURS.

14 (H) IT ESTABLISHES THAT SHARES OR MEMBERSHIPS MAY BE
15 ASSESSABLE BY THE CORPORATION, INCLUDING THE PROCEDURES FOR AN
16 ASSESSMENT AND THE CONSEQUENCES OF A FAILURE BY A SHAREHOLDER OR
17 MEMBER TO PAY AN ASSESSMENT.

18 (I) IT OTHERWISE GOVERNS THE EXERCISE OF THE CORPORATE POWERS
19 OR THE MANAGEMENT OF THE BUSINESS AND AFFAIRS OF THE CORPORATION OR
20 THE RELATIONSHIP AMONG THE SHAREHOLDERS, THE MEMBERS, THE
21 DIRECTORS, AND THE CORPORATION, OR AMONG ANY OF THE SHAREHOLDERS,
22 MEMBERS, OR DIRECTORS, AND IS NOT CONTRARY TO PUBLIC POLICY.

23 (2) AN AGREEMENT THAT IS AUTHORIZED UNDER THIS SECTION SHALL
24 MEET BOTH OF THE FOLLOWING REQUIREMENTS:

25 (A) IT IS INCLUDED IN EITHER OF THE FOLLOWING:

26 (i) A PROVISION OF THE ARTICLES OF INCORPORATION OR BYLAWS THAT
27 IS APPROVED BY ALL MEMBERS OR SHAREHOLDERS OR ALL DIRECTORS OF A

1 CORPORATION THAT IS ORGANIZED ON A DIRECTORSHIP BASIS AT THE TIME
2 OF THE AGREEMENT.

3 (ii) A WRITTEN AGREEMENT THAT IS SIGNED BY ALL MEMBERS OR
4 SHAREHOLDERS OR ALL DIRECTORS OF A CORPORATION THAT IS ORGANIZED ON
5 A DIRECTORSHIP BASIS AT THE TIME OF THE AGREEMENT AND THAT IS
6 DISCLOSED TO THE CORPORATION.

7 (B) IS SUBJECT TO AMENDMENT ONLY BY ALL MEMBERS OR
8 SHAREHOLDERS OR BY ALL DIRECTORS OF A CORPORATION THAT IS ORGANIZED
9 ON A DIRECTORSHIP BASIS AT THE TIME OF THE AMENDMENT, UNLESS THE
10 AGREEMENT PROVIDES OTHERWISE OR THE AMENDMENT INVOLVES A PROVISION
11 OF THE ARTICLES OF INCORPORATION DESCRIBED IN SECTION 209(1)(F).

12 (3) A CORPORATION SHALL CONSPICUOUSLY NOTE THE EXISTENCE OF AN
13 AGREEMENT AUTHORIZED UNDER THIS SECTION ON THE FACE OR BACK OF ANY
14 CERTIFICATE OF MEMBERSHIP OR FOR SHARES ISSUED BY THE CORPORATION
15 OR ON THE INFORMATION STATEMENT REQUIRED UNDER SECTION 336. IF AT
16 THE TIME OF THE AGREEMENT THE CORPORATION HAS MEMBERSHIPS OR SHARES
17 OUTSTANDING REPRESENTED BY CERTIFICATES, THE CORPORATION SHALL
18 RECALL THE OUTSTANDING CERTIFICATES AND ISSUE SUBSTITUTE
19 CERTIFICATES THAT COMPLY WITH THIS SUBSECTION. A FAILURE TO NOTE
20 THE EXISTENCE OF THE AGREEMENT ON THE CERTIFICATE OR INFORMATION
21 STATEMENT DOES NOT AFFECT THE VALIDITY OF THE AGREEMENT OR ANY
22 ACTION TAKEN UNDER THE AGREEMENT.

23 (4) ANY PERSON THAT BECOMES A MEMBER OF A CORPORATION
24 ORGANIZED ON A MEMBERSHIP BASIS, A SHAREHOLDER OF A CORPORATION
25 ORGANIZED ON A STOCK BASIS, OR A DIRECTOR OF A CORPORATION
26 ORGANIZED ON A DIRECTORSHIP BASIS AND DID NOT HAVE KNOWLEDGE OF THE
27 EXISTENCE OF AN AGREEMENT AUTHORIZED UNDER THIS SECTION AT THE TIME

1 THE PERSON BECAME A MEMBER, SHAREHOLDER, OR DIRECTOR, MAY ELECT TO
2 RESIGN AS A MEMBER, SHAREHOLDER, OR DIRECTOR, MAY ELECT TO RESCIND
3 THE TRANSFER OF ANY MEMBERSHIP OR SHARES, OR MAY ELECT TO MAINTAIN
4 AN ACTION TO TERMINATE THE AGREEMENT. FOR PURPOSES OF THIS
5 SUBSECTION, A PERSON IS CONSIDERED TO HAVE KNOWLEDGE OF AN
6 AGREEMENT AUTHORIZED UNDER THIS SECTION IF AT THE TIME THE PERSON
7 BECOMES A MEMBER, SHAREHOLDER, OR DIRECTOR, THE AGREEMENT IS
8 INCLUDED IN THE ARTICLES OF INCORPORATION OR BYLAWS, THE
9 AGREEMENT'S EXISTENCE IS NOTED ON THE CERTIFICATE OR INFORMATION
10 STATEMENT PROVIDED UNDER SUBSECTION (3), OR A COPY OR A WRITTEN
11 SUMMARY OF THE AGREEMENT IS FURNISHED TO THE PERSON BEFORE THE
12 PERSON BECOMES A MEMBER, SHAREHOLDER, OR DIRECTOR. A PERSON MUST
13 COMMENCE AN ACTION TO ENFORCE A RIGHT OF RESCISSION OR TO TERMINATE
14 THE AGREEMENT WITHIN 90 DAYS AFTER DISCOVERY OF THE EXISTENCE OF
15 THE AGREEMENT OR 2 YEARS AFTER THE PERSON BECOMES A SHAREHOLDER,
16 MEMBER, OR DIRECTOR, WHICHEVER IS EARLIER. IN AN ACTION OR SUIT TO
17 TERMINATE THE AGREEMENT, THE COURT IN WHICH THE ACTION IS BROUGHT
18 SHALL TERMINATE THE AGREEMENT IF THE COURT DETERMINES THAT THE
19 AGREEMENT IS MATERIALLY INCONSISTENT WITH OR DETRIMENTAL TO
20 CARRYING OUT THE PURPOSES OF THE CORPORATION, MATERIALLY IMPAIRS
21 RIGHTS OR INTERESTS THE PERSON THAT BROUGHT THE ACTION OR SUIT
22 WOULD REASONABLY HAVE EXPECTED TO HAVE ACQUIRED IN BECOMING A
23 MEMBER, SHAREHOLDER, OR DIRECTOR, OR IS INCONSISTENT WITH 1 OR MORE
24 OF THE LIMITATIONS UNDER SUBSECTION (11).

25 (5) IF AN AGREEMENT AUTHORIZED IN THIS SECTION CEASES TO BE
26 EFFECTIVE FOR ANY REASON AND IS CONTAINED OR REFERRED TO IN THE
27 CORPORATION'S ARTICLES OF INCORPORATION OR BYLAWS, THE BOARD MAY

1 WITHOUT SHAREHOLDER OR MEMBER ACTION ADOPT AN AMENDMENT TO THE
2 ARTICLES OF INCORPORATION OR BYLAWS TO DELETE THE AGREEMENT AND ANY
3 REFERENCES TO IT.

4 (6) AN AGREEMENT AUTHORIZED UNDER THIS SECTION THAT LIMITS THE
5 DISCRETION OR POWERS OF THE BOARD SHALL RELIEVE THE DIRECTORS OF,
6 AND IMPOSE ON THE PERSON OR PERSONS IN WHICH THE DISCRETION OR
7 POWERS ARE VESTED, LIABILITY FOR ACTS OR OMISSIONS IMPOSED BY LAW
8 ON DIRECTORS TO THE EXTENT THAT THE DISCRETION OR POWERS OF THE
9 DIRECTORS ARE LIMITED BY THE AGREEMENT. THE PERSON OR PERSONS IN
10 WHICH THE DISCRETION OR POWERS ARE VESTED ARE TREATED AS A DIRECTOR
11 OR DIRECTORS FOR PURPOSES OF ANY INDEMNIFICATION AND ANY LIMITATION
12 ON LIABILITY UNDER SECTION 209.

13 (7) THE EXISTENCE OR PERFORMANCE OF AN AGREEMENT AUTHORIZED
14 UNDER THIS SECTION IS NOT GROUNDS FOR IMPOSING PERSONAL LIABILITY
15 ON ANY MEMBER, SHAREHOLDER, OR OTHER PERSON FOR THE ACTS OR DEBTS
16 OF THE CORPORATION OR FOR TREATING THE CORPORATION AS IF IT WERE A
17 PARTNERSHIP OR UNINCORPORATED ENTITY, EVEN IF THE AGREEMENT OR ITS
18 PERFORMANCE RESULTS IN FAILURE TO OBSERVE THE CORPORATE FORMALITIES
19 OTHERWISE APPLICABLE TO THE MATTERS GOVERNED BY THE AGREEMENT.

20 (8) FILING A CERTIFICATE OF DISSOLUTION UNDER SECTION 805 IS
21 REQUIRED TO IMPLEMENT A DISSOLUTION UNDER AN AGREEMENT AUTHORIZED
22 UNDER SUBSECTION (1) (G) .

23 (9) INCORPORATORS OR SUBSCRIBERS FOR MEMBERSHIPS OR SHARES MAY
24 ACT AS MEMBERS OR SHAREHOLDERS WITH RESPECT TO AN AGREEMENT
25 AUTHORIZED UNDER THIS SECTION IF THE CORPORATION HAS NOT ISSUED
26 MEMBERSHIPS OR SHARES AT THE TIME THE AGREEMENT IS MADE.

27 (10) A FAILURE TO SATISFY THE UNANIMITY REQUIREMENT OF

1 SUBSECTION (2) WITH RESPECT TO AN AGREEMENT AUTHORIZED UNDER THIS
2 SECTION DOES NOT INVALIDATE ANY AGREEMENT OR ANY PROVISION OF THE
3 ARTICLES OF INCORPORATION OR BYLAWS THAT WOULD OTHERWISE BE VALID.

4 (11) AN AGREEMENT UNDER THIS SECTION IS NOT EFFECTIVE TO DO
5 ANY OF THE FOLLOWING:

6 (A) TO AUTHORIZE DISTRIBUTIONS THAT ARE NOT PERMITTED UNDER
7 SECTION 301.

8 (B) TO ALLOW PROPERTY THAT IS HELD FOR CHARITABLE OR OTHER
9 PUBLIC PURPOSES TO BE USED FOR PRIVATE BENEFIT, THROUGH THE PAYMENT
10 OR EXCESSIVE COMPENSATION FOR GOODS OR SERVICES, OR IN ANY OTHER
11 MANNER.

12 (C) TO ALLOW THE USE OF CORPORATE PROPERTY IN A MANNER THAT IS
13 MATERIALLY INCONSISTENT WITH THE PURPOSES OF THE CORPORATION OR A
14 VALID RESTRICTION IMPOSED BY DONORS.

15 SEC. 489. (1) A DIRECTOR OF A CORPORATION THAT IS ORGANIZED ON
16 A DIRECTORSHIP BASIS, A SHAREHOLDER OF A CORPORATION THAT IS
17 ORGANIZED ON A STOCK BASIS, OR A MEMBER OF A CORPORATION THAT IS
18 ORGANIZED ON A MEMBERSHIP BASIS MAY BRING AN ACTION IN THE CIRCUIT
19 COURT OF THE COUNTY IN WHICH THE PRINCIPAL PLACE OF BUSINESS OR
20 REGISTERED OFFICE OF THE CORPORATION IS LOCATED TO ESTABLISH THAT
21 THE ACTS OF THE DIRECTORS, SHAREHOLDERS, MEMBERS, OR OTHERS IN
22 CONTROL OF THE CORPORATION ARE ILLEGAL, FRAUDULENT, OR WILLFULLY
23 UNFAIR AND OPPRESSIVE TO THE CORPORATION OR TO THE DIRECTOR,
24 MEMBER, OR SHAREHOLDER. IF THE DIRECTOR, MEMBER, OR SHAREHOLDER
25 ESTABLISHES GROUNDS FOR RELIEF, THE CIRCUIT COURT MAY MAKE AN ORDER
26 OR GRANT RELIEF AS IT CONSIDERS APPROPRIATE INCLUDING, BUT NOT
27 LIMITED TO, AN ORDER THAT PROVIDES FOR ANY OF THE FOLLOWING:

1 (A) THE DISSOLUTION AND LIQUIDATION OF THE ASSETS AND AFFAIRS
2 OF THE CORPORATION.

3 (B) THE CANCELLATION OR ALTERATION OF A PROVISION CONTAINED IN
4 THE ARTICLES OF INCORPORATION, AN AMENDMENT OF THE ARTICLES OF
5 INCORPORATION, OR THE BYLAWS OF THE CORPORATION.

6 (C) THE CANCELLATION OF, ALTERATION OF, OR AN INJUNCTION
7 AGAINST A RESOLUTION OR OTHER ACT OF THE CORPORATION.

8 (D) THE DIRECTION OR PROHIBITION OF AN ACT OF THE CORPORATION
9 OR OF SHAREHOLDERS, MEMBERS, DIRECTORS, OFFICERS, OR OTHER PERSONS
10 THAT ARE PARTIES TO THE ACTION.

11 (E) THE PURCHASE AT FAIR VALUE OF THE SHARES OF A SHAREHOLDER
12 OR THE MEMBERSHIP OF A MEMBER, EITHER BY THE CORPORATION OR BY THE
13 OFFICERS, DIRECTORS, OR OTHER SHAREHOLDERS OR MEMBERS RESPONSIBLE
14 FOR THE WRONGFUL ACTS. IN ESTABLISHING THE FAIR VALUE OF THE SHARES
15 OR MEMBERSHIP FOR PURPOSES OF THIS SUBSECTION, A SHAREHOLDER OR
16 MEMBER IS NOT CONSIDERED TO HAVE ANY INTEREST IN CHARITABLE OR
17 OTHER ASSETS OF THE CORPORATION THAT WOULD NOT BE DISTRIBUTABLE TO
18 SHAREHOLDERS OR MEMBERS OF THE CORPORATION IN A DISSOLUTION UNDER
19 SECTION 855.

20 (F) AN AWARD OF DAMAGES TO THE CORPORATION OR A SHAREHOLDER OR
21 MEMBER. A PERSON MUST COMMENCE AN ACTION SEEKING AN AWARD OF
22 DAMAGES WITHIN 3 YEARS AFTER THE CAUSE OF ACTION UNDER THIS SECTION
23 HAS ACCRUED, OR WITHIN 2 YEARS AFTER THE SHAREHOLDER OR MEMBER
24 DISCOVERS OR REASONABLY SHOULD HAVE DISCOVERED THE CAUSE OF ACTION
25 UNDER THIS SECTION, WHICHEVER OCCURS FIRST. IN AWARDING DAMAGES
26 UNDER THIS SUBSECTION TO A SHAREHOLDER OR MEMBER, THE SHAREHOLDER
27 OR MEMBER IS NOT CONSIDERED TO HAVE ANY INTEREST IN CHARITABLE OR

1 OTHER ASSETS OF THE CORPORATION THAT WOULD NOT BE DISTRIBUTABLE TO
2 SHAREHOLDERS OR MEMBERS OF THE CORPORATION IN A DISSOLUTION UNDER
3 SECTION 855.

4 (2) AS USED IN THIS SECTION, "WILLFULLY UNFAIR AND OPPRESSIVE
5 CONDUCT" WITH RESPECT TO A MEMBER OR SHAREHOLDER MEANS A CONTINUING
6 COURSE OF CONDUCT OR A SIGNIFICANT ACTION OR SERIES OF ACTIONS THAT
7 SUBSTANTIALLY INTERFERES WITH THE RIGHTS OR INTERESTS OF THE MEMBER
8 OR SHAREHOLDER AS A MEMBER OR SHAREHOLDER. THE TERM DOES NOT
9 INCLUDE CONDUCT OR ACTIONS THAT ARE PERMITTED BY AN AGREEMENT, THE
10 ARTICLES OF INCORPORATION, THE BYLAWS, OR A CONSISTENTLY APPLIED
11 WRITTEN CORPORATE POLICY OR PROCEDURE.

12 SEC. 491A. AS USED IN THIS SECTION AND SECTIONS 492A TO 497:

13 (A) "DERIVATIVE PROCEEDING" MEANS A CIVIL SUIT IN THE RIGHT OF
14 A DOMESTIC CORPORATION OR A FOREIGN CORPORATION THAT IS AUTHORIZED
15 TO OR DOES CONDUCT AFFAIRS IN THIS STATE.

16 (B) "DIRECTOR" INCLUDES AN INDIVIDUAL WHO WAS SERVING ON THE
17 BOARD OF A CORPORATION ORGANIZED ON A DIRECTORSHIP BASIS AT THE
18 TIME OF THE ACT OR OMISSION COMPLAINED OF AND AN INDIVIDUAL WHO
19 BECOMES A MEMBER OF THE BOARD OF THAT CORPORATION AFTER THE ACT OR
20 OMISSION.

21 (C) "DISINTERESTED DIRECTOR" MEANS AN INDIVIDUAL WHO IS
22 CURRENTLY SERVING ON THE BOARD OF A CORPORATION AND IS NOT A PARTY
23 TO A DERIVATIVE PROCEEDING, OR AN INDIVIDUAL WHO IS CURRENTLY
24 SERVING ON THE BOARD OF A CORPORATION AND IS A PARTY TO A
25 DERIVATIVE PROCEEDING IF THE CORPORATION DEMONSTRATES THAT THE
26 CLAIM ASSERTED AGAINST THE DIRECTOR IS FRIVOLOUS OR INSUBSTANTIAL.

27 (D) "MEMBER" MEANS A RECORD OR BENEFICIAL OWNER OF A

1 MEMBERSHIP IN A CORPORATION THAT IS ORGANIZED ON A MEMBERSHIP BASIS
2 AND INCLUDES A BENEFICIAL OWNER WHOSE MEMBERSHIP IS HELD IN A
3 VOTING TRUST OR HELD BY A NOMINEE ON THE OWNER'S BEHALF.

4 (E) "SHAREHOLDER" MEANS A RECORD OR BENEFICIAL OWNER OF SHARES
5 OF A CORPORATION THAT IS ORGANIZED ON A STOCK BASIS AND INCLUDES A
6 BENEFICIAL OWNER WHOSE SHARES ARE HELD IN A VOTING TRUST OR HELD BY
7 A NOMINEE ON THE OWNER'S BEHALF.

8 SEC. 492A. A SHAREHOLDER OR MEMBER MAY NOT COMMENCE OR
9 MAINTAIN A DERIVATIVE PROCEEDING UNLESS THE SHAREHOLDER OR MEMBER
10 MEETS ALL OF THE FOLLOWING CRITERIA:

11 (A) THE SHAREHOLDER OR MEMBER WAS A SHAREHOLDER OR MEMBER OF
12 THE CORPORATION AT THE TIME OF THE ACT OR OMISSION COMPLAINED OF OR
13 BECAME A SHAREHOLDER OR MEMBER THROUGH A PERMITTED TRANSFER BY
14 OPERATION OF LAW FROM A PERSON THAT WAS A SHAREHOLDER OR MEMBER AT
15 THAT TIME.

16 (B) THE SHAREHOLDER OR MEMBER FAIRLY AND ADEQUATELY REPRESENTS
17 THE INTERESTS OF THE CORPORATION IN ENFORCING THE RIGHT OF THE
18 CORPORATION.

19 (C) THE SHAREHOLDER OR MEMBER CONTINUES TO BE A SHAREHOLDER OR
20 MEMBER UNTIL THE TIME OF JUDGMENT, UNLESS THE FAILURE TO CONTINUE
21 TO BE A SHAREHOLDER OR MEMBER IS THE RESULT OF CORPORATE ACTION IN
22 WHICH THE FORMER SHAREHOLDER OR MEMBER DID NOT ACQUIESCE AND THE
23 DERIVATIVE PROCEEDING WAS COMMENCED BEFORE THE TERMINATION OF THE
24 FORMER SHAREHOLDER'S OR MEMBER'S STATUS AS A SHAREHOLDER OR MEMBER.

25 SEC. 493A. A SHAREHOLDER, MEMBER, OR DIRECTOR MAY NOT COMMENCE
26 A DERIVATIVE PROCEEDING UNTIL ALL OF THE FOLLOWING HAVE OCCURRED:

27 (A) A WRITTEN DEMAND IS MADE ON THE CORPORATION TO TAKE

1 SUITABLE ACTION.

2 (B) NINETY DAYS HAVE EXPIRED FROM THE DATE THE DEMAND WAS MADE
3 UNLESS THE SHAREHOLDER, MEMBER, OR DIRECTOR IS NOTIFIED THAT THE
4 CORPORATION HAS REJECTED THE DEMAND OR UNLESS IRREPARABLE INJURY TO
5 THE CORPORATION WOULD RESULT BY WAITING FOR THE EXPIRATION OF THE
6 90-DAY PERIOD.

7 SEC. 494. IF THE CORPORATION COMMENCES AN INVESTIGATION OF THE
8 ALLEGATIONS MADE IN A DEMAND UNDER SECTION 493 OR A COMPLAINT IN A
9 DERIVATIVE PROCEEDING, THE COURT MAY STAY THE DERIVATIVE PROCEEDING
10 FOR A PERIOD THAT THE COURT CONSIDERS APPROPRIATE.

11 SEC. 495. (1) ON A MOTION BY THE CORPORATION IN A DERIVATIVE
12 PROCEEDING, THE COURT SHALL DISMISS THE PROCEEDING IF THE COURT
13 FINDS THAT 1 OF THE GROUPS SPECIFIED IN SUBSECTION (2) HAS MADE A
14 DETERMINATION IN GOOD FAITH AFTER CONDUCTING A REASONABLE
15 INVESTIGATION ON WHICH ITS CONCLUSIONS ARE BASED, THAT THE
16 MAINTENANCE OF THE DERIVATIVE PROCEEDING IS NOT IN THE BEST
17 INTERESTS OF THE CORPORATION. IF THE DETERMINATION IS MADE UNDER
18 SUBSECTION (2) (A) OR (B), THE CORPORATION HAS THE BURDEN OF PROVING
19 THE GOOD FAITH OF THE GROUP MAKING THE DETERMINATION AND THE
20 REASONABLENESS OF THE INVESTIGATION. IF THE DETERMINATION IS MADE
21 UNDER SUBSECTION (2) (C) OR (D), THE PLAINTIFF HAS THE BURDEN OF
22 PROVING THAT THE DETERMINATION WAS NOT MADE IN GOOD FAITH OR THAT
23 THE INVESTIGATION WAS NOT REASONABLE.

24 (2) A DETERMINATION UNDER SUBSECTION (1) MAY BE MADE BY ANY 1
25 OF THE FOLLOWING:

26 (A) BY A MAJORITY VOTE OF THE DISINTERESTED DIRECTORS, IF THE
27 DISINTERESTED DIRECTORS CONSTITUTE A QUORUM AT A MEETING OF THE

1 BOARD.

2 (B) BY A MAJORITY VOTE OF A COMMITTEE THAT CONSISTS OF 2 OR
3 MORE DISINTERESTED DIRECTORS APPOINTED BY A MAJORITY VOTE OF
4 DISINTERESTED DIRECTORS PRESENT AT A MEETING OF THE BOARD, WHETHER
5 OR NOT THE DISINTERESTED DIRECTORS CONSTITUTE A QUORUM AT THE
6 MEETING.

7 (C) BY A PANEL OF 1 OR MORE DISINTERESTED INDIVIDUALS WHO ARE
8 APPOINTED BY THE COURT ON A MOTION BY THE CORPORATION.

9 (D) BY ALL DISINTERESTED DIRECTORS.

10 SEC. 496. A DERIVATIVE PROCEEDING SHALL NOT BE DISCONTINUED OR
11 SETTLED WITHOUT THE COURT'S APPROVAL. IF THE COURT DETERMINES THAT
12 A PROPOSED DISCONTINUANCE OR SETTLEMENT WILL SUBSTANTIALLY AFFECT
13 THE INTERESTS OF THE CORPORATION'S SHAREHOLDERS OR MEMBERS OR A
14 CLASS OF SHAREHOLDERS OR MEMBERS, THE COURT SHALL DIRECT THAT
15 NOTICE BE GIVEN TO THE SHAREHOLDERS OR MEMBERS AFFECTED AND THE
16 COURT MAY DETERMINE WHETHER 1 OR MORE OF THE PARTIES TO THE ACTION
17 SHALL BEAR THE EXPENSE OF GIVING THE NOTICE, IN THE AMOUNT AS THE
18 COURT DETERMINES AND FINDS TO BE REASONABLE UNDER THE
19 CIRCUMSTANCES. THE COURT SHALL AWARD THE COST OF THE NOTICE AS
20 SPECIAL COSTS OF THE ACTION, RECOVERABLE IN THE SAME MANNER AS
21 STATUTORY TAXABLE COSTS.

22 SEC. 497. IF A DERIVATIVE PROCEEDING IS TERMINATED, THE COURT
23 MAY ORDER 1 OF THE FOLLOWING:

24 (A) THE PLAINTIFF TO PAY ANY OF THE DEFENDANT'S REASONABLE
25 EXPENSES, INCLUDING REASONABLE ATTORNEY FEES, INCURRED IN DEFENDING
26 THE PROCEEDING IF IT FINDS THAT THE PROCEEDING WAS COMMENCED OR
27 MAINTAINED IN BAD FAITH OR WITHOUT REASONABLE CAUSE.

1 (B) THE CORPORATION TO PAY THE PLAINTIFF'S REASONABLE
2 EXPENSES, INCLUDING REASONABLE ATTORNEY FEES, INCURRED IN THE
3 PROCEEDING IF IT FINDS THAT THE PROCEEDING HAS RESULTED IN A
4 SUBSTANTIAL BENEFIT TO THE CORPORATION. THE COURT SHALL DIRECT THE
5 PLAINTIFF TO ACCOUNT TO THE CORPORATION FOR ANY PROCEEDS RECEIVED
6 BY THE PLAINTIFF IN EXCESS OF EXPENSES AWARDED BY THE COURT, UNLESS
7 THE JUDGMENT IS RENDERED FOR THE BENEFIT OF AN INJURED SHAREHOLDER
8 OR MEMBER ONLY AND LIMITED TO A RECOVERY OF THE LOSS OR DAMAGE
9 SUSTAINED BY THE SHAREHOLDER OR MEMBER.

10 Sec. 501. (1) The business and affairs of a corporation shall
11 be managed by **OR UNDER THE DIRECTION OF** its board, except as
12 otherwise provided in this act **OR IN ITS ARTICLES OF INCORPORATION**.
13 A director ~~need not~~ **IS NOT REQUIRED TO** be a shareholder or member
14 of the corporation unless the articles **OF INCORPORATION** or bylaws
15 so require. The articles **OF INCORPORATION** or bylaws may prescribe
16 qualifications for directors.

17 (2) The board of a corporation that is subject to the uniform
18 prudent management of institutional funds act, **2009 PA 87, MCL**
19 **451.921 TO 451.931**, has the powers granted under both that act and
20 this act. ~~However, in~~ **IN** the event of an inconsistency between the
21 2 acts, the uniform prudent management of institutional funds act,
22 **2009 PA 87, MCL 451.921 TO 451.931**, controls.

23 Sec. 505. (1) ~~Except as provided in subsection (5), the board~~
24 ~~shall consist of 3 or more directors.~~ The bylaws shall fix the
25 number of directors or establish the manner for fixing the number,
26 unless the articles of incorporation fix the number, **-SUBJECT TO**
27 **THE FOLLOWING:**

1 (A) THE BOARD OF A PRIVATE FOUNDATION AND BOARD OF A
2 CORPORATION FORMED TO PROVIDE CARE TO A DENTALLY UNDERSERVED
3 POPULATION UNDER SECTION 16625 OF THE PUBLIC HEALTH CODE, 1978 PA
4 368, MCL 333.16625, SHALL CONSIST OF 1 OR MORE DIRECTORS.

5 (B) THE BOARD OF A CORPORATION THAT IS NOT DESCRIBED IN
6 SUBDIVISION (A) SHALL CONSIST OF 3 OR MORE DIRECTORS.

7 (2) The articles of incorporation or a bylaw adopted by the
8 shareholders, members, or incorporators of a corporation **THAT IS**
9 organized on a stock or membership basis may specify the term of
10 office and the manner of election or appointment of directors. If
11 the articles of incorporation or bylaws do not ~~so~~ specify the term
12 of office or manner of election or appointment of directors, the
13 first board of directors shall hold office until the first annual
14 meeting of shareholders or members. At the first annual meeting of
15 shareholders or members and at each subsequent annual meeting the
16 shareholders or members shall elect directors to hold office until
17 the succeeding annual meeting, except ~~in case of the classification~~
18 ~~of directors permitted under this act.~~ **AS PROVIDED IN SECTION 506.**

19 (3) The articles of incorporation or a bylaw of a corporation
20 **THAT IS** organized on a directorship basis shall specify the term of
21 office and the manner of election or appointment of directors.

22 (4) A director shall hold office for the term for which he or
23 she is elected or appointed and until his or her successor is
24 elected or appointed and qualified, or until his or her resignation
25 or removal. A director may resign by written notice to the
26 corporation. A resignation of a director is effective when it is
27 received by the corporation or **AT** a later time if ~~set forth~~ **A LATER**

1 **TIME IS STATED** in the notice of resignation.

2 ~~—— (5) Beginning 180 days after the effective date of the~~
 3 ~~amendatory act that added this subsection, the board of a~~
 4 ~~corporation that is in existence on the effective date of the~~
 5 ~~amendatory act that added this subsection shall consist of 3 or~~
 6 ~~more directors.~~

7 Sec. 506. (1) The articles of incorporation or a bylaw adopted
 8 by the shareholders, ~~or members,~~ **OR INCORPORATORS** of a corporation
 9 **THAT IS** organized ~~upon~~ **ON** a stock or membership basis may provide
 10 that in lieu of annual election of all directors the directors ~~be~~
 11 **ARE** divided into ~~2 or more~~ **UP TO 5** classes, ~~to be~~ **EACH OF WHICH IS**
 12 **AS NEARLY EQUAL IN NUMBER AS POSSIBLE, AND** elected or appointed for
 13 ~~such~~ **THE** terms and in ~~such~~ **THE** manner as ~~therein~~ specified **IN THE**
 14 **ARTICLES OF INCORPORATION OR BYLAWS.** If the articles of
 15 incorporation or the bylaws do not ~~so~~ specify the term of office
 16 for the classes of directors, the term of office of directors in
 17 the first class shall expire at the first annual meeting of
 18 shareholders or members after their election, and that of each
 19 succeeding class shall expire at the next annual meeting after
 20 their election corresponding with the number of their class. At
 21 each annual meeting after ~~such classification,~~ **CLASSES ARE**
 22 **ESTABLISHED, THE SHAREHOLDERS OR MEMBERS SHALL ELECT** a number of
 23 directors equal to the number of the class whose term expires at
 24 the time of the meeting ~~shall be elected to hold office until the~~
 25 next annual meeting corresponding with the number of their class.
 26 (2) A corporation ~~having~~ **THAT HAS** more than 1 class of shares
 27 or membership may provide in its articles of incorporation or a

1 bylaw adopted by each class of shareholders or members for the
2 election of 1 or more directors by shareholders or members of a
3 class, to the exclusion of other shareholders or members.

4 (3) The articles **OF INCORPORATION** or bylaws of a corporation
5 **THAT IS** organized ~~upon~~**ON** a directorship basis may provide that the
6 directors ~~be~~**ARE** divided into ~~2 or more~~**UP TO 5** classes, ~~to be~~
7 elected or appointed for ~~such~~**THE** terms and in ~~such~~**THE** manner as
8 ~~therein specified~~ **IN THE ARTICLES OF INCORPORATION OR BYLAWS.**

9 Sec. 511. (1) ~~Unless otherwise provided in the articles of~~
10 ~~incorporation or bylaws, a director or the entire board may be~~
11 ~~removed.~~**THE SHAREHOLDERS OR MEMBERS OF A CORPORATION THAT IS**
12 **ORGANIZED ON A STOCK OR MEMBERSHIP BASIS MAY REMOVE 1 OR MORE**
13 **DIRECTORS WITH OR WITHOUT CAUSE UNLESS THE ARTICLES OF**
14 **INCORPORATION PROVIDE THAT DIRECTORS MAY BE REMOVED ONLY FOR CAUSE.**
15 **A VOTE OF A MAJORITY OF THE SHARES OR MEMBERS ENTITLED TO VOTE AT**
16 **AN ELECTION OF DIRECTORS IS REQUIRED FOR REMOVAL, EXCEPT THAT THE**
17 **ARTICLES OF INCORPORATION MAY REQUIRE A HIGHER VOTE FOR REMOVAL**
18 **WITHOUT CAUSE. THIS SUBSECTION DOES NOT INVALIDATE ANY BYLAW**
19 **ADOPTED BEFORE THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED**
20 **THIS SENTENCE TO THE EXTENT THAT THE BYLAW APPLIES TO REMOVAL**
21 **WITHOUT CAUSE.**

22 ~~—— (a) With or without cause, by vote of the holders of a~~
23 ~~majority of the shares or by majority vote of members entitled to~~
24 ~~vote at an election of directors.~~

25 ~~—— (b) With cause, by the vote of a majority of the directors~~
26 ~~then in office in the case of a corporation organized upon a~~
27 ~~directorship basis.~~

(2) THE DIRECTORS OF A CORPORATION THAT IS ORGANIZED ON A DIRECTORSHIP BASIS MAY REMOVE 1 OR MORE DIRECTORS WITH CAUSE. THE VOTE OF A MAJORITY OF THE DIRECTORS THEN IN OFFICE IS REQUIRED FOR A REMOVAL UNDER THIS SUBSECTION. IF AUTHORIZED IN THE ARTICLES OF INCORPORATION OR BYLAWS, A DIRECTOR OF A CORPORATION THAT IS ORGANIZED ON A DIRECTORSHIP BASIS WHO IS APPOINTED OR ELECTED BY A PERSON OR PERSONS OTHER THAN THE BOARD OF DIRECTORS OF THE CORPORATION MAY ALSO BE REMOVED, WITH OR WITHOUT CAUSE, BY THE PERSON OR PERSONS THAT APPOINTED OR ELECTED THAT DIRECTOR.

~~(3) (2) In the case of~~ IF a corporation ~~having~~ HAS cumulative voting, ~~if~~ AND less than the entire board is to be removed, no 1 of the directors may be removed if the votes cast against ~~the~~ ~~director's~~ HIS OR HER removal ~~would be~~ ARE sufficient to elect ~~the~~ ~~director~~ HIM OR HER if ~~then~~ cumulatively voted at an election of the entire board of directors, or, if there are classes of directors, at an election of the class of directors of which ~~the~~ ~~director~~ HE OR SHE is a part.

~~(4) (3) When shareholders~~ IF HOLDERS OF A CLASS OF STOCK OR OF BONDS or members of a class are entitled ~~by~~ UNDER the articles OF INCORPORATION or a bylaw adopted ~~pursuant to~~ UNDER section 506(2) to elect 1 or more directors, this section applies, with respect to removal of a director so elected, to the vote of the holders of the outstanding shares ~~or~~ OF THAT CLASS OF STOCK, THE HOLDERS OF THOSE BONDS, OR THE members of that class. ~~and not to the vote of the~~ ~~outstanding shares or membership as a whole.~~

SEC. 514. (1) THE CIRCUIT COURT FOR THE COUNTY IN WHICH THE PRINCIPAL PLACE OF BUSINESS OR REGISTERED OFFICE OF A CORPORATION

1 IS LOCATED MAY REMOVE A DIRECTOR OF THE CORPORATION FROM OFFICE IN
2 A PROCEEDING COMMENCED BY THE CORPORATION, BY ITS SHAREHOLDERS
3 HOLDING AT LEAST 10% OF THE OUTSTANDING SHARES OF ANY CLASS, OR BY
4 10% OF THE MEMBERS IF THE COURT FINDS THAT THE DIRECTOR ENGAGED IN
5 FRAUDULENT, ILLEGAL, OR DISHONEST CONDUCT OR GROSS ABUSE OF
6 AUTHORITY OR DISCRETION WITH RESPECT TO THE CORPORATION, AND
7 REMOVAL IS IN THE BEST INTEREST OF THE CORPORATION.

8 (2) A COURT THAT REMOVES A DIRECTOR UNDER THIS SECTION MAY BAR
9 HIM OR HER FROM SERVING AS A DIRECTOR OF THE CORPORATION FOR A
10 PERIOD PRESCRIBED BY THE COURT.

11 (3) IF SHAREHOLDERS OR MEMBERS COMMENCE A PROCEEDING UNDER
12 SUBSECTION (1), THEY SHALL MAKE THE CORPORATION A PARTY DEFENDANT.

13 SEC. 515A. (1) UNLESS OTHERWISE LIMITED IN THE ARTICLES OF
14 INCORPORATION OR BYLAWS, IF A VACANCY, INCLUDING A VACANCY
15 RESULTING FROM AN INCREASE IN THE NUMBER OF DIRECTORS, OCCURS ON A
16 BOARD, THE CORPORATION MAY FILL THE VACANCY IN ANY OF THE FOLLOWING
17 MANNERS:

18 (A) THE SHAREHOLDERS OF A CORPORATION THAT IS ORGANIZED ON A
19 STOCK BASIS OR THE MEMBERS OF A CORPORATION THAT IS ORGANIZED ON A
20 MEMBERSHIP BASIS MAY FILL THE VACANCY.

21 (B) THE BOARD MAY FILL THE VACANCY.

22 (C) IF THE DIRECTORS REMAINING IN OFFICE CONSTITUTE FEWER THAN
23 A QUORUM OF THE BOARD, THEY MAY FILL THE VACANCY BY THE AFFIRMATIVE
24 VOTE OF A MAJORITY OF ALL THE DIRECTORS REMAINING IN OFFICE.

25 (2) UNLESS OTHERWISE PROVIDED IN THE ARTICLES OF INCORPORATION
26 OR BYLAWS, IF THE HOLDERS OF ANY CLASS OR CLASSES OF STOCK OR THE
27 MEMBERS OF ANY CLASS OR CLASSES ARE ENTITLED TO ELECT 1 OR MORE

1 DIRECTORS TO THE EXCLUSION OF OTHER SHAREHOLDERS OR MEMBERS,
2 VACANCIES OF THAT CLASS OR CLASSES MAY BE FILLED ONLY BY 1 OF THE
3 FOLLOWING:

4 (A) BY A MAJORITY OF THE DIRECTORS ELECTED BY THE HOLDERS OF
5 THAT CLASS OR CLASSES OF STOCK OR THE MEMBERS OF THAT CLASS OR
6 CLASSES THEN IN OFFICE, WHETHER OR NOT THOSE DIRECTORS CONSTITUTE A
7 QUORUM OF THE BOARD.

8 (B) BY THE HOLDERS OF SHARES OF THAT CLASS OR CLASSES OF
9 SHARES OR THE MEMBERS OF THAT CLASS OR CLASSES.

10 (3) UNLESS OTHERWISE LIMITED IN THE ARTICLES OF INCORPORATION
11 OR BYLAWS, IF A CORPORATION'S DIRECTORS ARE DIVIDED INTO CLASSES,
12 ANY DIRECTOR CHOSEN TO FILL A VACANCY SHALL HOLD OFFICE UNTIL THE
13 NEXT ELECTION OF THE CLASS FOR WHICH THE DIRECTOR WAS CHOSEN, AND
14 UNTIL HIS OR HER SUCCESSOR IS ELECTED AND QUALIFIED.

15 (4) IF BECAUSE OF DEATH, RESIGNATION, OR OTHER CAUSE, A
16 CORPORATION HAS NO DIRECTORS IN OFFICE, AN OFFICER, A SHAREHOLDER,
17 A MEMBER OF A CORPORATION THAT IS ORGANIZED ON A MEMBERSHIP BASIS,
18 A PERSONAL REPRESENTATIVE, ADMINISTRATOR, TRUSTEE, OR GUARDIAN OF A
19 SHAREHOLDER OR MEMBER, OR OTHER FIDUCIARY ENTRUSTED WITH THE SAME
20 RESPONSIBILITY FOR THE PERSON OR ESTATE OF A SHAREHOLDER OR MEMBER,
21 MAY CALL A SPECIAL MEETING OF SHAREHOLDERS OR MEMBERS IN ACCORDANCE
22 WITH THE ARTICLES OR THE BYLAWS.

23 (5) A CORPORATION MAY FILL A VACANCY THAT WILL OCCUR AT A
24 SPECIFIC DATE, BY REASON OF A RESIGNATION THAT IS EFFECTIVE AT A
25 LATER DATE UNDER SECTION 505 OR OTHERWISE, BEFORE THE VACANCY
26 OCCURS, BUT A DIRECTOR WHO IS ELECTED OR APPOINTED UNDER THIS
27 SUBSECTION MAY NOT TAKE OFFICE UNTIL THE VACANCY OCCURS.

1 Sec. 521. (1) ~~Regular~~ **A BOARD MAY HOLD REGULAR** or special
2 meetings of ~~a-**THE**~~ board ~~may be held~~ either in or outside of this
3 state.

4 (2) A **BOARD MAY HOLD A** regular meeting ~~may be held~~ with or
5 without notice as prescribed in the bylaws. A **BOARD MAY HOLD A**
6 special meeting ~~shall be held upon~~ **AFTER GIVING** notice as
7 prescribed in the bylaws. ~~Attendance of a director at a meeting~~
8 ~~constitutes a waiver of notice of the meeting, except where a~~
9 ~~director attends a meeting for the express purpose of objecting to~~
10 ~~the transaction of any business because the meeting is not lawfully~~
11 ~~called or convened. Neither~~ **A DIRECTOR'S ATTENDANCE AT OR**
12 **PARTICIPATION IN A MEETING WAIVES ANY REQUIRED NOTICE TO HIM OR HER**
13 **OF THE MEETING UNLESS HE OR SHE AT THE BEGINNING OF THE MEETING, OR**
14 **WHEN HE OR SHE ARRIVES, OBJECTS TO THE MEETING OR THE TRANSACTING**
15 **OF BUSINESS AT THE MEETING AND AFTER OBJECTING DOES NOT VOTE FOR OR**
16 **ASSENT TO ANY ACTION TAKEN AT THE MEETING. UNLESS REQUIRED UNDER**
17 **THE BYLAWS, NOTICE OR A WAIVER OF NOTICE OF A MEETING DOES NOT HAVE**
18 **TO SPECIFY** the business to be transacted at, ~~nor~~ **OR** the purpose of,
19 ~~a-**THE**~~ regular or special meeting. ~~need be specified in the notice~~
20 ~~or waiver of notice of the meeting unless required by the bylaws.~~

21 (3) Unless otherwise restricted ~~by~~ **IN** the articles of
22 incorporation or bylaws, a member of the board or of a committee
23 designated by the board may participate in a meeting by means of
24 conference telephone or other means of remote communication ~~by~~
25 ~~which~~ **IF** all ~~persons~~ **INDIVIDUALS WHO ARE** participating in the
26 meeting can communicate with ~~each other.~~ **THE OTHER PARTICIPANTS.**
27 Participation in a meeting ~~pursuant to~~ **UNDER** this subsection

1 constitutes ~~presence~~ **ATTENDANCE** in person at the meeting.

2 Sec. 523. (1) A majority of the members of ~~the~~ **A board WHO ARE**
3 then in office, or of the members of a committee ~~thereof~~, **OF THE**
4 **BOARD**, constitutes a quorum for the transaction of business,
5 ~~provided that the articles of incorporation or bylaws may provide~~
6 ~~for a larger number, and provided further that in any corporation~~
7 ~~where there are more than 7 directors, the articles of~~
8 ~~incorporation or bylaws may provide that less than a majority, but~~
9 ~~in no event less than 1/3 of the directors, may constitute a quorum~~
10 ~~of the board.~~ **UNLESS THE ARTICLES OF INCORPORATION OR BYLAWS, OR IN**
11 **THE CASE OF A COMMITTEE, THE BOARD RESOLUTION THAT ESTABLISHES THE**
12 **COMMITTEE, PROVIDE FOR A LARGER OR SMALLER NUMBER. HOWEVER, A**
13 **QUORUM OF THE BOARD MAY NOT BE LESS THAN 1/3 OF THE MEMBERS OF THE**
14 **BOARD WHO ARE THEN IN OFFICE AND A QUORUM OF AN EXECUTIVE COMMITTEE**
15 **ACTING ON BEHALF OF THE BOARD UNDER SECTION 527 MAY NOT BE LESS**
16 **THAN 1/3 OF MEMBERS OF THE EXECUTIVE COMMITTEE.** The vote of the
17 majority of members present at a meeting at which a quorum is
18 present constitutes the action of the board or of the committee,
19 unless the vote of a larger number is required ~~by~~ **UNDER** this act,
20 the articles **OF INCORPORATION**, or the bylaws, **OR IN THE CASE OF A**
21 **COMMITTEE, THE BOARD RESOLUTION THAT ESTABLISHES THE COMMITTEE.**

22 (2) Amendment of the bylaws by ~~the~~ **A board** requires the vote
23 of not less than a majority of the members of the board then in
24 office, **UNLESS THE ARTICLES OF INCORPORATION OR BYLAWS PROVIDE FOR**
25 **A LARGER NUMBER.**

26 Sec. 527. (1) Unless otherwise provided in the articles of
27 incorporation or bylaws, the board may designate 1 or more

1 **EXECUTIVE** committees, each **EXECUTIVE** committee to consist of 1 or
 2 more of the directors of the corporation. The board may designate 1
 3 or more directors as alternate members of ~~a~~**AN EXECUTIVE** committee,
 4 who may replace an absent or disqualified member at a meeting of
 5 the **EXECUTIVE** committee. The bylaws may provide that in the absence
 6 or disqualification of a member of ~~a~~**AN EXECUTIVE** committee, the
 7 members ~~thereof~~ present at a meeting and not disqualified from
 8 voting, whether or not they constitute a quorum, may unanimously
 9 appoint another member of the board to act at the meeting in place
 10 of ~~such an~~**THE** absent or disqualified member.

11 (2) ~~A~~**AN EXECUTIVE** committee designated ~~pursuant to~~**UNDER**
 12 subsection (1) ~~, and each member thereof, shall serve~~**OF AN**
 13 **EXECUTIVE COMMITTEE SERVES** at the pleasure of the board.

14 (3) The articles of incorporation or bylaws may provide for
 15 the election or appointment of 1 or more **EXECUTIVE** committees ~~to~~
 16 **THAT** consist of 1 or more shareholders or members, ~~or~~ 1 or more
 17 directors, or a combination of shareholders or members and
 18 directors.

19 (4) **UNLESS OTHERWISE PROHIBITED IN THE ARTICLES OF**
 20 **INCORPORATION OR BYLAWS, THE BOARD OR AN INDIVIDUAL OR INDIVIDUALS**
 21 **DESIGNATED IN THE BYLAWS OR BY THE BOARD MAY APPOINT 1 OR MORE**
 22 **COMMITTEES THAT ARE NOT EXECUTIVE COMMITTEES TO ASSIST IN THE**
 23 **CONDUCT OF ITS AFFAIRS AND MAY PROVIDE OF THE CREATION OF 1 OR MORE**
 24 **SUBCOMMITTEES OF ANY COMMITTEE APPOINTED UNDER THIS SUBSECTION. THE**
 25 **BYLAWS, OR A RESOLUTION THAT ESTABLISHES THE COMMITTEE AND IS**
 26 **APPROVED BY THE BOARD IN THE ABSENCE OF A BYLAW PROVISION, SHALL**
 27 **STATE THE PURPOSES OF THE COMMITTEES APPOINTED UNDER THIS**

1 SUBSECTION, THE TERMS AND QUALIFICATIONS OF COMMITTEE MEMBERS, AND
2 THE WAYS IN WHICH MEMBERS OF THE COMMITTEES ARE SELECTED AND
3 REMOVED. THE BOARD OR AUTHORIZED INDIVIDUALS MAY DESIGNATE 1 OR
4 MORE INDIVIDUALS AS ALTERNATE MEMBERS OF A COMMITTEE APPOINTED
5 UNDER THIS SUBSECTION WHO MAY REPLACE AN ABSENT OR DISQUALIFIED
6 COMMITTEE MEMBER IN A MEETING OF THE COMMITTEE. SOME OR ALL OF THE
7 MEMBERS OF A COMMITTEE APPOINTED UNDER THIS SUBSECTION MAY BE
8 INDIVIDUALS WHO ARE DIRECTORS, OFFICERS, MEMBERS, OR SHAREHOLDERS
9 OF THE CORPORATION AND SOME OR ALL OF THE MEMBERS OF A COMMITTEE
10 APPOINTED UNDER THIS SUBSECTION MAY BE INDIVIDUALS WHO ARE NOT
11 DIRECTORS, OFFICERS, MEMBERS, OR SHAREHOLDERS OF THE CORPORATION,
12 AS PROVIDED IN THE BYLAWS OR IN THE ACTION OR RESOLUTION OR
13 RESOLUTIONS OF THE BOARD THAT ESTABLISH THE COMMITTEE. A COMMITTEE
14 THAT IS APPOINTED UNDER THIS SUBSECTION IS NOT AN EXECUTIVE
15 COMMITTEE AND MAY NOT EXECUTE THE POWER OR AUTHORITY OF THE BOARD
16 IN THE MANAGEMENT OF THE BUSINESS AND AFFAIRS OF THE CORPORATION,
17 BUT MAY PERFORM UNDER THE DIRECTION OF THE BOARD THOSE FUNCTIONS
18 DESCRIBED IN THE BYLAWS OR DETERMINED FROM TIME TO TIME BY THE
19 BOARD.

20 Sec. 528. (1) ~~A~~ **AN EXECUTIVE** committee **THAT IS** designated
21 ~~pursuant to~~ **UNDER** section 527, ~~527(1) OR (3),~~ to the extent
22 provided in the resolution of the board, ~~in the case of a committee~~
23 ~~designated in section 527(1), or to the extent provided in the~~
24 articles **OF INCORPORATION**, or in the bylaws, ~~in the case of a~~
25 ~~committee designated in section 527(3),~~ may exercise any or all
26 powers and authority of the board in management of the business and
27 affairs of the corporation. ~~However, such a~~ **AN EXECUTIVE** committee

1 does not have power or authority to **DO ANY OF THE FOLLOWING:**

2 (a) Amend the articles of incorporation.

3 (b) Adopt an agreement of merger or ~~consolidation~~-**CONVERSION**.

4 (c) Recommend to shareholders or members the sale, lease, or
5 exchange of all or substantially all of the corporation's property
6 and assets.

7 (d) Recommend to shareholders or members a dissolution of the
8 corporation or a revocation of a dissolution.

9 (e) Amend the bylaws of the corporation.

10 (f) Fill vacancies in the board.

11 (g) Fix compensation of the directors for serving on the board
12 or on a committee.

13 (h) Cancel ~~stock~~-**SHARES** or terminate ~~membership~~-**MEMBERSHIPS**.

14 (2) **UNLESS THE RESOLUTION, ARTICLES OF INCORPORATION, OR**
15 **BYLAWS EXPRESSLY PROVIDE THE POWER OR AUTHORITY, AN EXECUTIVE**
16 **COMMITTEE DOES NOT HAVE POWER OR AUTHORITY TO DECLARE A**
17 **DISTRIBUTION AUTHORIZED UNDER SECTION 301 OR TO AUTHORIZE THE**
18 **ISSUANCE OF SHARES OR MEMBERSHIPS.**

19 (3) **UNLESS OTHERWISE PROVIDED IN THE RESOLUTION, ARTICLES OF**
20 **INCORPORATION, OR BYLAWS, AN EXECUTIVE COMMITTEE MAY CREATE 1 OR**
21 **MORE SUBCOMMITTEES. EACH SUBCOMMITTEE SHALL CONSIST OF 1 OR MORE**
22 **MEMBERS OF THE COMMITTEE. AN EXECUTIVE COMMITTEE OR THE BOARD MAY**
23 **DELEGATE TO A SUBCOMMITTEE ANY OR ALL OF THE POWERS AND AUTHORITY**
24 **OF THE COMMITTEE.**

25 **SEC. 529. A CORPORATION MAY AGREE TO SUBMIT A MATTER TO A VOTE**
26 **OF ITS SHAREHOLDERS OR MEMBERS EVEN IF, AFTER APPROVING THE MATTER,**
27 **THE BOARD OF DIRECTORS LATER DETERMINES THAT IT NO LONGER**

1 **RECOMMENDS THE MATTER OR RECOMMENDS AGAINST APPROVAL OF THE MATTER**
2 **BY THE SHAREHOLDERS OR MEMBERS.**

3 Sec. 531. (1) The officers of a corporation shall consist of a
4 president, secretary, treasurer, and, if desired, a chairperson of
5 the board, 1 or more ~~vice presidents,~~ **VICE PRESIDENTS**, and ~~such~~ **ANY**
6 other officers as ~~may be prescribed by~~ **IN** the bylaws or determined
7 by the board. Unless otherwise provided in the articles of
8 incorporation or bylaws, the ~~officer shall be elected or appointed~~
9 ~~by the board~~ **SHALL ELECT OR APPOINT THE OFFICERS.**

10 (2) ~~Two~~ **ONE INDIVIDUAL MAY HOLD 2** or more offices, ~~may be held~~
11 ~~by the same person,~~ but an officer shall not execute, acknowledge,
12 or verify an instrument in more than 1 capacity if the instrument
13 is required by law or the articles **OF INCORPORATION** or bylaws to be
14 executed, acknowledged, or verified by 2 or more officers.

15 (3) An officer ~~elected or appointed as herein provided~~ shall
16 hold office for the term for which ~~the officer~~ **HE OR SHE** is elected
17 or appointed and until a ~~HIS OR HER~~ **HIS OR HER** successor is elected or
18 appointed and qualified, or until ~~the~~ **HIS OR HER** resignation or
19 removal. ~~of the officer.~~

20 (4) An officer, as between ~~that officer,~~ **HIMSELF OR HERSELF**,
21 other officers, and the corporation, has ~~such~~ **THE** authority and
22 shall perform ~~such~~ **THE** duties in the management of the corporation
23 ~~as may be provided in the bylaws, or as may be determined by~~ **IN**
24 **ACCORDANCE WITH A** resolution **OR RESOLUTIONS** of the board **THAT IS**
25 not inconsistent with the bylaws.

26 Sec. 541. (1) ~~A director or an officer shall discharge the~~
27 ~~duties of that position in good faith and with the degree of~~

~~diligence, care, and skill that an ordinarily prudent person would exercise under similar circumstances in a like position. In discharging the duties, a director or an officer, when acting in good faith, may rely upon the opinion of counsel for the corporation, upon the report of an independent appraiser selected with reasonable care by the board, or upon financial statements of the corporation represented to the director or officer as correct by the president or the officer of the corporation who has charge of its books or account, or as stated in a written report by an independent public or certified public accountant or firm of accountants fairly to reflect the financial condition of the corporation.~~ A DIRECTOR OR OFFICER SHALL DISCHARGE HIS OR HER DUTIES AS A DIRECTOR OR OFFICER INCLUDING HIS OR HER DUTIES AS A MEMBER OF A COMMITTEE IN THE FOLLOWING MANNER:

(A) IN GOOD FAITH.

(B) WITH THE CARE AN ORDINARILY PRUDENT PERSON IN A LIKE POSITION WOULD EXERCISE UNDER SIMILAR CIRCUMSTANCES.

(C) IN A MANNER HE OR SHE REASONABLY BELIEVES IS IN THE BEST INTERESTS OF THE CORPORATION.

(2) IN DISCHARGING HIS OR HER DUTIES, A DIRECTOR OR OFFICER IS ENTITLED TO RELY ON INFORMATION, OPINIONS, REPORTS, OR STATEMENTS, INCLUDING FINANCIAL STATEMENTS AND OTHER FINANCIAL DATA, IF PREPARED OR PRESENTED BY ANY OF THE FOLLOWING:

(A) ONE OR MORE DIRECTORS, OFFICERS, OR EMPLOYEES OF THE CORPORATION, OR OF A DOMESTIC OR FOREIGN CORPORATION OR A BUSINESS ORGANIZATION UNDER JOINT CONTROL OR COMMON CONTROL, WHOM THE DIRECTOR OR OFFICER REASONABLY BELIEVES TO BE RELIABLE AND

1 COMPETENT IN THE MATTERS PRESENTED.

2 (B) LEGAL COUNSEL, PUBLIC ACCOUNTANTS, ENGINEERS, OR OTHER
3 PERSONS AS TO MATTERS THE DIRECTOR OR OFFICER REASONABLY BELIEVES
4 ARE WITHIN THE PERSON'S PROFESSIONAL OR EXPERT COMPETENCE.

5 (C) A COMMITTEE OF THE BOARD OF WHICH HE OR SHE IS NOT A
6 MEMBER IF THE DIRECTOR OR OFFICER REASONABLY BELIEVES THAT THE
7 COMMITTEE MERITS CONFIDENCE.

8 (3) A DIRECTOR OR OFFICER IS NOT ENTITLED TO RELY ON THE
9 INFORMATION DESCRIBED IN SUBSECTION (2) IF HE OR SHE HAS KNOWLEDGE
10 CONCERNING THE MATTER IN QUESTION THAT MAKES RELIANCE OTHERWISE
11 PERMITTED UNDER SUBSECTION (2) UNWARRANTED.

12 (4) ~~(2)~~—A director or officer of a corporation **THAT IS** subject
13 to the uniform prudent management of institutional funds act, ~~shall~~
14 ~~be~~—2009 PA 87, MCL 451.921 TO 451.931, **IS** considered to be in
15 compliance with this section if ~~the director or officer~~ **HE OR SHE**
16 complies with the uniform prudent management of institutional funds
17 act, 2009 PA 87, MCL 451.921 TO 451.931, in the administration of
18 the powers specified in that act.

19 (5) ~~(3)~~—If the corporation's articles of incorporation contain
20 a provision authorized under section ~~209(e),~~ **209(1)(C)**, a ~~volunteer~~
21 director of the corporation is only personally liable for monetary
22 damages for a breach of fiduciary duty as a director to the
23 corporation, its shareholders, or its members to the extent set
24 forth in the provision.

25 (6) ~~(4)~~—If the corporation's articles of incorporation contain
26 a provision authorized under section ~~209(d),~~ **209(1)(D)**, a claim for
27 monetary damages for a breach of a volunteer director's duty to any

1 person other than the corporation, its shareholders, or its members
2 shall not be brought or maintained against the volunteer director.
3 ~~The claim shall~~ **HOWEVER, THAT CLAIM MAY** be brought or maintained
4 ~~instead against the corporation, which shall be~~ **AND THE CORPORATION**
5 **IS** liable for any breach of the volunteer director's duty.

6 (7) ~~(5)~~ An action against a director or officer for failure to
7 perform the duties imposed ~~by~~ **UNDER** this section shall be commenced
8 within 3 years after the cause of action has accrued, or within 2
9 years after the time when the cause of action is discovered ~~—~~ or
10 should reasonably have been discovered, by the complainant,
11 whichever occurs first.

12 **SEC. 545A. (1) A TRANSACTION IN WHICH A DIRECTOR OR OFFICER IS**
13 **DETERMINED TO HAVE AN INTEREST SHALL NOT BE ENJOINED, SET ASIDE, OR**
14 **GIVE RISE TO AN AWARD OF DAMAGES OR OTHER SANCTIONS BECAUSE OF THE**
15 **INTEREST, IN A PROCEEDING BY A SHAREHOLDER, A MEMBER, OR A DIRECTOR**
16 **OF A CORPORATION THAT IS ORGANIZED ON A DIRECTORSHIP BASIS OR BY OR**
17 **IN THE RIGHT OF THE CORPORATION, IF THE PERSON INTERESTED IN THE**
18 **TRANSACTION ESTABLISHES ANY OF THE FOLLOWING:**

19 (A) THE TRANSACTION WAS FAIR TO THE CORPORATION AT THE TIME IT
20 WAS ENTERED INTO.

21 (B) THE MATERIAL FACTS OF THE TRANSACTION AND THE DIRECTOR'S
22 OR OFFICER'S INTEREST WERE DISCLOSED OR KNOWN TO THE BOARD OR AN
23 EXECUTIVE COMMITTEE OF THE BOARD AND THE BOARD OR EXECUTIVE
24 COMMITTEE AUTHORIZED, APPROVED, OR RATIFIED THE TRANSACTION.

25 (C) THE MATERIAL FACTS OF THE TRANSACTION AND THE DIRECTOR'S
26 OR OFFICER'S INTEREST WERE DISCLOSED OR KNOWN TO THE SHAREHOLDERS
27 OR MEMBERS WHO ARE ENTITLED TO VOTE AND THEY AUTHORIZED, APPROVED,

1 OR RATIFIED THE TRANSACTION.

2 (2) FOR PURPOSES OF SUBSECTION (1) (B), A TRANSACTION IS
3 AUTHORIZED, APPROVED, OR RATIFIED IF IT RECEIVED THE AFFIRMATIVE
4 VOTE OF THE MAJORITY OF THE DIRECTORS ON THE BOARD OR THE EXECUTIVE
5 COMMITTEE WHO DID NOT HAVE AN INTEREST IN THE TRANSACTION, THOUGH
6 LESS THAN A QUORUM. THE PRESENCE OF, OR A VOTE CAST BY, A DIRECTOR
7 WITH AN INTEREST IN THE TRANSACTION DOES NOT AFFECT THE VALIDITY OF
8 AN ACTION TAKEN UNDER SUBSECTION (1) (B).

9 (3) FOR PURPOSES OF SUBSECTION (1) (C), A TRANSACTION IS
10 AUTHORIZED, APPROVED, OR RATIFIED IF IT RECEIVED THE MAJORITY OF
11 VOTES THAT WERE CAST BY THE HOLDERS OF SHARES OR MEMBERS THAT DID
12 NOT HAVE AN INTEREST IN THE TRANSACTION. A MAJORITY OF THE VOTES
13 HELD BY SHAREHOLDERS OR MEMBERS THAT DID NOT HAVE AN INTEREST IN
14 THE TRANSACTION CONSTITUTES A QUORUM FOR THE PURPOSE OF TAKING
15 ACTION UNDER SUBSECTION (1) (C).

16 (4) SATISFYING THE REQUIREMENTS OF SUBSECTION (1) DOES NOT
17 PRECLUDE OTHER CLAIMS RELATING TO A TRANSACTION IN WHICH A DIRECTOR
18 OR OFFICER IS DETERMINED TO HAVE AN INTEREST. THOSE CLAIMS SHALL BE
19 EVALUATED UNDER PRINCIPLES APPLICABLE TO A TRANSACTION IN WHICH A
20 DIRECTOR OR OFFICER DOES NOT HAVE AN INTEREST.

21 (5) UNLESS THE COMPENSATION IS PROHIBITED BY THE ARTICLES OF
22 INCORPORATION OR THE BYLAWS, THE BOARD, BY AFFIRMATIVE VOTE OF A
23 MAJORITY OF DIRECTORS IN OFFICE AND IRRESPECTIVE OF ANY PERSONAL
24 INTEREST OF ANY OF THEM, MAY, SUBJECT TO ANY LIMITATIONS IN THE
25 ARTICLES OF INCORPORATION OR BYLAWS, ESTABLISH REASONABLE
26 COMPENSATION OF DIRECTORS FOR SERVICES TO THE CORPORATION AS
27 DIRECTORS OR OFFICERS, BUT APPROVAL OF THE SHAREHOLDERS OR MEMBERS

1 IS REQUIRED IF THE ARTICLES OF INCORPORATION, BYLAWS, OR OTHER
2 PROVISIONS OF THIS ACT REQUIRE THAT APPROVAL. TRANSACTIONS
3 PERTAINING TO THE COMPENSATION OF DIRECTORS FOR SERVICES TO THE
4 CORPORATION AS DIRECTORS OR OFFICERS SHALL NOT BE ENJOINED, SET
5 ASIDE, OR GIVE RISE TO AN AWARD OF DAMAGES OR OTHER SANCTIONS IN A
6 PROCEEDING BY A SHAREHOLDER OR MEMBER OR BY OR IN THE RIGHT OF THE
7 CORPORATION UNLESS IT IS SHOWN THAT THE COMPENSATION WAS
8 UNREASONABLE AT THE TIME IT WAS ESTABLISHED OR EXCEEDED AMOUNTS
9 PERMITTED UNDER THE ARTICLES OF INCORPORATION OR BYLAWS.

10 Sec. 548. (1) ~~Except as provided in subsection (4) and unless~~
11 **UNLESS** otherwise prohibited by law **OR PROHIBITED IN THE ARTICLES OF**
12 **INCORPORATION OR BYLAWS**, a corporation may lend money to, ~~or~~
13 guarantee an obligation of, or otherwise assist an officer or
14 employee of the corporation or a subsidiary, including an officer
15 or employee who is a director of the corporation or subsidiary, if
16 in the judgment of the board, the loan, guaranty, or assistance is
17 reasonably expected to benefit the corporation, **OR THE LOAN,**
18 **GUARANTY, OR ASSISTANCE IS PROVIDED UNDER A PLAN AUTHORIZING LOANS,**
19 **GUARANTIES, OR ASSISTANCE THAT THE BOARD HAS REASONABLY DETERMINED**
20 **WILL BENEFIT THE CORPORATION.**

21 (2) A loan, guaranty, or assistance described in subsection
22 (1) may be with or without interest, and may be unsecured, or
23 secured in a manner that the board approves, **INCLUDING A PLEDGE OF**
24 **SHARES OF STOCK OF A CORPORATION THAT IS ORGANIZED ON A STOCK BASIS**
25 **OR PLEDGE OF A MEMBERSHIP IN A CORPORATION THAT IS ORGANIZED ON A**
26 **MEMBERSHIP BASIS.**

27 (3) This section does not deny, limit, or restrict the powers

1 of guaranty or warranty of a corporation at common law or under any
2 statute.

3 ~~—— (4) If a corporation is a charitable purpose corporation, the~~
4 ~~corporation shall not provide loans to or guarantee an obligation~~
5 ~~of an officer or director of the corporation or a subsidiary of a~~
6 ~~corporation, unless the officer or director is also a client of the~~
7 ~~corporation and the loan or guaranty is necessary to carry out the~~
8 ~~corporation's charitable purposes.~~

9 Sec. 551. (1) ~~In addition to any other liability imposed by~~
10 ~~this act or other law upon directors of a corporation, directors~~
11 **DIRECTORS** who vote for ~~,~~ or concur in ~~,~~ any of the following
12 corporate actions are jointly and severally liable to the
13 corporation for **ITS BENEFIT OR FOR** the benefit of its creditors,
14 shareholders, or members, ~~to the extent of~~ **FOR** any legally
15 recoverable injury suffered by ~~such persons~~ **THE CORPORATION OR**
16 **THOSE CREDITORS, SHAREHOLDERS, OR MEMBERS** as a result of the action
17 ~~but not to exceed the amount unlawfully~~ **IN AN AMOUNT THAT DOES NOT**
18 **EXCEED THE DIFFERENCE BETWEEN THE AMOUNT PAID OR DISTRIBUTED AND**
19 **THE AMOUNT THAT LAWFULLY COULD HAVE BEEN** paid or distributed:

20 (a) ~~Distribution of assets~~ **DECLARING A SHARE DIVIDEND OR**
21 **DISTRIBUTION** to shareholders or members **THAT IS** contrary to this
22 act or contrary to any restriction in the articles of incorporation
23 or bylaws.

24 ~~—— (b) Purchase of shares or memberships of the corporation~~
25 ~~contrary to this act or contrary to any restriction in the articles~~
26 ~~or bylaws.~~

27 **(B)** ~~(c) Distribution of assets~~ **MAKING A DISTRIBUTION** to

1 shareholders or members during or after dissolution of the
 2 corporation without paying ~~or adequately providing for~~, ~~all~~
 3 ~~known~~ debts, obligations, and liabilities of the corporation **AS**
 4 **REQUIRED UNDER SECTION 855.**

5 (C) ~~(d) Making of a loan to an~~ **A DIRECTOR**, officer, director,
 6 or employee of the corporation or ~~of a subsidiary thereof~~ **OF THE**
 7 **CORPORATION THAT IS** contrary to this act.

8 (2) A director is not liable under this section if ~~the~~
 9 ~~director has complied~~ **HE OR SHE COMPLIES** with section 541.

10 (3) A shareholder or member ~~who~~ **THAT** accepts or receives a
 11 **SHARE DIVIDEND OR** distribution with knowledge of facts ~~indicating~~
 12 **THAT INDICATE THAT** it is ~~not authorized by~~ **CONTRARY TO** this act, **OR**
 13 **ANY RESTRICTION IN THE ARTICLES OF INCORPORATION OR BYLAWS,** is
 14 liable to the corporation in the amount accepted or received ~~by the~~
 15 ~~shareholder or member~~ **IN EXCESS OF THE SHAREHOLDER'S OR MEMBER'S**
 16 **SHARE OF THE AMOUNT THAT THE CORPORATION COULD LAWFULLY DISTRIBUTE.**

17 Sec. 552. (1) A director against whom a claim is successfully
 18 asserted under section 551 is entitled to contribution from the
 19 other directors who voted for, or concurred in, the action ~~upon~~ **ON**
 20 which the claim is asserted.

21 (2) A director against whom a claim is successfully asserted
 22 under section 551 is entitled, to the extent of the amounts paid by
 23 ~~the director~~ **HIM OR HER** to the corporation as a result of ~~such~~ **THE**
 24 claims, **TO ALL OF THE FOLLOWING:**

25 (a) ~~Upon payment to~~ **IF THE DIRECTOR PAYS** the corporation ~~of~~
 26 any amount of an improper **SHARE DIVIDEND OR** distribution, to be
 27 subrogated to the rights of the corporation against shareholders or

1 members ~~who~~**THAT** received the **SHARE DIVIDEND OR** distribution in
 2 proportion to the amounts received by them. ~~respectively.~~

3 (b) ~~Upon payment to~~**IF THE DIRECTOR PAYS** the corporation of
 4 any amount of the purchase price of an improper purchase of shares
 5 or memberships, ~~+(i)~~ to have the corporation rescind the purchase
 6 and recover for ~~the director's~~**HIS OR HER** benefit, but at the
 7 ~~director's~~**HIS OR HER** expense, the amount of the purchase price
 8 from any seller ~~who~~**THAT** sold ~~such~~**THE** shares or memberships with
 9 knowledge of facts indicating that ~~such~~**THE** purchase of shares or
 10 memberships by the corporation was not authorized by this act, ~~+or~~
 11 ~~(ii)~~**OR** to have the corporation assign to ~~such~~**THE** director any
 12 claim against the seller and, if consistent with its articles of
 13 incorporation and bylaws, ~~such~~**THE** shares or memberships.

14 (c) ~~Upon payment to~~**IF THE DIRECTOR PAYS** the corporation of
 15 the claim of a creditor because of a violation of section
 16 ~~551(1)(e),~~**551(1)(B)**, to be subrogated to the rights of the
 17 corporation against shareholders or members ~~who~~**THAT** received an
 18 improper distribution of assets.

19 (d) ~~Upon payment to~~**IF THE DIRECTOR PAYS** the corporation of
 20 the amount of a loan made improperly to ~~an~~**A DIRECTOR**, officer,
 21 ~~director,~~ or employee, to be subrogated to the rights of the
 22 corporation against ~~an~~**THE DIRECTOR**, officer, ~~director,~~ or employee
 23 who received the improper loan.

24 Sec. 553. (1) ~~A~~**IF A** director ~~who~~ is present at a meeting of
 25 the board, or ~~a~~**AN EXECUTIVE** committee ~~thereof~~ of which the
 26 ~~director~~**HE OR SHE** is a member, at ~~which~~**AND** action on a corporate
 27 matter ~~referred to~~**DESCRIBED** in section 551 is taken ~~, AT THAT~~

1 **MEETING, THE DIRECTOR** is presumed to ~~have concurred~~ **CONCUR** in that
 2 action unless ~~a~~ **HIS OR HER** dissent is entered in the minutes of the
 3 meeting or unless ~~the director~~ **HE OR SHE** files a ~~HIS OR HER~~ written
 4 dissent to the action with the ~~person~~ **INDIVIDUAL WHO IS** acting as
 5 secretary of the meeting before or promptly after the adjournment
 6 ~~thereof.~~ **OF THE MEETING.** The right to dissent does not apply to a
 7 director who voted in favor of the action. A

8 (2) **IF A** director who is absent from a meeting of the board,
 9 or ~~a~~ **AN EXECUTIVE** committee ~~thereof~~ of which ~~the director~~ **HE OR SHE**
 10 is a member, ~~at which any such action is taken~~ **AND ACTION ON A**
 11 **CORPORATE MATTER DESCRIBED IN SECTION 551 IS TAKEN AT THAT MEETING,**
 12 **THE DIRECTOR** is presumed to ~~have concurred~~ **CONCUR** in the action
 13 unless ~~the director~~ **HE OR SHE** files a ~~HIS OR HER~~ dissent with the
 14 secretary of the corporation within a reasonable time after
 15 ~~obtaining~~ **HE OR SHE HAS** knowledge of the action.

16 Sec. 561. Unless otherwise provided by law or ~~its~~ **THE** articles
 17 of incorporation or bylaws **OF THE CORPORATION,** a corporation has
 18 the power to indemnify a person ~~who~~ **THAT** was or is a party or is
 19 threatened to be made a party to ~~any~~ **A** threatened, pending, or
 20 completed action, suit, or proceeding, whether civil, criminal,
 21 administrative, or investigative and whether formal or informal,
 22 other than an action by or in the right of the corporation, by
 23 reason of the fact that the person is or was a director, officer,
 24 employee, nondirector volunteer, or agent of the corporation, or is
 25 or was serving at the request of the corporation as a director,
 26 officer, partner, trustee, employee, nondirector volunteer, or
 27 agent of another foreign or domestic corporation, business

1 corporation, partnership, joint venture, trust, or other
2 enterprise, whether for profit or not, ~~for profit, against~~ **FOR**
3 expenses, including attorneys' fees, judgments, penalties, fines,
4 and amounts paid in settlement actually and reasonably incurred by
5 the person in connection with the action, suit, or proceeding if
6 the person acted in good faith and in a manner the person
7 reasonably believed to be in or not opposed to the best interests
8 of the corporation or its shareholders or members, and with respect
9 to ~~any~~ **A** criminal action or proceeding, if the person had no
10 reasonable cause to believe that **THE** conduct was unlawful. The
11 termination of ~~any~~ **AN** action, suit, or proceeding by judgment,
12 order, settlement, conviction, or upon a plea of nolo contendere or
13 its equivalent, ~~shall~~ **DOES** not, of itself, create a presumption
14 that the person did not act in good faith and in a manner ~~which~~
15 **THAT** the person reasonably believed to be in or not opposed to the
16 best interests of the corporation or its shareholders or members
17 and, with respect to any criminal action or proceeding, had
18 reasonable cause to believe that the conduct was unlawful.

19 Sec. 562. Unless otherwise provided by law or ~~its~~ **IN THE**
20 articles of incorporation or bylaws **OF THE CORPORATION**, a
21 corporation has the power to indemnify a person ~~who~~ **THAT** was or is
22 a party ~~to~~ or is threatened to be made a party to a threatened,
23 pending, or completed action or suit by or in the right of the
24 corporation to procure a judgment in its favor by reason of the
25 fact that the person is or was a director, officer, employee,
26 nondirector volunteer, or agent of the corporation, or is or was
27 serving at the request of the corporation as a director, officer,

1 partner, trustee, employee, nondirector volunteer, or agent of
 2 another foreign or domestic corporation, business corporation,
 3 partnership, joint venture, trust, or other enterprise, whether for
 4 profit or not, ~~against~~ **FOR** expenses, including ~~actual and~~
 5 ~~reasonable~~ attorneys' fees ~~and~~ amounts paid in settlement
 6 **ACTUALLY AND REASONABLY** incurred by the person in connection with
 7 the action or suit if the person acted in good faith and in a
 8 manner the person reasonably believed to be in or not opposed to
 9 the best interests of the corporation or its shareholders or
 10 members. ~~However, indemnification shall not be made~~ **A CORPORATION**
 11 **SHALL NOT INDEMNIFY A PERSON** for a claim, issue, or matter in which
 12 the person ~~has been~~ **IS** found liable to the corporation ~~unless and~~
 13 ~~only to the extent that the court in which the action or suit was~~
 14 ~~brought has determined upon application that, despite the~~
 15 ~~adjudication of liability but in view of all circumstances of the~~
 16 ~~case, the person is fairly and reasonably entitled to~~
 17 ~~indemnification for expenses which the court considers~~
 18 ~~proper.~~ **EXCEPT TO THE EXTENT AUTHORIZED UNDER SECTION 564C.**

19 Sec. 563. ~~(1)~~ Unless otherwise provided by law or ~~its~~ **UNDER**
 20 **THE** articles of incorporation or bylaws **OF THE CORPORATION**, to the
 21 extent that a director, officer, ~~employee,~~ **OR** nondirector volunteer
 22 ~~, or agent of a corporation has been~~ **IS** successful on the merits or
 23 otherwise in defense of an action, suit, or proceeding referred to
 24 in section 561 or 562, or in defense of a claim, issue, or matter
 25 in the action, suit, or proceeding, ~~the successful party shall be~~
 26 ~~indemnified against~~ **OR HAS ESTABLISHED THAT THE CORPORATION IS**
 27 **REQUIRED TO ASSUME THE PERSON'S LIABILITIES UNDER SECTION 209(1)(D)**

1 OR (E), THE CORPORATION SHALL INDEMNIFY THE PERSON FOR ACTUAL AND
2 REASONABLE expenses, including actual and reasonable attorneys'
3 fees, incurred in connection with the action, suit, or proceeding
4 and in any AN action, suit, or proceeding brought to enforce the
5 mandatory indemnification provided in this subsection. SECTION.

6 ~~—— (2) An indemnification under section 561 or 562, unless~~
7 ~~ordered by a court, shall be made by the corporation only as~~
8 ~~authorized in the specific case upon a determination that~~
9 ~~indemnification of the director, officer, employee, nondirector~~
10 ~~volunteer, or agent is proper in the circumstances because the~~
11 ~~person has met the applicable standard of conduct set forth in~~
12 ~~sections 561 and 562. This determination shall be made in any of~~
13 ~~the following ways:~~

14 ~~—— (a) By a majority vote of a quorum of the board consisting of~~
15 ~~directors who were not parties to the action, suit, or proceeding.~~

16 ~~—— (b) If the quorum described in subdivision (a) is not~~
17 ~~obtainable, then by a majority vote of a committee of directors who~~
18 ~~are not parties to the action. The committee shall consist of not~~
19 ~~less than 2 disinterested directors.~~

20 ~~—— (c) By independent legal counsel in a written opinion.~~

21 ~~—— (d) By the shareholders or members.~~

22 ~~—— (3) If a person is entitled to indemnification under section~~
23 ~~561 or 562 for a portion of expenses including attorneys' fees,~~
24 ~~judgments, penalties, fines, and amounts paid in settlement but not~~
25 ~~for the total amount thereof, the corporation may indemnify the~~
26 ~~person for the portion of the expenses, judgments, penalties,~~
27 ~~fines, or amounts paid in settlement for which the person is~~

1 ~~entitled to be indemnified.~~

2 SEC. 564A. (1) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (5),
3 UNLESS ORDERED BY THE COURT, A CORPORATION SHALL INDEMNIFY A
4 DIRECTOR, OFFICER, EMPLOYEE, NONDIRECTOR VOLUNTEER, OR AGENT UNDER
5 SECTION 561 OR 562, ONLY IF AUTHORIZED IN THE SPECIFIC CASE BASED
6 ON A DETERMINATION THAT INDEMNIFICATION OF THE DIRECTOR, OFFICER,
7 EMPLOYEE, NONDIRECTOR VOLUNTEER, OR AGENT IS PROPER IN THE
8 CIRCUMSTANCES BECAUSE THAT PERSON HAS MET THE APPLICABLE STANDARD
9 OF CONDUCT SET FORTH IN SECTIONS 561 AND 562 AND BASED ON AN
10 EVALUATION THAT THE EXPENSES AND AMOUNTS PAID IN SETTLEMENT ARE
11 REASONABLE. A CORPORATION SHALL MAKE A DETERMINATION AND EVALUATION
12 UNDER THIS SUBSECTION IN 1 OF THE FOLLOWING WAYS:

13 (A) BY A MAJORITY VOTE OF A QUORUM OF THE BOARD THAT CONSISTS
14 OF DIRECTORS WHO ARE NOT PARTIES OR THREATENED TO BE MADE PARTIES
15 TO THE ACTION, SUIT, OR PROCEEDING.

16 (B) IF THE BOARD IS UNABLE TO OBTAIN A QUORUM UNDER
17 SUBDIVISION (A), BY MAJORITY VOTE OF A COMMITTEE THAT IS DULY
18 DESIGNATED BY THE BOARD AND THAT CONSISTS SOLELY OF 2 OR MORE
19 DIRECTORS WHO ARE NOT AT THE TIME PARTIES OR THREATENED TO BE MADE
20 PARTIES TO THE ACTION, SUIT, OR PROCEEDING.

21 (C) BY INDEPENDENT LEGAL COUNSEL IN A WRITTEN OPINION. THE
22 CORPORATION MUST SELECT COUNSEL TO PREPARE THE OPINION IN 1 OF THE
23 FOLLOWING WAYS:

24 (i) BY THE BOARD OR A COMMITTEE OF DIRECTORS IN THE MANNER
25 DESCRIBED IN SUBDIVISION (A) OR (B).

26 (ii) IF THE BOARD IS UNABLE TO OBTAIN A QUORUM UNDER
27 SUBDIVISION (A) AND THE BOARD IS UNABLE TO DESIGNATE A COMMITTEE

1 UNDER SUBDIVISION (B), BY THE BOARD.

2 (D) BY THE SHAREHOLDERS OR MEMBERS, BUT SHARES OR MEMBERSHIPS
3 HELD BY DIRECTORS, OFFICERS, EMPLOYEES, NONDIRECTOR VOLUNTEERS, OR
4 AGENTS THAT ARE PARTIES OR THREATENED TO BE MADE PARTIES TO THE
5 ACTION, SUIT, OR PROCEEDING MAY NOT BE VOTED.

6 (2) ALL DIRECTORS MAY PARTICIPATE IN DESIGNATING A COMMITTEE
7 UNDER SUBSECTION (1) (B) OR IN SELECTING INDEPENDENT LEGAL COUNSEL
8 UNDER SUBSECTION (1) (C) (ii) .

9 (3) IF A PERSON IS ENTITLED TO INDEMNIFICATION UNDER SECTION
10 561 OR 562 FOR A PORTION OF EXPENSES, INCLUDING REASONABLE
11 ATTORNEYS' FEES, JUDGMENTS, PENALTIES, FINES, AND AMOUNTS PAID IN
12 SETTLEMENT, BUT NOT FOR THE TOTAL AMOUNT, THE CORPORATION MAY
13 INDEMNIFY THE PERSON FOR THE PORTION OF THE EXPENSES, JUDGMENTS,
14 PENALTIES, FINES, OR AMOUNTS PAID IN SETTLEMENT FOR WHICH THE
15 PERSON IS ENTITLED TO BE INDEMNIFIED.

16 (4) A CORPORATION SHALL AUTHORIZE PAYMENT OF INDEMNIFICATION
17 UNDER THIS SECTION IN ANY OF THE FOLLOWING WAYS:

18 (A) BY THE BOARD IN 1 OF THE FOLLOWING WAYS:

19 (i) IF THERE ARE 2 OR MORE DIRECTORS WHO ARE NOT PARTIES OR
20 THREATENED TO BE MADE PARTIES TO THE ACTION, SUIT, OR PROCEEDING,
21 BY A MAJORITY VOTE OF ALL DIRECTORS WHO ARE NOT PARTIES OR
22 THREATENED TO BE MADE PARTIES, A MAJORITY OF WHOM SHALL CONSTITUTE
23 A QUORUM FOR THIS PURPOSE.

24 (ii) BY A MAJORITY OF THE MEMBERS OF A COMMITTEE OF 2 OR MORE
25 DIRECTORS WHO ARE NOT PARTIES OR THREATENED TO BE MADE PARTIES TO
26 THE ACTION, SUIT, OR PROCEEDING.

27 (iii) IF THERE ARE FEWER THAN 2 DIRECTORS WHO ARE NOT PARTIES OR

1 THREATENED TO BE MADE PARTIES TO THE ACTION, SUIT, OR PROCEEDING,
2 BY THE VOTE NECESSARY FOR ACTION BY THE BOARD UNDER SECTION 523.
3 ALL DIRECTORS MAY PARTICIPATE IN AUTHORIZATION UNDER THIS
4 SUBPARAGRAPH.

5 (B) BY THE SHAREHOLDERS OR MEMBERS, BUT SHARES OR MEMBERSHIPS
6 HELD BY DIRECTORS, OFFICERS, EMPLOYEES, NONDIRECTOR VOLUNTEERS, OR
7 AGENTS THAT ARE PARTIES OR THREATENED TO BE MADE PARTIES TO THE
8 ACTION, SUIT, OR PROCEEDING MAY NOT BE VOTED ON THE AUTHORIZATION.

9 (5) TO THE EXTENT THAT THE ARTICLES OF INCORPORATION ELIMINATE
10 OR LIMIT THE LIABILITY OF A DIRECTOR UNDER SECTION 209(1)(C), A
11 CORPORATION MAY INDEMNIFY A DIRECTOR FOR THE EXPENSES AND
12 LIABILITIES DESCRIBED IN THIS SUBSECTION WITHOUT A DETERMINATION
13 THAT THE DIRECTOR HAS MET THE STANDARD OF CONDUCT SET FORTH IN
14 SECTIONS 561 AND 562, BUT SHALL NOT INDEMNIFY THE DIRECTOR FOR
15 OBLIGATIONS IMPOSED UNDER SECTION 497(A) OR, EXCEPT TO THE EXTENT
16 AUTHORIZED IN SECTION 564C, IF THE DIRECTOR RECEIVED A FINANCIAL
17 BENEFIT TO WHICH HE OR SHE WAS NOT ENTITLED, INTENTIONALLY
18 INFLECTED HARM ON THE CORPORATION OR ITS SHAREHOLDERS OR MEMBERS,
19 VIOLATED SECTION 551, OR INTENTIONALLY COMMITTED A CRIMINAL ACT. IN
20 CONNECTION WITH AN ACTION OR SUIT BY OR IN THE RIGHT OF THE
21 CORPORATION DESCRIBED IN SECTION 562, INDEMNIFICATION UNDER THIS
22 SUBSECTION MAY BE FOR EXPENSES, INCLUDING ATTORNEYS' FEES, ACTUALLY
23 AND REASONABLY INCURRED. IN CONNECTION WITH AN ACTION, SUIT, OR
24 PROCEEDING OTHER THAN AN ACTION, SUIT, OR PROCEEDING BY OR IN THE
25 RIGHT OF THE CORPORATION, DESCRIBED IN SECTION 561, A CORPORATION
26 MAY INDEMNIFY A DIRECTOR UNDER THIS SUBSECTION FOR EXPENSES,
27 INCLUDING ATTORNEYS' FEES, ACTUALLY AND REASONABLY INCURRED, AND

1 FOR JUDGMENTS, PENALTIES, FINES, AND AMOUNTS PAID IN SETTLEMENT
2 THAT ARE ACTUALLY AND REASONABLY INCURRED.

3 SEC. 564B. (1) A CORPORATION MAY PAY OR REIMBURSE THE
4 REASONABLE EXPENSES INCURRED BY A DIRECTOR, OFFICER, EMPLOYEE,
5 NONDIRECTOR VOLUNTEER, OR AGENT OF THE CORPORATION OR A PERSON THAT
6 IS OR WAS SERVING AT THE REQUEST OF THE CORPORATION AS A DIRECTOR,
7 OFFICER, PARTNER, TRUSTEE, EMPLOYEE, OR AGENT OF ANOTHER DOMESTIC
8 CORPORATION, FOREIGN CORPORATION, DOMESTIC BUSINESS CORPORATION,
9 FOREIGN BUSINESS CORPORATION, PARTNERSHIP, LIMITED LIABILITY
10 COMPANY, JOINT VENTURE, TRUST, OR OTHER ENTERPRISE, WHETHER FOR
11 PROFIT OR NOT, THAT IS A PARTY OR THREATENED TO BE MADE A PARTY TO
12 AN ACTION, SUIT, OR PROCEEDING IN ADVANCE OF FINAL DISPOSITION OF
13 THE PROCEEDING IF THE PERSON FURNISHES THE CORPORATION A WRITTEN
14 AGREEMENT, EXECUTED PERSONALLY OR ON THE PERSON'S BEHALF, TO REPAY
15 THE ADVANCE IF IT IS ULTIMATELY DETERMINED THAT THE PERSON DID NOT
16 MEET THE STANDARD OF CONDUCT, IF ANY, REQUIRED BY THIS ACT FOR THE
17 INDEMNIFICATION OF A PERSON UNDER THE CIRCUMSTANCES.

18 (2) AN AGREEMENT REQUIRED UNDER SUBSECTION (1) MUST BE AN
19 UNLIMITED GENERAL OBLIGATION OF THE DIRECTOR, OFFICER, EMPLOYEE,
20 NONDIRECTOR VOLUNTEER, OR AGENT, BUT MAY BE UNSECURED. A
21 CORPORATION MAY ACCEPT AN AGREEMENT THAT IS REQUIRED UNDER
22 SUBSECTION (1) WITHOUT REFERENCE TO THE FINANCIAL ABILITY OF THE
23 PERSON TO MAKE REPAYMENT.

24 (3) A CORPORATION SHALL EVALUATE THE REASONABLENESS OF
25 ADVANCES UNDER THIS SECTION IN THE MANNER DESCRIBED IN SECTION
26 564A(1) FOR EVALUATING THE REASONABLENESS OF EXPENSES, AND MAKE AN
27 AUTHORIZATION IN THE MANNER DESCRIBED IN SECTION 564A(4) UNLESS AN

1 ADVANCE IS MANDATORY. A CORPORATION MAY AUTHORIZE ADVANCES WITH
2 RESPECT TO A PROCEEDING AND DETERMINE THE REASONABLENESS OF
3 ADVANCES OR APPROVE A METHOD FOR DETERMINING THE REASONABLENESS OF
4 ADVANCES IN A SINGLE RESOLUTION COVERING THE ENTIRE PROCEEDING.
5 HOWEVER, UNLESS THE ACTION OR RESOLUTION PROVIDES OTHERWISE, AN
6 AUTHORIZING OR DETERMINING AUTHORITY OF THE CORPORATION MAY
7 SUBSEQUENTLY TERMINATE OR AMEND THE AUTHORIZATION OR DETERMINATION
8 WITH RESPECT TO ADVANCES THAT ARE NOT YET MADE.

9 (4) A PROVISION IN THE ARTICLES OF INCORPORATION OR BYLAWS, A
10 RESOLUTION OF THE BOARD OR SHAREHOLDERS OR MEMBERS, OR AN AGREEMENT
11 THAT MAKES INDEMNIFICATION MANDATORY SHALL ALSO MAKE THE
12 ADVANCEMENT OF EXPENSES MANDATORY UNLESS THE PROVISION, RESOLUTION,
13 OR AGREEMENT SPECIFICALLY PROVIDES OTHERWISE.

14 SEC. 564C. A DIRECTOR, OFFICER, EMPLOYEE, NONDIRECTOR
15 VOLUNTEER, OR AGENT OF THE CORPORATION THAT IS A PARTY OR
16 THREATENED TO BE MADE A PARTY TO AN ACTION, SUIT, OR PROCEEDING MAY
17 APPLY FOR INDEMNIFICATION TO THE COURT THAT IS CONDUCTING THE
18 PROCEEDING OR TO ANOTHER COURT OF COMPETENT JURISDICTION. AFTER
19 RECEIVING AN APPLICATION, THE COURT AFTER GIVING ANY NOTICE IT
20 CONSIDERS NECESSARY MAY ORDER INDEMNIFICATION IF IT DETERMINES THAT
21 ALL OF THE FOLLOWING ARE MET:

22 (A) INDEMNIFICATION IS NOT PROHIBITED UNDER SECTION 497(A) AND
23 IS CONSISTENT WITH OTHER APPLICABLE LAW AND WITH ANY RESTRICTIONS
24 IN THE ARTICLES OF INCORPORATION OR THE BYLAWS.

25 (B) THE PERSON IS FAIRLY AND REASONABLY ENTITLED TO
26 INDEMNIFICATION IN VIEW OF ALL THE RELEVANT CIRCUMSTANCES, WHETHER
27 OR NOT THE PERSON MET THE APPLICABLE STANDARD OF CONDUCT SET FORTH

1 IN SECTION 561 OR 562 OR WAS ADJUDGED LIABLE AS DESCRIBED IN
2 SECTION 562. HOWEVER, IF THE PERSON IS FOUND LIABLE,
3 INDEMNIFICATION IS LIMITED TO REASONABLE EXPENSES INCURRED BY THE
4 PERSON.

5 Sec. 565. (1) ~~The~~**AN** indemnification or ~~advancement~~**ADVANCE** of
6 expenses provided under sections 561 to ~~564~~**564C** is not exclusive
7 of other rights to which a person seeking indemnification or
8 ~~advancement~~**ADVANCE** of expenses may be entitled under the articles
9 of incorporation, bylaws, or a contractual agreement. ~~However, the~~
10 **THE** total amount of expenses advanced or indemnified from all
11 sources combined shall not exceed the amount of actual expenses
12 incurred by the person **THAT IS** seeking indemnification or
13 ~~advancement~~**ADVANCE** of expenses.

14 (2) ~~The indemnification provided in~~**INDEMNIFICATION UNDER**
15 sections 561 to ~~564~~ and ~~this section~~**565** continues as to ~~FOR~~ a
16 person ~~who~~**THAT** ceases to be a director, officer, employee,
17 nondirector volunteer, or agent and ~~shall inure~~**INURES** to the
18 benefit of the heirs, ~~executors,~~**PERSONAL REPRESENTATIVES**, and
19 administrators of the person.

20 (3) **A RIGHT OF INDEMNIFICATION OR TO ADVANCEMENT OF EXPENSES**
21 **UNDER A PROVISION OF THE ARTICLES OF INCORPORATION OR THE BYLAWS IS**
22 **NOT ELIMINATED OR IMPAIRED BY AN AMENDMENT TO THE PROVISION AFTER**
23 **THE OCCURRENCE OF THE ACT OR OMISSION THAT IS THE SUBJECT OF THE**
24 **FORMAL OR INFORMAL, ADMINISTRATIVE OR INVESTIGATIVE ACTION, SUIT,**
25 **OR PROCEEDING FOR WHICH INDEMNIFICATION OR ADVANCEMENT OF EXPENSES**
26 **IS SOUGHT UNLESS THE PROVISION IN EFFECT AT THE TIME OF THE ACT OR**
27 **OMISSION EXPLICITLY AUTHORIZES THAT ELIMINATION OR IMPAIRMENT AFTER**

1 **THE ACTION OR OMISSION HAS OCCURRED.**

2 Sec. 567. (1) A corporation ~~shall have power to~~ **MAY** purchase
3 and maintain insurance on behalf of any person ~~who~~ **THAT** is or was a
4 director, officer, employee, nondirector volunteer, or agent of the
5 corporation, or **THAT** is or was serving at the request of the
6 corporation as a director, officer, **PARTNER, TRUSTEE,** employee,
7 nondirector volunteer, or agent of another **FOREIGN OR DOMESTIC**
8 corporation, **FOREIGN OR DOMESTIC** business corporation, **LIMITED**
9 **LIABILITY COMPANY,** partnership, joint venture, trust, or other
10 enterprise **FOR PROFIT OR NONPROFIT** against any liability asserted
11 against the person and incurred by the person in ~~any such~~ **THAT**
12 capacity or arising out of the person's status as such, whether or
13 not the corporation ~~would have~~ **HAS THE** power to indemnify the
14 person against ~~such~~ liability under sections 561 to 565.

15 (2) **IF THE ARTICLES OF INCORPORATION INCLUDE A PROVISION THAT**
16 **ELIMINATES OR LIMITS THE LIABILITY OF A DIRECTOR UNDER SECTION**
17 **209(1)(C), THE CORPORATION MAY PURCHASE INSURANCE ON BEHALF OF A**
18 **DIRECTOR UNDER SUBSECTION (1) FROM AN INSURER OWNED BY THE**
19 **CORPORATION, BUT INSURANCE PURCHASED FROM THAT INSURER MAY INSURE A**
20 **DIRECTOR AGAINST MONETARY LIABILITY TO THE CORPORATION OR ITS**
21 **SHAREHOLDERS OR MEMBERS ONLY TO THE EXTENT TO WHICH THE CORPORATION**
22 **COULD INDEMNIFY THE DIRECTOR UNDER SECTION 564A(5).**

23 Sec. 569. For purposes of sections 561 to 567, "corporation"
24 includes all constituent corporations absorbed in a consolidation
25 or merger, **ANY CORPORATION CONVERTED INTO ANOTHER BUSINESS ENTITY,**
26 and the resulting or surviving **FOREIGN OR DOMESTIC** corporation, ~~or~~
27 **FOREIGN OR DOMESTIC** business corporation **OR OTHER BUSINESS ENTITY,**

1 so that a person ~~who~~**THAT** is or was a director, officer, employee,
2 nondirector volunteer, or agent of the constituent corporation or
3 is or was serving at the request of the constituent corporation as
4 a director, officer, partner, trustee, employee, nondirector
5 volunteer, or agent of another foreign or domestic corporation,
6 **FOREIGN OR DOMESTIC** business corporation, partnership, **LIMITED**
7 **LIABILITY COMPANY**, joint venture, trust, or other **PROFIT OR**
8 **NONPROFIT** enterprise ~~whether for profit or not~~ shall stand in the
9 same position under the provisions of this section with respect to
10 the resulting or surviving corporation or business corporation as
11 the person would if the person had served the resulting or
12 surviving corporation, ~~or~~ business corporation, **OR OTHER BUSINESS**
13 **ENTITY** in the same capacity.

14 **SEC. 571. AS USED IN SECTIONS 561 TO 567:**

15 (A) "FINES" INCLUDES ANY EXCISE TAXES ASSESSED ON A PERSON
16 WITH RESPECT TO AN EMPLOYEE BENEFIT PLAN.

17 (B) "OTHER ENTERPRISES" INCLUDES EMPLOYEE BENEFIT PLANS.

18 (C) "SERVING AT THE REQUEST OF THE CORPORATION" INCLUDES ANY
19 SERVICE AS A DIRECTOR, OFFICER, EMPLOYEE, NONDIRECTOR VOLUNTEER, OR
20 AGENT OF THE CORPORATION THAT IMPOSES DUTIES ON, OR INVOLVES
21 SERVICES BY, THE DIRECTOR, OFFICER, EMPLOYEE, NONDIRECTOR
22 VOLUNTEER, OR AGENT WITH RESPECT TO AN EMPLOYEE BENEFIT PLAN, ITS
23 PARTICIPANTS, OR ITS BENEFICIARIES.

24 (D) A PERSON THAT ACTED IN GOOD FAITH AND IN A MANNER THE
25 PERSON REASONABLY BELIEVED TO BE IN THE INTEREST OF THE
26 PARTICIPANTS AND BENEFICIARIES OF AN EMPLOYEE BENEFIT PLAN IS
27 CONSIDERED TO HAVE ACTED IN A MANNER "NOT OPPOSED TO THE BEST

1 INTERESTS OF THE CORPORATION OR ITS SHAREHOLDERS OR MEMBERS" AS
2 REFERRED TO IN SECTIONS 561 AND 562.

3 Sec. 601. (1) A corporation may amend its articles of
4 incorporation if the amendment contains only ~~such provisions as~~
5 ~~might lawfully be contained in~~ **THAT** original articles of
6 incorporation filed at the time of ~~making the amendment~~ **IS MADE**
7 **MIGHT LAWFULLY CONTAIN.**

8 (2) Subject to section ~~301(5),~~ **301(6)**, a corporation may amend
9 its articles of incorporation to become a business corporation by
10 adopting restated articles of incorporation ~~in accordance with~~
11 **UNDER** section 641 ~~which shall so amend the articles that they shall~~
12 **IF THE RESTATED ARTICLES OF INCORPORATION** contain only ~~such~~ **THOSE**
13 ~~provisions as might be lawfully contained in~~ **THAT** original articles
14 of incorporation of a business corporation ~~organized~~ **FORMED** under
15 ~~Act No. 284 of the Public Acts of 1972, as amended, being sections~~
16 ~~450.1101 to 450.2099 of the Michigan Compiled Laws.~~ **THE BUSINESS**
17 **CORPORATION ACT MIGHT CONTAIN. THE ADOPTION AND FILING OF RESTATED**
18 **ARTICLES OF INCORPORATION UNDER THIS SUBSECTION DOES NOT CONSTITUTE**
19 **A DISSOLUTION OF THE CORPORATION.**

20 (3) **SUBJECT TO SECTION 301(6), A CORPORATION MAY AMEND ITS**
21 **ARTICLES OF INCORPORATION TO BECOME A PROFESSIONAL CORPORATION BY**
22 **ADOPTING RESTATED ARTICLES OF INCORPORATION UNDER SECTION 641 IF**
23 **THE RESTATED ARTICLES OF INCORPORATION CONTAIN ONLY THOSE**
24 **PROVISIONS THAT ORIGINAL ARTICLES OF INCORPORATION OF A**
25 **PROFESSIONAL CORPORATION FORMED UNDER CHAPTER 2A OF THE BUSINESS**
26 **CORPORATION ACT, MCL 450.1281 TO 450.1289, MIGHT CONTAIN. THE**
27 **ADOPTION AND FILING OF RESTATED ARTICLES OF INCORPORATION UNDER**

1 **THIS SUBSECTION DOES NOT CONSTITUTE A DISSOLUTION OF THE**
2 **CORPORATION.**

3 Sec. 602. Without ~~limitation upon~~ **LIMITING** the general power
4 of amendment ~~granted by~~ **UNDER** section 601, a corporation may amend
5 its articles of incorporation **TO DO ANY OF THE FOLLOWING:**

6 (a) ~~To change~~ **CHANGE** its corporate name.

7 (b) ~~To enlarge,~~ **ENLARGE,** limit, or otherwise change its
8 corporate purposes or powers.

9 (c) ~~To change~~ **CHANGE** the duration of the corporation.

10 (d) ~~To increase~~ **INCREASE** or decrease the aggregate number of
11 shares, or shares of any class ~~which~~ **THAT** the corporation has
12 authority to issue.

13 (e) ~~To exchange,~~ **EXCHANGE,** classify, reclassify, or cancel any
14 of its issued or unissued shares.

15 (f) ~~To change~~ **CHANGE** the designation of any of its issued or
16 unissued shares, ~~and to~~ **OR** change the qualifications, preferences,
17 limitations, and relative rights ~~in respect of~~ any of its issued or
18 unissued shares or of its members.

19 (g) ~~To change~~ **CHANGE** the issued or unissued shares of any
20 class into a different number of shares of the same class or into
21 the same or a different number of shares of other classes.

22 (h) ~~To create~~ **CREATE** new classes of shares or members ~~having~~
23 **THAT HAVE** rights and preferences superior ~~or~~ **TO,** inferior to, or
24 equal with, the issued or unissued shares or the ~~members~~
25 **MEMBERSHIPS** of any class then authorized.

26 (I) **CANCEL OR OTHERWISE AFFECT THE RIGHT OF THE HOLDERS OF THE**
27 **SHARES OR MEMBERSHIPS OF ANY CLASS TO RECEIVE DISTRIBUTIONS WHICH**

1 HAVE ACCRUED BUT HAVE NOT BEEN DECLARED.

2 (J) LIMIT, DENY, OR GRANT TO SHAREHOLDERS OR MEMBERS OF A
3 CLASS THE PREEMPTIVE RIGHT TO ACQUIRE SHARES OR MEMBERSHIPS OF THE
4 CORPORATION.

5 (K) ~~(i) To change~~ **CHANGE** its registered office or change its
6 resident agent.

7 (I) ~~(j) To strike~~ **STRIKE** out, change, or add any provision for
8 management of ~~the business~~ and conduct of the affairs of the
9 corporation, or creating, defining, limiting, and regulating the
10 powers of the corporation, its ~~director and~~ **DIRECTORS**,
11 shareholders, ~~or~~ members, or any class of shareholders or members,
12 including any provision ~~which~~ **THAT** under this act is required or
13 permitted to be set forth in the bylaws.

14 (M) ~~(k) To change~~ **CHANGE** its ~~basis~~ **FORM** of organization to a
15 stock corporation or a nonstock corporation **THAT IS** organized ~~upon~~
16 **ON** a membership or directorship basis. ~~, in which event the~~
17 ~~amendment shall~~ **AN AMENDMENT UNDER THIS SUBSECTION MUST** comply with
18 section 202(c) and (d) or section 202(e) and (f), as applicable.

19 Sec. 611. (1) **THE ARTICLES OF INCORPORATION MAY BE AMENDED BY**
20 **EITHER OF THE FOLLOWING:**

21 (A) Before the first meeting of the board, the incorporators
22 ~~may amend the articles of incorporation by~~ complying with section
23 631(1).

24 (B) **IF THE CORPORATION IS ORGANIZED ON A STOCK OR MEMBERSHIP**
25 **BASIS AND HAS NOT YET ISSUED SHARES OR MEMBERSHIPS OR ACCEPTED ANY**
26 **WRITTEN SUBSCRIPTION FOR SHARES OR MEMBERSHIPS, THE BOARD OF**
27 **DIRECTORS BY COMPLYING WITH SECTION 631(2).**

1 (2) UNLESS THE ARTICLES OF INCORPORATION PROVIDE OTHERWISE,
2 THE BOARD OF A CORPORATION THAT IS ORGANIZED ON A STOCK OR
3 MEMBERSHIP BASIS MAY ADOPT 1 OR MORE OF THE FOLLOWING AMENDMENTS TO
4 ITS ARTICLES OF INCORPORATION WITHOUT SHAREHOLDER OR MEMBER ACTION:

5 (A) EXTEND THE DURATION OF THE CORPORATION IF IT WAS
6 INCORPORATED AT A TIME WHEN LIMITED DURATION WAS REQUIRED BY LAW.

7 (B) DELETE THE NAMES AND ADDRESSES OF THE INITIAL DIRECTORS.

8 (C) DELETE THE NAME AND ADDRESS OF A PRIOR RESIDENT AGENT, IF
9 A STATEMENT OF CHANGE IS ON FILE WITH THE ADMINISTRATOR.

10 (D) DELETE DESCRIPTIONS OF THE PROPERTY OF THE CORPORATION OR
11 ITS VALUE.

12 (E) CHANGE EACH ISSUED AND UNISSUED AUTHORIZED SHARE OF AN
13 OUTSTANDING CLASS INTO A GREATER NUMBER OF WHOLE SHARES IF THE
14 CORPORATION HAS ONLY SHARES OF THAT CLASS OUTSTANDING.

15 (F) CHANGE THE CORPORATE NAME BY ADDING, DELETING, OR CHANGING
16 THE WORD "CORPORATION", "INCORPORATED", "COMPANY", "LIMITED",
17 "ASSOCIATION", OR "SOCIETY" OR THE ABBREVIATION "CORP.", "INC.",
18 "CO.", "LTD.", OR "ASSN.", OR A SIMILAR WORD OR ABBREVIATION IN THE
19 CORPORATE NAME, OR BY ADDING DELETING OR CHANGING A GEOGRAPHICAL
20 ATTRIBUTION FOR THE CORPORATE NAME.

21 (G) ANY OTHER CHANGE THAT IS EXPRESSLY PERMITTED UNDER THIS
22 ACT TO BE MADE WITHOUT SHAREHOLDER OR MEMBER APPROVAL.

23 (3) ~~(2)~~ Except for an amendment described in ~~subsection~~
24 SUBSECTIONS (1) AND (2) and except as otherwise provided in this
25 act, a corporation must adopt any amendment to the articles of
26 incorporation in 1 of the following manners: ~~as provided in this~~
27 ~~section:~~

1 (a) If the corporation is organized on a membership basis, by
2 a vote of the members **THAT ARE** entitled to vote on the amendment.

3 (b) If the corporation is organized on a stock basis, by a
4 vote of the shareholders **THAT ARE** entitled to vote on the
5 amendment.

6 (c) If the corporation is organized on a directorship basis,
7 unless the articles of incorporation specify a different manner, by
8 a vote of the directors.

9 (4) ~~(3)~~—A corporation **OR A MEMBER, SHAREHOLDER, OR DIRECTOR**
10 **THAT PROPOSES AN AMENDMENT TO THE ARTICLES OF INCORPORATION** shall
11 give notice of a meeting to consider an amendment to the articles
12 of incorporation to each member, shareholder, or director **THAT IS**
13 entitled to vote on the amendment, as applicable. The notice shall
14 contain the proposed amendment or a summary of the changes that
15 will occur if the amendment is adopted. The corporation **OR A**
16 **MEMBER, SHAREHOLDER, OR DIRECTOR THAT PROPOSES AN AMENDMENT TO THE**
17 **ARTICLES OF INCORPORATION** shall provide the notice within the time
18 and in the manner provided in this act for giving notice of
19 meetings of shareholders, members, or directors, except that, ~~the~~
20 **IN THE CASE OF A** corporation ~~shall give~~ **THAT IS ORGANIZED ON A**
21 **DIRECTORSHIP BASIS, THE** notice of the meeting **SHALL BE GIVEN** to
22 each director **WHO IS** then in office ~~not less than~~ **AT LEAST** 10 days
23 before the meeting.

24 (5) ~~(4)~~—At a meeting to consider an amendment to the articles
25 of incorporation, a vote of shareholders, members, or directors
26 entitled to vote shall be taken on the proposed amendment. The
27 proposed amendment is ~~adopted~~ **APPROVED** if it ~~receives the~~

1 ~~affirmative vote of a majority of the outstanding shares~~ **VOTES THAT**
2 **ARE HELD BY SHAREHOLDERS** or members entitled to vote on the
3 proposed amendment **ARE CAST IN FAVOR OF THE AMENDMENT** or, **IN THE**
4 **CASE OF A CORPORATION THAT IS ORGANIZED ON A DIRECTORSHIP BASIS, IF**
5 **IT RECEIVES THE AFFIRMATIVE VOTE OF** a majority of the directors
6 then in office. If any class of shares or members is entitled to
7 vote on the proposed amendment as a class, ~~the affirmative vote of~~
8 ~~a majority of the outstanding shares~~ **VOTES THAT ARE HELD BY**
9 **SHAREHOLDERS** or members of that class ~~is also required~~ **MUST ALSO BE**
10 **CAST IN FAVOR OF THE AMENDMENT** to ~~adopt the amendment.~~ **APPROVE IT.**
11 The voting requirements of this section are subject to **ANY** greater
12 requirements ~~as prescribed by~~ **UNDER** this act for specific
13 amendments, or as provided in the articles of incorporation or
14 bylaws. In addition, unless a greater vote is required in the
15 articles of incorporation, or in a bylaw adopted by the
16 shareholders, members, or directors **OF A CORPORATION THAT IS**
17 **ORGANIZED ON A DIRECTORSHIP BASIS,** the proposed amendment is
18 ~~adopted~~ **APPROVED** if it receives an affirmative vote of a majority
19 of **THE VOTES CAST BY** members or ~~shares of~~ shareholders present in
20 person, by proxy, or by electronic transmission at the meeting **ARE**
21 **CAST IN FAVOR OF THE AMENDMENT AND, IF ANY CLASS OF SHARES OR**
22 **MEMBERS IS ENTITLED TO VOTE ON THE PROPOSED AMENDMENT AS A CLASS, A**
23 **MAJORITY OF THE VOTES HELD BY SHAREHOLDERS OR MEMBERS OF EACH OF**
24 **THOSE CLASSES THAT ARE PRESENT IN PERSON, BY PROXY, OR BY**
25 **ELECTRONIC TRANSMISSION AT THE MEETING ARE CAST IN FAVOR OF THE**
26 **AMENDMENT, OR A MAJORITY OF A QUORUM OF THE BOARD OF DIRECTORS OF A**
27 **CORPORATION THAT IS ORGANIZED ON A DIRECTORSHIP BASIS VOTE IN FAVOR**

1 **OF THE AMENDMENT**, if due notice of the time, place, and object of
 2 the meeting was given by mail, at the last known address, to each
 3 shareholder, member, or director entitled to vote at least 20 days
 4 before the date of the meeting or by publication in a publication
 5 distributed by the corporation to its shareholders or members at
 6 least 20 days before the date of the meeting.

7 (6) ~~(5)~~ The shareholders, members, or directors may act on any
 8 number of amendments at 1 meeting.

9 (7) ~~(6)~~ If an amendment to the articles of incorporation is
 10 adopted, the corporation shall file a certificate of amendment as
 11 provided in section 631.

12 Sec. 615. (1) The holders **OF A CLASS** of ~~the~~ outstanding shares
 13 **OF A CORPORATION THAT IS ORGANIZED ON A STOCK BASIS** or the ~~member~~
 14 **MEMBERS** of a class **OF A CORPORATION THAT IS ORGANIZED ON A**
 15 **MEMBERSHIP BASIS** may vote as a class ~~upon~~ **ON** a proposed amendment,
 16 whether or not entitled to vote ~~thereon by~~ **ON THE AMENDMENT UNDER**
 17 the articles of incorporation, if the amendment would increase or
 18 decrease the aggregate number of authorized shares of the class or
 19 alter or change the powers, preferences, or special rights of the
 20 shares or members of the class or other classes so as to affect the
 21 class adversely.

22 (2) **THIS SECTION DOES NOT CONFER VOTING RIGHTS ON MEMBERS OF A**
 23 **CORPORATION THAT IS ORGANIZED ON A DIRECTORSHIP BASIS.**

24 Sec. 631. (1) If ~~the~~ **AN** amendment **TO THE ARTICLES OF**
 25 **INCORPORATION** is ~~made as provided in~~ **APPROVED UNDER** section ~~611(1),~~
 26 **611(1) (A), A MAJORITY OF THE INCORPORATORS SHALL SIGN AND FILE** a
 27 certificate of amendment ~~shall be signed by all the incorporators~~

1 ~~and filed on behalf of the corporation , setting~~ **THAT SETS** forth
 2 the amendment and ~~certifying~~ **CERTIFIES** that the amendment ~~is~~ **WAS**
 3 adopted by unanimous consent of the incorporators before the first
 4 meeting of the board.

5 (2) IF AN AMENDMENT TO THE ARTICLES OF INCORPORATION IS
 6 APPROVED UNDER SECTION 611(1)(A) OR SECTION 611(2), AN OFFICER OF
 7 THE CORPORATION SHALL EXECUTE AND FILE A CERTIFICATE OF AMENDMENT
 8 ON BEHALF OF THE CORPORATION THAT SETS FORTH THE AMENDMENT AND
 9 CERTIFIES THAT IT WAS ADOPTED BY THE BOARD OF DIRECTORS.

10 (3) ~~(2) In case of any other amendment, except~~ **EXCEPT FOR AN**
 11 **AMENDMENT TO THE ARTICLES OF INCORPORATION DESCRIBED IN SUBSECTION**
 12 **(1) OR (2) OR as otherwise provided in this act, IF AN AMENDMENT IS**
 13 **APPROVED, AN OFFICER OF THE CORPORATION SHALL EXECUTE AND FILE a**
 14 **certificate of amendment shall be executed and filed on behalf of**
 15 **the corporation setting** **THAT SETS** forth the amendment and
 16 ~~certifying~~ **CERTIFIES** that the amendment ~~has been~~ **WAS** adopted ~~in~~
 17 ~~accordance with~~ **IN THE MANNER REQUIRED UNDER section 611(2)-611(3).**

18 (4) IF A CORPORATION AMENDS AN ARTICLE IN ITS ARTICLES OF
 19 INCORPORATION THAT IS DIVIDED INTO SEPARATELY IDENTIFIED SECTIONS,
 20 THE CERTIFICATE OF AMENDMENT MAY ONLY SET FORTH THE SECTION OF THE
 21 ARTICLE THAT WAS AMENDED. OTHERWISE, THE CERTIFICATE OF AMENDMENT
 22 MUST SET FORTH THE ENTIRE ARTICLE THAT WAS AMENDED.

23 Sec. 641. (1) A corporation may integrate into a single
 24 instrument the provisions of its articles of incorporation ~~which~~
 25 **THAT** are then in effect and operative, as ~~theretofore~~ amended, and
 26 at the same time may also further amend its articles of
 27 incorporation by adopting restated articles of incorporation.

1 (2) ALL OF THE INCORPORATORS MAY ADOPT RESTATED ARTICLES OF
2 INCORPORATION BEFORE THE FIRST MEETING OF THE BOARD BY COMPLYING
3 WITH SECTIONS 611(1)(A), 642, AND 643(1).

4 (3) ~~(2)~~ OTHER RESTATED ARTICLES OF INCORPORATION SHALL BE
5 APPROVED AS FOLLOWS:

6 (A) If the restated articles of incorporation merely restate
7 and integrate, but do not further amend the articles OF
8 INCORPORATION as ~~theretofore~~ PREVIOUSLY amended, ~~they may be~~
9 ~~adopted by the board~~ THE BOARD MAY ADOPT THE RESTATED ARTICLES OF
10 INCORPORATION without a vote of the shareholders or members, or ~~by~~
11 the shareholders or members MAY ADOPT THEM, in which case the
12 procedure and vote required ~~by~~ UNDER section ~~611(2)~~ is 611(3) ARE
13 applicable.

14 (B) IF THE RESTATED ARTICLES OF INCORPORATION RESTATE,
15 INTEGRATE, AND ALSO FURTHER AMEND THE ARTICLES OF INCORPORATION,
16 BUT THOSE AMENDMENTS INCLUDE ONLY AMENDMENTS ADOPTED UNDER SECTION
17 611(1)(B) OR (2), THE BOARD MAY ADOPT THE RESTATED ARTICLES OF
18 INCORPORATION WITHOUT A VOTE OF THE SHAREHOLDERS OR MEMBERS.

19 (C) If the restated articles of incorporation restate and
20 integrate and also further amend in any material respect the
21 articles of incorporation, as ~~theretofore~~ PREVIOUSLY amended, ~~they~~
22 ~~shall be adopted by~~ IN A WAY THAT IS NOT PREVIOUSLY ADDRESSED UNDER
23 THIS SECTION, A VOTE OF the shareholders, members, or directors
24 ~~pursuant to~~ UNDER section ~~611(2)~~ 611(3) IS REQUIRED TO ADOPT
25 RESTATED ARTICLES OF INCORPORATION.

26 (4) ~~(3)~~ An amendment effected THAT IS ADOPTED in connection
27 with the ~~reinstatement and integration~~ RESTATEMENT of the articles

1 of incorporation is subject to any other provision of this act, not
 2 inconsistent with this section, ~~which~~**THAT** would apply if a
 3 certificate of amendment were filed to effect ~~such~~**THAT** amendment.

4 Sec. 642. ~~(1) Restated~~**THE HEADING OF RESTATED** articles of
 5 incorporation shall ~~be specifically designated~~**DESIGNATE THEM** as
 6 such. ~~in the heading thereof.~~ They shall state, either in the
 7 heading or in an introductory paragraph, the corporation's present
 8 name, and, if it has been changed, all of its former names and the
 9 date of filing of its original articles **OF INCORPORATION**. Restated
 10 articles **OF INCORPORATION** shall state that they were duly adopted
 11 by **THE INCORPORATORS**, directors, shareholders, or members ~~in~~
 12 ~~accordance with this~~**UNDER** section 641.

13 **(2) IF ADOPTED BY THE INCORPORATORS UNDER SECTION 641(2),**
 14 **RESTATED ARTICLES OF INCORPORATION SHALL STATE THAT THEY WERE DULY**
 15 **ADOPTED BY UNANIMOUS CONSENT OF THE INCORPORATORS BEFORE THE FIRST**
 16 **MEETING OF THE BOARD UNDER SECTION 611(1)(A).** If adopted by the
 17 board without a vote of the shareholders ~~,OR~~ members ~~,or~~
 18 ~~directors~~ according to the procedure and vote required ~~by~~**UNDER**
 19 ~~section 641(2), they~~**641(3), THE RESTATED ARTICLES OF INCORPORATION**
 20 shall state ~~that~~**ALL OF THE FOLLOWING:**

21 **(A) THAT** they only restate and integrate and do not further
 22 amend the **EXISTING** articles as ~~theretofore~~**PREVIOUSLY** amended, ~~and~~
 23 ~~that~~**OR THAT THE RESTATED ARTICLES OF INCORPORATION ONLY RESTATE**
 24 **AND INTEGRATE THE ARTICLES AND INCLUDE ONLY AMENDMENTS ADOPTED**
 25 **UNDER SECTION 611(1) OR SECTION 611(2).**

26 **(B) THAT** there is no material discrepancy between those
 27 provisions and the provisions of the restated articles **OF**

1 **INCORPORATION.**

2 (3) Restated articles of incorporation may omit ~~such~~ **ANY**
 3 provisions of the original, **AMENDED, OR PREVIOUSLY RESTATED**
 4 articles ~~which~~ **OF INCORPORATION THAT** named the incorporators, the
 5 initial board, or original subscribers for shares or original
 6 members **OR DESCRIBE OR VALUE CORPORATE PROPERTY**, and the omission
 7 is not ~~deemed~~ **CONSIDERED** a further amendment.

8 Sec. 643. (1) ~~Restated~~ **A MAJORITY OF INCORPORATORS SHALL SIGN**
 9 **AND FILE RESTATED ARTICLES OF INCORPORATION ADOPTED UNDER SECTION**
 10 **641(3) AS PROVIDED IN SECTION 131.**

11 (2) **EXCEPT AS PROVIDED IN SUBSECTION (1), A CORPORATION SHALL**
 12 **EXECUTE AND FILE RESTATED** articles of incorporation ~~shall be~~
 13 ~~executed and filed in accordance with~~ **AS PROVIDED IN** section 131.

14 (3) When ~~such~~ **A filing OF RESTATED ARTICLES OF INCORPORATION**
 15 becomes effective, the corporation's original articles of
 16 incorporation ~~, as amended,~~ **AND PREVIOUS AMENDMENTS** are superseded,
 17 ~~, and thenceforth~~ the restated articles **OF INCORPORATION**, including
 18 any ~~further amendments made thereby,~~ ~~shall be~~ **THAT ARE INCLUDED IN**
 19 **THE RESTATED ARTICLES OF INCORPORATION, ARE** the articles of
 20 incorporation of the corporation.

21 Sec. 701. (1) Two or more domestic corporations may merge into
 22 1 of the corporations ~~or consolidate into a new corporation~~
 23 pursuant to a plan of merger ~~or consolidation~~ approved in the
 24 manner provided in this act.

25 (2) The board of each corporation ~~proposing~~ **THAT PROPOSES** to
 26 participate in a merger ~~or consolidation~~ shall adopt a plan of
 27 merger ~~or consolidation, setting forth~~ **THAT CONTAINS ALL OF THE**

1 **FOLLOWING:**

2 (a) The name of each constituent corporation and the name of
3 the **CONSTITUENT CORPORATION THAT WILL BE THE** surviving ~~or~~
4 ~~consolidated~~ corporation.

5 (b) ~~As to~~ **FOR** each constituent corporation ~~which~~ **THAT** is a
6 stock corporation, the designation and number of outstanding shares
7 of each class, specifying the classes **THAT ARE** entitled to vote;
8 ~~and each class, if any,~~ **THAT IS** entitled to vote as a class; and,
9 if the number of ~~any such~~ shares is subject to change before the
10 effective date of the merger, ~~or consolidation,~~ the manner in which
11 the change may occur.

12 (c) ~~As to~~ **FOR** each constituent corporation ~~which~~ **THAT** is a
13 ~~nonstock~~ **MEMBERSHIP** corporation, a description of the members, ~~in~~
14 ~~the case of a membership corporation,~~ including the number,
15 classification, and voting rights of members. ~~, or~~

16 (D) **FOR EACH CONSTITUENT CORPORATION THAT IS A DIRECTORSHIP**
17 **CORPORATION,** a description of the organization of the board, ~~in the~~
18 ~~case of a directorship corporation,~~ including the number,
19 classification, and voting rights of directors.

20 (E) ~~(d)~~ The terms and conditions of the proposed merger, ~~or~~
21 ~~consolidation,~~ including the manner and basis of converting the
22 shares of or membership or other interest in each constituent
23 corporation into shares, ~~bonds,~~ **OBLIGATIONS,** or other securities **OF**
24 or membership or other interest in the surviving ~~or consolidated~~
25 corporation, or into cash or other consideration, ~~which~~ **IF ANY,**
26 **THAT** may include shares, bonds, rights, or other property or
27 securities of **OR MEMBERSHIP OR OTHER INTERESTS IN** a corporation

1 whether or not a party to the merger, or into a combination
2 thereof. **OF THOSE SECURITIES, INTERESTS, AND PROPERTY.**

3 **(F)** ~~(e) In a merger, a~~ **A** statement of an ~~an~~ **ANY** amendment to the
4 articles of incorporation of the surviving corporation to ~~be~~
5 effected by ~~RESULT FROM~~ the merger or a ~~a~~ **ANY** restatement of the
6 articles of incorporation as ~~provided in~~ **UNDER** section 641(1),
7 ~~which shall be in the form of~~ **FOR** restated articles of
8 incorporation as ~~provided in~~ **REQUIRED UNDER** section 642. ~~; and in a~~
9 consolidation, all statements required to be included in articles
10 of incorporation ~~formed under this act.~~

11 **(G)** ~~(f)~~ Other provisions with respect to the proposed merger
12 or consolidation as ~~THAT~~ the board considers necessary or
13 desirable.

14 **(3) NOTWITHSTANDING THE PROVISIONS OF THIS SECTION AND OTHER**
15 **PROVISIONS OF THIS ACT, A CORPORATION SHALL MAKE DISTRIBUTIONS TO**
16 **SHAREHOLDERS OR MEMBERS OF ANY CORPORATION OR TO ANY OTHER PERSON**
17 **IN CONNECTION WITH A MERGER ONLY IN CONFORMITY WITH SECTION 301 AND**
18 **WITH LIMITATIONS ON DISTRIBUTIONS IN THE ARTICLES OF INCORPORATION**
19 **OF THAT CORPORATION.**

20 **SEC. 703A. (1) EXCEPT AS PROVIDED IN SUBSECTION (2) (E) AND**
21 **(F), A PLAN OF MERGER ADOPTED BY THE BOARD OF EACH CONSTITUENT**
22 **CORPORATION THAT IS ORGANIZED ON A STOCK OR MEMBERSHIP BASIS SHALL,**
23 **EXCEPT AS PROVIDED IN SUBSECTION (2) (E) AND (F), BE SUBMITTED FOR**
24 **APPROVAL AT A MEETING OF THE SHAREHOLDERS OR MEMBERS.**

25 **(2) FOR APPROVAL OF A PLAN OF MERGER UNDER SUBSECTION (1), ALL**
26 **OF THE FOLLOWING APPLY:**

27 **(A) THE BOARD MUST RECOMMEND THE PLAN OF MERGER TO THE**

1 SHAREHOLDERS OR MEMBERS, UNLESS SECTION 529 APPLIES OR THE BOARD
2 DETERMINES THAT BECAUSE OF CONFLICT OF INTEREST, EVENTS THAT OCCUR
3 AFTER THE BOARD ADOPTS THE PLAN, CONTRACTUAL OBLIGATIONS, OR OTHER
4 SPECIAL CIRCUMSTANCES IT SHOULD MAKE NO RECOMMENDATION. IF 1 OR
5 MORE OF THE EXCEPTIONS DESCRIBED IN THIS SUBDIVISION APPLY, THE
6 BOARD MUST COMMUNICATE THE BASIS FOR NOT MAKING A RECOMMENDATION TO
7 THE SHAREHOLDERS OR MEMBERS.

8 (B) THE BOARD MAY CONDITION ITS SUBMISSION OF THE PROPOSED
9 MERGER ON ANY BASIS.

10 (C) EXCEPT AS PROVIDED IN SUBDIVISION (H), THE CORPORATION
11 SHALL GIVE NOTICE OF THE SHAREHOLDER OR MEMBERSHIP MEETING TO EACH
12 SHAREHOLDER OR MEMBER OF RECORD, WHETHER OR NOT ENTITLED TO VOTE AT
13 THE MEETING, WITHIN THE TIME AND IN THE MANNER PROVIDED IN THIS ACT
14 FOR GIVING NOTICE OF MEETINGS OF SHAREHOLDERS OR MEMBERS. THE
15 NOTICE SHALL INCLUDE OR BE ACCOMPANIED BY A COPY OR SUMMARY OF THE
16 PLAN OF MERGER. IF A SUMMARY OF THE PLAN IS GIVEN, THE NOTICE SHALL
17 STATE THAT A COPY OF THE PLAN IS AVAILABLE ON REQUEST.

18 (D) AT THE MEETING OF THE SHAREHOLDERS OR MEMBERS, THE
19 SHAREHOLDERS OR MEMBERS SHALL VOTE ON THE PROPOSED PLAN OF MERGER.
20 SUBJECT TO SUBDIVISION (E), THE PLAN IS APPROVED IF ALL OF THE
21 FOLLOWING ARE MET:

22 (i) A MAJORITY OF THE VOTES HELD BY SHAREHOLDERS OR MEMBERS OF
23 THE CORPORATION THAT ARE ENTITLED TO VOTE ON THE PLAN ARE CAST IN
24 FAVOR OF THE PLAN.

25 (ii) IF A CLASS OF MEMBERS OR SHAREHOLDERS IS ENTITLED TO VOTE
26 ON THE PLAN AS A CLASS, A MAJORITY OF THE VOTES HELD BY
27 SHAREHOLDERS OR MEMBERS OF THE CLASS ARE CAST IN FAVOR OF THE PLAN.

1 A CLASS OF SHARES OR OF MEMBERS IS ENTITLED TO VOTE AS A CLASS IN
2 THE CASE OF A MERGER IF THE PLAN OF MERGER CONTAINS A PROVISION
3 THAT, IF CONTAINED IN A PROPOSED AMENDMENT TO THE ARTICLES OF
4 INCORPORATION, WOULD ENTITLE THE CLASS OF SHARES OR MEMBERS TO VOTE
5 AS A CLASS.

6 (E) NOTWITHSTANDING SUBDIVISION (D), UNLESS A GREATER VOTE IS
7 REQUIRED IN THE ARTICLES OF INCORPORATION OR IN A BYLAW ADOPTED BY
8 THE SHAREHOLDERS OR MEMBERS, IF THERE ARE MORE THAN 20 SHAREHOLDERS
9 OR MEMBERS THAT ARE ENTITLED TO VOTE AT THE MEETING, THE PLAN OF
10 MERGER IS ADOPTED IF A MAJORITY OF THE VOTES HELD BY SHAREHOLDERS
11 OR THE MEMBERS PRESENT IN PERSON OR BY PROXY AT THE MEETING ARE
12 CAST IN FAVOR OF THE PLAN AND, IF A CLASS OF SHAREHOLDERS OR
13 MEMBERS IS ENTITLED TO VOTE ON THE PROPOSED MERGER AS A CLASS, A
14 MAJORITY OF THE VOTES HELD BY SHAREHOLDERS OR MEMBERS OF THAT CLASS
15 PRESENT IN PERSON OR BY PROXY AT THE MEETING ARE CAST IN FAVOR OF
16 THE PLAN.

17 (F) EXCEPT AS PROVIDED IN SECTION 754 OR UNLESS REQUIRED IN
18 THE ARTICLES OF INCORPORATION OR BYLAWS, ACTION ON A PLAN OF MERGER
19 BY THE SHAREHOLDERS OR MEMBERS OF A SURVIVING CORPORATION THAT IS
20 ORGANIZED ON A STOCK OR MEMBERSHIP BASIS IS NOT REQUIRED IF ALL OF
21 THE FOLLOWING APPLY:

22 (i) THE ARTICLES OF INCORPORATION OF THE SURVIVING CORPORATION
23 WILL NOT DIFFER FROM ITS ARTICLES OF INCORPORATION BEFORE THE
24 MERGER.

25 (ii) EACH SHAREHOLDER OF THE SURVIVING CORPORATION WHOSE SHARES
26 WERE OUTSTANDING IMMEDIATELY BEFORE THE EFFECTIVE DATE OF THE
27 MERGER WILL HOLD THE SAME NUMBER OF SHARES, WITH IDENTICAL

1 DESIGNATIONS, VOTING RIGHTS, PREFERENCES, LIMITATIONS, AND RELATIVE
2 RIGHTS, IMMEDIATELY AFTER THE MERGER OR EACH MEMBER OF THE
3 SURVIVING CORPORATION WHOSE MEMBERSHIP WAS OUTSTANDING IMMEDIATELY
4 BEFORE THE EFFECTIVE DATE OF THE MERGER WILL BE A MEMBER WITH
5 IDENTICAL DESIGNATIONS, VOTING RIGHTS, PREFERENCES, LIMITATIONS,
6 AND RELATIVE RIGHTS, IMMEDIATELY AFTER THE MERGER.

7 (G) A PLAN OF MERGER MAY PROVIDE FOR DIFFERING FORMS OF
8 CONSIDERATION FOR HOLDERS OF SHARES OR MEMBERSHIPS WITHIN THE SAME
9 CLASS BASED ON THE ELECTION OF THE HOLDERS OR MEMBERS, THE AMOUNT
10 OF SHARES OR MEMBERSHIPS HELD, OR ANOTHER REASONABLE BASIS.

11 (H) A CORPORATION THAT HAS MORE THAN 20 SHAREHOLDERS OR
12 MEMBERS IS NOT REQUIRED TO GIVE NOTICE UNDER SUBDIVISION (C) TO ANY
13 SHAREHOLDER OR MEMBER, AND IS NOT REQUIRED TO ALLOW THE SHAREHOLDER
14 OR MEMBER TO VOTE ON A PROPOSED PLAN OF MERGER OR CONVERSION, IF
15 BOTH OF THE FOLLOWING APPLY:

16 (i) THE SHAREHOLDER OR MEMBER IS NOT ENTITLED TO VOTE ON THE
17 PROPOSED PLAN OF MERGER OR CONVERSION UNDER THE ARTICLES OF
18 INCORPORATION OR BYLAWS OF THE CORPORATION.

19 (ii) THE SHAREHOLDER OR MEMBER IS NOT ENTITLED TO RECEIVE ANY
20 DISTRIBUTIONS FROM THE CORPORATION ON DISSOLUTION UNDER THE
21 ARTICLES OF INCORPORATION OR BYLAWS OF THE CORPORATION, UNDER THIS
22 ACT, OR UNDER OTHER APPLICABLE LAW.

23 (3) IF ANY MERGING CORPORATION IS ORGANIZED ON A DIRECTORSHIP
24 BASIS, THE BOARD SHALL APPROVE A PLAN OF MERGER BY AN AFFIRMATIVE
25 VOTE OF A MAJORITY OF THE DIRECTORS WHO ARE THEN IN OFFICE OR A
26 HIGHER NUMBER OF DIRECTORS IF SPECIFIED IN THE ARTICLES OF
27 INCORPORATION OR BYLAWS. THE CORPORATION SHALL GIVE NOTICE OF THE

1 MEETING TO AUTHORIZE THE MERGER TO EACH DIRECTOR WHO IS THEN IN
2 OFFICE AT LEAST 20 DAYS BEFORE THE MEETING. THE NOTICE SHALL
3 INCLUDE OR BE ACCOMPANIED BY A COPY OR A SUMMARY OF THE PLAN OF
4 MERGER.

5 (4) IF A PERSON SOLICITS PROXIES IN CONNECTION WITH THE
6 APPROVAL OF A PLAN OF MERGER UNDER THIS SECTION FROM MORE THAN 25
7 SHAREHOLDERS OR MEMBERS, THE PERSON SOLICITING THE PROXIES MUST
8 PROVIDE A FORM OF PROXY TO EACH VOTING SHAREHOLDER OR MEMBER
9 SOLICITED THAT CONTAINS ALL OF THE FOLLOWING:

10 (A) A BLANK SPACE FOR THE DATE AND THE SIGNATURE OF A
11 SHAREHOLDER OR MEMBER THAT IS VOTING BY PROXY.

12 (B) CLEAR IDENTIFICATION OF EACH MATTER OR GROUP OF RELATED
13 MATTERS ON WHICH THE SHAREHOLDERS OR MEMBERS ARE VOTING.

14 (C) THE PHRASE "REVOCABLE PROXY".

15 (D) AN ACKNOWLEDGMENT THAT THE SHAREHOLDER OR MEMBER RECEIVED
16 THE NOTICE OF MEETING AND THE PLAN OR A SUMMARY OF THE PLAN OF
17 MERGER.

18 (E) THE DATE, TIME, AND PLACE OF THE MEETING OF THE
19 SHAREHOLDERS OR MEMBERS.

20 (F) A PLACE FOR THE SHAREHOLDER OR MEMBER TO INDICATE ON THE
21 PROXY WHETHER THE SHAREHOLDER OR MEMBER VOTES FOR, VOTES AGAINST,
22 OR ABSTAINS FROM VOTING ON THE MERGER.

23 (G) A STATEMENT THAT THE PERSON DESIGNATED AS THE PROXY HOLDER
24 WILL VOTE THE PROXY IN ACCORDANCE WITH THE INSTRUCTIONS OF THE
25 SHAREHOLDER OR MEMBER.

26 (H) A STATEMENT INDICATING HOW THE PROXY HOLDER WILL VOTE THE
27 PROXY IF THE SHAREHOLDER OR MEMBER DOES NOT SPECIFY A CHOICE FOR A

1 MATTER.

2 (I) A STATEMENT THAT IF THE PROXY IS NOT RETURNED BY THE
3 SHAREHOLDER OR MEMBER, THE PROXY HOLDER MAY VOTE ANY VALID PROXY
4 PREVIOUSLY EXECUTED BY THE SHAREHOLDER OR MEMBER.

5 SEC. 706. (1) IF A DOMESTIC CORPORATION HAS NOT COMMENCED
6 BUSINESS, HAS NOT ISSUED ANY SHARES OR MEMBERSHIPS, AND HAS NOT
7 ELECTED A BOARD, THE CORPORATION MAY MERGE WITH ANY DOMESTIC OR
8 FOREIGN CORPORATION BY UNANIMOUS CONSENT OF ITS INCORPORATORS.

9 (2) IF INCORPORATORS UNANIMOUSLY CONSENT TO A MERGER UNDER
10 SUBSECTION (1), A MAJORITY OF INCORPORATORS SHALL EXECUTE A
11 CERTIFICATE OF MERGER UNDER SECTION 707.

12 (3) THE OTHER DOMESTIC OR FOREIGN CORPORATIONS THAT
13 PARTICIPATE IN THE MERGER WITH A DOMESTIC CORPORATION UNDER
14 SUBSECTION (1) SHALL COMPLY WITH THE PROVISIONS OF THIS ACT DEALING
15 WITH MERGERS THAT ARE APPLICABLE TO THEM.

16 Sec. 707. (1) After ~~approval of a plan of merger or~~
17 ~~consolidation,~~ IS APPROVED UNDER THIS ACT, EACH CONSTITUENT
18 CORPORATION SHALL SIGN AND FILE a certificate of merger ~~or a~~
19 ~~certificate of consolidation shall be executed and filed on behalf~~
20 ~~of each~~ THAT corporation. The certificate shall set forth ~~the plan~~
21 ~~of merger or the plan of consolidation and either~~ ALL of the
22 following:

23 (a) ~~A statement that the plan of merger or consolidation has~~
24 ~~been adopted by the board and approved by the shareholders or~~
25 ~~members in accordance with sections 701 to 703(1) and (2).~~ THE
26 STATEMENTS REQUIRED UNDER SECTION 701(2) (A), (B), AND (D), AND THE
27 MANNER AND BASIS OF CONVERTING THE SHARES OR MEMBERSHIPS OF EACH

1 CONSTITUENT CORPORATION THAT IS ORGANIZED ON A STOCK OR MEMBERSHIP
2 BASIS AS SET FORTH IN THE PLAN OF MERGER.

3 ~~(b) A statement that the plan of merger or consolidation has~~
4 ~~been adopted by the board in accordance with section 703(3).A~~
5 STATEMENT THAT THE BOARDS HAVE ADOPTED THE PLAN OF MERGER UNDER
6 SECTION 701.

7 (C) A STATEMENT THAT THE SURVIVING CORPORATION WILL FURNISH
8 THE PLAN OF MERGER, ON REQUEST AND WITHOUT COST, TO ANY SHAREHOLDER
9 OR MEMBER OF ANY CONSTITUENT CORPORATION.

10 (D) IF APPROVAL OF THE SHAREHOLDERS OR MEMBERS OF 1 OR MORE
11 CORPORATIONS THAT ARE PARTIES TO THE MERGER WAS REQUIRED, A
12 STATEMENT THAT THE PLAN WAS APPROVED BY THE SHAREHOLDERS OR MEMBERS
13 UNDER SECTION 703A.

14 (E) IF SECTION 706 APPLIES TO THE MERGER, A STATEMENT THAT THE
15 MERGING CORPORATION HAS NOT COMMENCED BUSINESS, HAS NOT ISSUED ANY
16 SHARES OR MEMBERSHIPS, AND HAS NOT ELECTED A BOARD AND THAT THE
17 PLAN OF MERGER WAS APPROVED BY THE UNANIMOUS CONSENT OF THE
18 INCORPORATORS.

19 (F) A STATEMENT OF ANY ASSUMED NAMES OF MERGING CORPORATIONS
20 THAT ARE TRANSFERRED TO THE SURVIVING CORPORATION UNDER SECTION
21 217(3), SPECIFYING EACH TRANSFERRED ASSUMED NAME AND THE NAME OF
22 THE CORPORATION FROM WHICH IT IS TRANSFERRED. THE CERTIFICATE MAY
23 INCLUDE A STATEMENT OF CORPORATE NAMES OR ASSUMED NAMES OF MERGING
24 CORPORATIONS THAT ARE TO BE TREATED AS NEWLY FILED ASSUMED NAMES OF
25 THE SURVIVING CORPORATION UNDER SECTION 217(4).

26 ~~(2) The~~SECTION 131 APPLIES IN DETERMINING WHEN A certificate
27 ~~of merger or consolidation shall become~~UNDER THIS SECTION BECOMES

1 effective. ~~in accordance with section 131.~~

2 SEC. 711. (1) A DOMESTIC CORPORATION MAY MERGE 1 OR MORE
3 SUBSIDIARY CORPORATIONS INTO ITSELF, OR MAY MERGE ITSELF, OR ITSELF
4 AND ANY 1 OR MORE SUBSIDIARY CORPORATIONS, INTO ANY OTHER
5 SUBSIDIARY CORPORATION, WITHOUT APPROVAL OF THE SHAREHOLDERS OR
6 MEMBERS OF ANY OF THE CORPORATIONS, EXCEPT AS PROVIDED IN SECTION
7 713. THE BOARD OF THE PARENT CORPORATION SHALL APPROVE A PLAN OF
8 MERGER THAT SETS FORTH THOSE MATTERS REQUIRED TO BE SET FORTH IN A
9 PLAN OF MERGER UNDER SECTION 701. APPROVAL BY THE BOARD OF A
10 SUBSIDIARY CORPORATION DESCRIBED IN THIS SUBSECTION IS NOT
11 REQUIRED.

12 (2) IF THE PARENT CORPORATION OWNS LESS THAN 100% OF THE
13 OUTSTANDING SHARES OR MEMBERSHIPS OF ANY SUBSIDIARY CORPORATION
14 THAT IS A CONSTITUENT CORPORATION, THE PARENT CORPORATION SHALL
15 PROMPTLY AFTER THE FILING OF THE CERTIFICATE OF MERGER MAIL A COPY
16 OR SUMMARY OF THE PLAN OF MERGER TO EACH MINORITY SHAREHOLDER OR
17 MEMBER OF RECORD OF EACH SUBSIDIARY CORPORATION, UNLESS THE
18 SHAREHOLDER OR MEMBER WAIVES THE REQUIREMENT IN WRITING.

19 (3) THE AUTHORITY OF A CORPORATION TO MERGE UNDER THIS SECTION
20 DOES NOT PREVENT THE CORPORATION FROM USING OTHER PROVISIONS OF
21 THIS ACT TO COMPLETE A MERGER.

22 (4) AS USED IN THIS SECTION AND IN SECTIONS 712 AND 713:

23 (A) "CONSTITUENT CORPORATION" MEANS A CORPORATION THAT IS A
24 PARTY TO THE MERGER DESCRIBED IN SUBSECTION (1).

25 (B) A DOMESTIC CORPORATION IS A "SUBSIDIARY CORPORATION" IF
26 ANOTHER DOMESTIC CORPORATION HOLDS AT LEAST 90% OF ITS SHAREHOLDER
27 OR MEMBER VOTES.

1 SEC. 712. (1) AFTER A PLAN OF MERGER IS ADOPTED UNDER SECTION
2 711, THE PARENT CORPORATION SHALL EXECUTE AND FILE A CERTIFICATE OF
3 MERGER THAT SETS FORTH ALL OF THE FOLLOWING:

4 (A) THE STATEMENTS REQUIRED UNDER SECTION 701(2) (A) AND (D) ,
5 AND THE MANNER AND BASIS OF CONVERTING SHARES OR MEMBERSHIPS OF
6 EACH CONSTITUENT CORPORATION AS SET FORTH IN THE PLAN OF MERGER.

7 (B) THE NUMBER OF OUTSTANDING SHARES OR MEMBERSHIPS OF EACH
8 CLASS OF EACH SUBSIDIARY CORPORATION THAT IS A PARTY TO THE MERGER
9 AND THE NUMBER OF SHARES OR MEMBERSHIPS OF EACH CLASS OWNED BY THE
10 PARENT CORPORATION.

11 (C) A STATEMENT OF ANY ASSUMED NAMES OF MERGING CORPORATIONS
12 TRANSFERRED TO THE SURVIVING CORPORATION AS UNDER SECTION 217(3) ,
13 SPECIFYING EACH TRANSFERRED ASSUMED NAME AND THE NAME OF THE
14 CORPORATION FROM WHICH IT IS TRANSFERRED. THE CERTIFICATE MAY
15 INCLUDE A STATEMENT OF CORPORATE NAMES OR ASSUMED NAMES OF MERGING
16 CORPORATIONS THAT ARE TO BE TREATED AS NEWLY FILED ASSUMED NAMES OF
17 THE SURVIVING CORPORATION UNDER SECTION 217(4) .

18 (2) SECTION 131 APPLIES IN DETERMINING WHEN A CERTIFICATE OF
19 MERGER BECOMES EFFECTIVE UNDER THIS SECTION.

20 SEC. 713. (1) A SUBSIDIARY CORPORATION THAT IS A CONSTITUENT
21 CORPORATION IN A MERGER UNDER SECTION 711 SHALL OBTAIN THE APPROVAL
22 OF ITS SHAREHOLDERS OR MEMBERS IF ITS ARTICLES OF INCORPORATION
23 REQUIRE APPROVAL OF A MERGER BY THE AFFIRMATIVE VOTE OF HOLDERS OF
24 MORE THAN THE PERCENTAGE OF SHAREHOLDER OR MEMBER VOTES OF ANY
25 CLASS OF THE CORPORATION THEN HELD BY THE PARENT CORPORATION.

26 (2) A PARENT CORPORATION SHALL OBTAIN APPROVAL OF ITS
27 SHAREHOLDERS OR MEMBERS FOR A MERGER UNDER SECTION 711 IF EITHER OF

1 THE FOLLOWING APPLIES:

2 (A) ITS ARTICLES OF INCORPORATION REQUIRE SHAREHOLDER OR
3 MEMBER APPROVAL OF THE MERGER.

4 (B) PURSUANT TO SECTION 703A, THE PLAN OF MERGER CONTAINS A
5 PROVISION THAT WOULD AMEND ANY PART OF THE ARTICLES OF
6 INCORPORATION OF THE PARENT CORPORATION INTO WHICH A SUBSIDIARY
7 CORPORATION IS BEING MERGED, OR A SUBSIDIARY CORPORATION IS TO BE
8 THE SURVIVING CORPORATION OF THE MERGER.

9 SEC. 724. ALL OF THE FOLLOWING APPLY WHEN A MERGER, OTHER THAN
10 A MERGER UNDER SECTION 736A, TAKES EFFECT:

11 (A) EVERY OTHER CORPORATION THAT IS A PARTY TO THE MERGER
12 MERGES INTO THE SURVIVING CORPORATION AND THE SEPARATE EXISTENCE OF
13 EVERY CORPORATION THAT IS A PARTY TO THE MERGER EXCEPT THE
14 SURVIVING CORPORATION CEASES. A MERGER IN WHICH A DOMESTIC
15 CORPORATION IS THE SURVIVING CORPORATION IS NOT CONSIDERED A
16 DISSOLUTION OF ANY CONSTITUENT DOMESTIC CORPORATION OR DOMESTIC
17 BUSINESS CORPORATION.

18 (B) THE TITLE TO ALL REAL ESTATE AND OTHER PROPERTY AND RIGHTS
19 OWNED BY EACH CORPORATION THAT IS A PARTY TO THE MERGER IS VESTED
20 IN THE SURVIVING CORPORATION WITHOUT REVERSION OR IMPAIRMENT.

21 (C) THE SURVIVING CORPORATION MAY USE THE CORPORATE NAME AND
22 THE ASSUMED NAMES OF ANY MERGING CORPORATION, IF THE FILINGS
23 REQUIRED UNDER SECTION 217(3) AND (4) ARE MADE.

24 (D) THE SURVIVING CORPORATION HAS ALL OF THE LIABILITIES OF
25 EACH CORPORATION THAT IS A PARTY TO THE MERGER.

26 (E) A PERSON MAY CONTINUE ANY PROCEEDING THAT IS PENDING
27 AGAINST ANY CORPORATION THAT IS A PARTY TO THE MERGER AS IF THE

1 MERGER DID NOT OCCUR OR THE SURVIVING CORPORATION MAY BE
2 SUBSTITUTED IN THE PROCEEDING FOR THE CORPORATION WHOSE EXISTENCE
3 CEASED.

4 (F) THE ARTICLES OF INCORPORATION OF THE SURVIVING CORPORATION
5 ARE AMENDED TO THE EXTENT PROVIDED IN THE PLAN OF MERGER.

6 (G) THE SHARES OR MEMBERSHIPS OF EACH CORPORATION PARTY TO THE
7 MERGER THAT ARE TO BE CONVERTED INTO SHARES, OBLIGATIONS, OR OTHER
8 SECURITIES OF OR MEMBERSHIP OR OTHER INTERESTS IN THE SURVIVING OR
9 ANY OTHER CORPORATION OR INTO CASH OR OTHER PROPERTY ARE CONVERTED.

10 SEC. 735. (1) ONE OR MORE DOMESTIC BUSINESS CORPORATIONS,
11 FOREIGN CORPORATIONS, OR FOREIGN BUSINESS CORPORATIONS MAY MERGE
12 WITH 1 OR MORE DOMESTIC CORPORATIONS IF ALL OF THE FOLLOWING ARE
13 MET:

14 (A) IN A MERGER INVOLVING A FOREIGN CORPORATION OR A FOREIGN
15 BUSINESS CORPORATION, THE MERGER IS PERMITTED UNDER THE LAW OF THE
16 STATE OR COUNTRY UNDER WHOSE LAW EACH FOREIGN CORPORATION AND EACH
17 FOREIGN BUSINESS CORPORATION IS INCORPORATED AND EACH FOREIGN
18 CORPORATION OR FOREIGN BUSINESS CORPORATION COMPLIES WITH THAT LAW
19 IN EFFECTING THE MERGER. IF THE PARENT CORPORATION IN A MERGER
20 CONDUCTED UNDER SECTION 711 IS A FOREIGN CORPORATION OR A FOREIGN
21 BUSINESS CORPORATION, IT SHALL COMPLY WITH ALL OF THE FOLLOWING,
22 NOTWITHSTANDING THE PROVISIONS OF THE LAWS OF ITS JURISDICTION OF
23 INCORPORATION:

24 (i) SECTION 711(2) WITH RESPECT TO NOTICE TO SHAREHOLDERS OR
25 MEMBERS OF A DOMESTIC SUBSIDIARY CORPORATION THAT IS A PARTY TO THE
26 MERGER.

27 (ii) SECTION 712 WITH RESPECT TO THE CERTIFICATE OF MERGER.

1 (B) IF A FOREIGN CORPORATION THAT IS AUTHORIZED TO CONDUCT
2 AFFAIRS OR TRANSACT BUSINESS IN THIS STATE IS A PARTY TO THE
3 MERGER, IT SHALL COMPLY WITH THE APPLICABLE PROVISION OF SECTIONS
4 1021 AND 1035.

5 (C) IN A MERGER INVOLVING 1 OR MORE DOMESTIC BUSINESS
6 CORPORATIONS, THE MERGER IS PERMITTED UNDER THE BUSINESS
7 CORPORATION ACT, AND EACH DOMESTIC BUSINESS CORPORATION COMPLIES
8 WITH THAT LAW IN EFFECTING THE MERGER. HOWEVER, IF THE PARENT
9 CORPORATION IN A MERGER THAT IS CONDUCTED UNDER SECTION 711 IS A
10 DOMESTIC BUSINESS CORPORATION, IT SHALL ALSO COMPLY WITH ALL OF THE
11 FOLLOWING:

12 (i) SECTION 711(2) WITH RESPECT TO NOTICE TO SHAREHOLDERS OR
13 MEMBERS OF A DOMESTIC SUBSIDIARY CORPORATION THAT IS A PARTY TO THE
14 MERGER.

15 (ii) SECTION 712 WITH RESPECT TO THE CERTIFICATE OF MERGER.

16 (D) EACH DOMESTIC CORPORATION COMPLIES WITH THE APPLICABLE
17 PROVISIONS OF SECTIONS 701 TO 713.

18 (2) IF THE SURVIVING CORPORATION OF A MERGER IS A FOREIGN
19 CORPORATION TO BE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN
20 THIS STATE, IT SHALL COMPLY WITH THE PROVISIONS OF THIS ACT WITH
21 RESPECT TO FOREIGN CORPORATIONS IF IT IS TO CONDUCT AFFAIRS IN THIS
22 STATE. IF THE SURVIVING CORPORATION IN A MERGER IS A FOREIGN
23 BUSINESS CORPORATION TO BE GOVERNED BY THE LAWS OF A JURISDICTION
24 OTHER THAN THIS STATE, IT SHALL COMPLY WITH THE PROVISIONS OF THE
25 BUSINESS CORPORATION ACT WITH RESPECT TO FOREIGN BUSINESS
26 CORPORATIONS IF IT IS TO TRANSACT BUSINESS IN THIS STATE.

27 (3) THE SURVIVING CORPORATION IN A MERGER IS LIABLE, AND IS

1 SUBJECT TO SERVICE OF PROCESS IN A PROCEEDING IN THIS STATE, FOR
2 THE ENFORCEMENT OF AN OBLIGATION OF A DOMESTIC CORPORATION THAT IS
3 PARTY TO THE MERGER.

4 (4) THIS SECTION DOES NOT LIMIT THE POWER OF A DOMESTIC
5 BUSINESS CORPORATION, FOREIGN CORPORATION, OR FOREIGN BUSINESS
6 CORPORATION TO ACQUIRE ALL OR PART OF THE SHARES OR MEMBERSHIPS OF
7 1 OR MORE CLASSES OF A DOMESTIC CORPORATION THROUGH A VOLUNTARY
8 EXCHANGE OR OTHERWISE.

9 (5) NOTWITHSTANDING THIS SECTION OR ANY OTHER PROVISIONS OF
10 THIS ACT, A CORPORATION SHALL MAKE DISTRIBUTIONS TO ITS
11 SHAREHOLDERS OR MEMBERS OR TO ANY OTHER PERSON IN CONNECTION WITH A
12 MERGER WITH A DOMESTIC BUSINESS CORPORATION, FOREIGN CORPORATION,
13 OR FOREIGN BUSINESS CORPORATION UNDER THIS SECTION ONLY IN
14 CONFORMITY WITH SECTION 301 AND WITH ANY LIMITATIONS ON
15 DISTRIBUTIONS IN THE ARTICLES OF THE CORPORATION.

16 SEC. 736A. (1) EXCEPT AS PROVIDED IN SUBSECTION (2) AND
17 SUBJECT TO SUBSECTION (8), 1 OR MORE DOMESTIC CORPORATIONS MAY
18 MERGE WITH 1 OR MORE BUSINESS ORGANIZATIONS IF ALL OF THE FOLLOWING
19 REQUIREMENTS ARE MET:

20 (A) THE MERGER IS PERMITTED UNDER THE LAW OF THE JURISDICTION
21 IN WHICH EACH CONSTITUENT BUSINESS ORGANIZATION IS ORGANIZED AND
22 EACH CONSTITUENT BUSINESS ORGANIZATION COMPLIES WITH THAT LAW IN
23 EFFECTING THE MERGER, AND EACH FOREIGN CONSTITUENT BUSINESS
24 ORGANIZATION TRANSACTING BUSINESS IN THIS STATE COMPLIES WITH THE
25 APPLICABLE LAWS OF THIS STATE.

26 (B) THE BOARD OF EACH DOMESTIC CORPORATION THAT IS
27 PARTICIPATING IN THE MERGER ADOPTS A PLAN OF MERGER THAT SETS FORTH

1 ALL OF THE FOLLOWING:

2 (i) THE NAME OF EACH CONSTITUENT ENTITY, THE NAME OF THE
3 CONSTITUENT ENTITY THAT WILL BE THE SURVIVING ENTITY, THE STREET
4 ADDRESS OF THE SURVIVING ENTITY'S PRINCIPAL PLACE OF BUSINESS, AND
5 THE TYPE OF ORGANIZATION OF THE SURVIVING ENTITY.

6 (ii) IF A DOMESTIC CORPORATION THAT IS A PARTY TO THE MERGER IS
7 A STOCK CORPORATION, THE DESIGNATION AND NUMBER OF OUTSTANDING
8 SHARES OF EACH CLASS, SPECIFYING THE CLASSES ENTITLED TO VOTE, EACH
9 CLASS ENTITLED TO VOTE AS A CLASS, AND, IF THE NUMBER OF SHARES IS
10 SUBJECT TO CHANGE BEFORE THE EFFECTIVE DATE OF THE MERGER, THE
11 MANNER IN WHICH THE CHANGE MAY OCCUR.

12 (iii) IF A DOMESTIC CORPORATION THAT IS A PARTY TO THE MERGER IS
13 A MEMBERSHIP CORPORATION, A DESCRIPTION OF THE MEMBERS, INCLUDING
14 THE NUMBER, CLASSIFICATION, AND VOTING RIGHTS OF MEMBERS.

15 (iv) IF A DOMESTIC CORPORATION THAT IS A PARTY TO A MERGER IS A
16 DIRECTORSHIP CORPORATION, A DESCRIPTION OF THE ORGANIZATION OF THE
17 BOARD, INCLUDING THE NUMBER, CLASSIFICATION, AND VOTING RIGHTS OF
18 DIRECTORS.

19 (v) THE TERMS AND CONDITIONS OF THE PROPOSED MERGER, INCLUDING
20 THE MANNER AND BASIS OF CONVERTING THE SHARES, PARTNERSHIP
21 INTERESTS, MEMBERSHIP INTERESTS, OR OTHER OWNERSHIP INTERESTS OF
22 EACH CONSTITUENT ENTITY INTO OWNERSHIP INTERESTS, OBLIGATIONS, OR
23 OTHER SECURITIES OF OR MEMBERSHIP OR OTHER INTERESTS IN THE
24 SURVIVING ENTITY, OR INTO CASH OR OTHER CONSIDERATION, IF ANY, THAT
25 MAY INCLUDE OWNERSHIP INTERESTS, OBLIGATIONS, OR OTHER SECURITIES
26 OF OR MEMBERSHIP OR OTHER INTERESTS IN AN ENTITY THAT IS NOT A
27 PARTY TO THE MERGER, OR INTO A COMBINATION OF THOSE SECURITIES,

1 INTERESTS, OR PROPERTY.

2 (vi) IF THE SURVIVING ENTITY IS TO BE A DOMESTIC CORPORATION, A
3 STATEMENT OF ANY AMENDMENT TO THE ARTICLES OF INCORPORATION OF THE
4 SURVIVING CORPORATION THAT WILL RESULT FROM THE MERGER OR ANY
5 RESTATEMENT OF THE ARTICLES UNDER SECTION 641(1), IN THE FORM FOR
6 RESTATED ARTICLES REQUIRED UNDER SECTION 642.

7 (vii) ANY OTHER PROVISIONS WITH RESPECT TO THE PROPOSED MERGER
8 THAT THE BOARD CONSIDERS NECESSARY OR DESIRABLE.

9 (C) A PLAN OF MERGER ADOPTED BY THE BOARD OF EACH CONSTITUENT
10 DOMESTIC CORPORATION SHALL BE SUBMITTED FOR APPROVAL AT A MEETING
11 OF THE SHAREHOLDERS OR MEMBERS UNDER SECTION 703A(1) OR, IF THE
12 CORPORATION IS ORGANIZED ON A DIRECTORSHIP BASIS, FOR APPROVAL BY
13 THE BOARD OF DIRECTORS UNDER SECTION 703A(3).

14 (2) IF A DOMESTIC CORPORATION HAS NOT COMMENCED BUSINESS, HAS
15 NOT ISSUED ANY SHARES, AND HAS NOT ELECTED A BOARD, THE CORPORATION
16 MAY MERGE WITH ANY DOMESTIC OR FOREIGN ENTITY BY UNANIMOUS CONSENT
17 OF ITS INCORPORATORS. IF THE INCORPORATORS UNANIMOUSLY CONSENT TO A
18 MERGER UNDER THIS SUBSECTION, A MAJORITY OF THE INCORPORATORS MUST
19 EXECUTE AND FILE A CERTIFICATE OF MERGER UNDER SUBSECTION (3).

20 (3) AFTER A PLAN OF MERGER IS APPROVED UNDER SUBSECTION (1) OR
21 THE MERGER IS APPROVED UNDER SUBSECTION (2), EACH DOMESTIC
22 CORPORATION THAT IS A PARTY TO THE MERGER SHALL EXECUTE AND FILE A
23 CERTIFICATE OF MERGER. THE CERTIFICATE SHALL SET FORTH ALL OF THE
24 FOLLOWING:

25 (A) A STATEMENT OF THE APPLICABLE REQUIREMENTS SET FORTH IN
26 SUBSECTION (1) (B) (i), (ii), (iii), (iv), (v), (vi), AND (vii), AND THE
27 MANNER AND BASIS OF CONVERTING THE OWNERSHIP, MEMBERSHIP, OR OTHER

1 INTERESTS OF EACH CONSTITUENT ENTITY INCLUDED IN THE PLAN OF
2 MERGER.

3 (B) A STATEMENT THAT THE PLAN OF MERGER HAS BEEN ADOPTED BY
4 THE BOARD UNDER SUBSECTION (1) (B) .

5 (C) A STATEMENT THAT THE SURVIVING ENTITY WILL FURNISH THE
6 PLAN OF MERGER, ON REQUEST AND WITHOUT COST, TO ANY SHAREHOLDER OR
7 MEMBER OF THE DOMESTIC CORPORATION.

8 (D) IF APPROVAL OF THE SHAREHOLDERS OR MEMBERS OF THE DOMESTIC
9 CORPORATION IS REQUIRED, A STATEMENT THAT THE PLAN WAS APPROVED BY
10 THE SHAREHOLDERS OR MEMBERS UNDER SUBSECTION (1) (C) OR, IF THE
11 CORPORATION IS ORGANIZED ON A DIRECTORSHIP BASIS, A STATEMENT THAT
12 THE PLAN WAS APPROVED BY THE BOARD OF DIRECTORS UNDER SUBSECTION
13 (1) (C) .

14 (E) IF SUBSECTION (2) APPLIES TO THE MERGER, A STATEMENT THAT
15 THE CORPORATION HAS NOT COMMENCED BUSINESS, HAS NOT ISSUED ANY
16 SHARES OR MEMBERSHIPS, AND HAS NOT ELECTED A BOARD, AND THAT THE
17 MERGER WAS APPROVED BY THE UNANIMOUS CONSENT OF THE INCORPORATORS.

18 (F) A STATEMENT OF ANY ASSUMED NAMES OF MERGING ENTITIES THAT
19 ARE TRANSFERRED TO THE SURVIVING ENTITY UNDER SECTION 217(3) ,
20 SPECIFYING EACH TRANSFERRED ASSUMED NAME AND THE NAME OF THE ENTITY
21 FROM WHICH IT IS TRANSFERRED. IF THE SURVIVING ENTITY IS A DOMESTIC
22 CORPORATION OR A FOREIGN CORPORATION AUTHORIZED TO CONDUCT AFFAIRS
23 IN THIS STATE, THE CERTIFICATE MAY INCLUDE A STATEMENT OF THE NAMES
24 OR ASSUMED NAMES OF MERGING ENTITIES THAT ARE TO BE TREATED AS
25 NEWLY FILED ASSUMED NAMES OF THE SURVIVING CORPORATION UNDER
26 SECTION 217(4) .

27 (4) SECTION 131 APPLIES IN DETERMINING WHEN A CERTIFICATE OF

1 MERGER UNDER SUBSECTION (3) BECOMES EFFECTIVE.

2 (5) WHEN A MERGER UNDER THIS SECTION TAKES EFFECT, ALL OF THE
3 FOLLOWING APPLY:

4 (A) EVERY OTHER ENTITY THAT IS A PARTY TO THE MERGER MERGES
5 INTO THE SURVIVING ENTITY AND THE SEPARATE EXISTENCE OF EVERY
6 ENTITY THAT IS A PARTY TO THE MERGER EXCEPT THE SURVIVING ENTITY
7 CEASES.

8 (B) THE TITLE TO ALL REAL ESTATE AND OTHER PROPERTY AND RIGHTS
9 OWNED BY EACH ENTITY THAT IS A PARTY TO THE MERGER IS VESTED IN THE
10 SURVIVING ENTITY WITHOUT REVERSION OR IMPAIRMENT.

11 (C) THE SURVIVING ENTITY MAY USE THE NAME AND THE ASSUMED
12 NAMES OF ANY ENTITY THAT IS A PARTY TO THE MERGER, IF THE FILINGS
13 REQUIRED UNDER SECTION 217(3) OR (4) OR ANY OTHER APPLICABLE
14 STATUTE ARE MADE.

15 (D) THE SURVIVING ENTITY HAS ALL OF THE LIABILITIES OF EACH
16 ENTITY THAT IS A PARTY TO THE MERGER. THIS SUBDIVISION DOES NOT
17 AFFECT THE LIABILITY, IF ANY, OF A PERSON THAT WAS AN OBLIGATED
18 PERSON WITH RESPECT TO AN ENTITY THAT IS A PARTY TO THE MERGER FOR
19 ACTS OR OMISSIONS THAT OCCURRED BEFORE THE MERGER.

20 (E) A PERSON MAY CONTINUE ANY PROCEEDING THAT IS PENDING
21 AGAINST ANY ENTITY THAT WAS A PARTY TO THE MERGER AS IF THE MERGER
22 DID NOT OCCUR, OR THE SURVIVING ENTITY MAY BE SUBSTITUTED IN THE
23 PROCEEDING FOR THE ENTITY WHOSE EXISTENCE CEASED.

24 (F) THE ARTICLES OF INCORPORATION OF A SURVIVING DOMESTIC
25 CORPORATION ARE AMENDED TO THE EXTENT PROVIDED IN THE PLAN OF
26 MERGER.

27 (G) THE OWNERSHIP INTERESTS, SHARES, OR MEMBERSHIPS OF EACH

1 ENTITY THAT IS A PARTY TO THE MERGER THAT ARE TO BE CONVERTED INTO
2 OWNERSHIP INTERESTS OR OBLIGATIONS OF OR MEMBERSHIP OR OTHER
3 INTERESTS IN THE SURVIVING ENTITY OR INTO CASH OR OTHER PROPERTY
4 ARE CONVERTED.

5 (6) IF THE SURVIVING ENTITY IN A MERGER UNDER THIS SECTION IS
6 A FOREIGN BUSINESS ORGANIZATION, IT IS SUBJECT TO THE LAWS OF THIS
7 STATE PERTAINING TO THE TRANSACTION OF BUSINESS IN THIS STATE IF IT
8 TRANSACTS BUSINESS IN THIS STATE. THE SURVIVING ENTITY IS LIABLE,
9 AND IS SUBJECT TO SERVICE OF PROCESS IN A PROCEEDING IN THIS STATE,
10 FOR THE ENFORCEMENT OF AN OBLIGATION OF A DOMESTIC CORPORATION THAT
11 IS A PARTY TO THE MERGER.

12 (7) NOTWITHSTANDING THIS SECTION OR ANY OTHER PROVISIONS OF
13 THIS ACT, A CORPORATION SHALL MAKE DISTRIBUTIONS TO ITS
14 SHAREHOLDERS OR MEMBERS OR TO ANY OTHER PERSON IN CONNECTION WITH A
15 MERGER WITH A BUSINESS ORGANIZATION UNDER THIS SECTION ONLY IN
16 CONFORMITY WITH SECTION 301 AND WITH ANY LIMITATIONS ON
17 DISTRIBUTIONS IN ITS ARTICLES OF INCORPORATION.

18 (8) SECTION 735, AND NOT THIS SECTION, APPLIES TO A MERGER IF
19 ALL OF THE BUSINESS ORGANIZATIONS MERGING WITH 1 OR MORE DOMESTIC
20 CORPORATIONS ARE FOREIGN CORPORATIONS, DOMESTIC BUSINESS
21 CORPORATIONS, OR FOREIGN BUSINESS CORPORATIONS.

22 (9) AS USED IN THIS SECTION:

23 (A) "BUSINESS ORGANIZATION" MEANS A DOMESTIC OR FOREIGN
24 LIMITED LIABILITY COMPANY, LIMITED PARTNERSHIP, GENERAL
25 PARTNERSHIP, OR ANY OTHER TYPE OF DOMESTIC OR FOREIGN BUSINESS
26 ENTERPRISE, INCORPORATED OR UNINCORPORATED, EXCEPT A DOMESTIC
27 BUSINESS CORPORATION, FOREIGN CORPORATION, OR FOREIGN BUSINESS

1 CORPORATION.

2 (B) "ENTITY" MEANS A BUSINESS ORGANIZATION, DOMESTIC
3 CORPORATION, FOREIGN CORPORATION, OR FOREIGN BUSINESS CORPORATION.

4 (C) "OBLIGATED PERSON" MEANS A GENERAL PARTNER OF A LIMITED
5 PARTNERSHIP, A PARTNER OF A GENERAL PARTNERSHIP, OR A PARTICIPANT
6 IN OR AN OWNER OF AN INTEREST IN ANY OTHER TYPE OF BUSINESS
7 ENTERPRISE THAT, UNDER APPLICABLE LAW, IS GENERALLY LIABLE FOR THE
8 OBLIGATIONS OF THE BUSINESS ENTERPRISE.

9 Sec. 741. At any time before the effective date of ~~a~~THE
10 certificate of merger, ~~or consolidation, the merger or~~
11 ~~consolidation may be abandoned pursuant to provisions therefor, if~~
12 ~~any,~~ SUBJECT TO ANY CONTRACTUAL RIGHTS, A CORPORATION MAY ABANDON A
13 MERGER WITHOUT FURTHER SHAREHOLDER OR MEMBER ACTION, UNDER A
14 PROCEDURE set forth in the plan of merger ~~or consolidation.~~ OR, IF
15 THE PLAN OF MERGER DOES NOT INCLUDE AN ABANDONMENT PROCEDURE, IN
16 THE MANNER DETERMINED BY THE BOARD. If a certificate of merger ~~or~~
17 ~~consolidation has been~~ WAS filed by a corporation THAT ABANDONS A
18 MERGER, it shall file a certificate of abandonment within 10 days
19 after the abandonment, but not later than the proposed effective
20 ~~day.~~ DATE.

21 SEC. 745. (1) A DOMESTIC CORPORATION MAY CONVERT INTO A
22 BUSINESS ORGANIZATION IF ALL OF THE FOLLOWING REQUIREMENTS ARE
23 SATISFIED:

24 (A) THE CONVERSION IS PERMITTED UNDER THE LAW THAT WILL GOVERN
25 THE INTERNAL AFFAIRS OF THE BUSINESS ORGANIZATION AFTER CONVERSION
26 AND THE SURVIVING BUSINESS ORGANIZATION COMPLIES WITH THAT LAW IN
27 CONVERTING.

1 (B) UNLESS SUBDIVISION (D) APPLIES, THE BOARD OF THE DOMESTIC
2 CORPORATION THAT IS PROPOSING TO CONVERT ADOPTS A PLAN OF
3 CONVERSION THAT INCLUDES ALL OF THE FOLLOWING:

4 (i) THE NAME OF THE DOMESTIC CORPORATION, THE NAME OF THE
5 BUSINESS ORGANIZATION INTO WHICH THE DOMESTIC CORPORATION IS
6 CONVERTING, THE TYPE OF BUSINESS ORGANIZATION INTO WHICH THE
7 DOMESTIC CORPORATION IS CONVERTING, IDENTIFICATION OF THE STATUTE
8 THAT WILL GOVERN THE INTERNAL AFFAIRS OF THE SURVIVING BUSINESS
9 ORGANIZATION, THE STREET ADDRESS OF THE SURVIVING BUSINESS
10 ORGANIZATION, THE STREET ADDRESS OF THE DOMESTIC CORPORATION IF IT
11 IS DIFFERENT FROM THE STREET ADDRESS OF THE SURVIVING BUSINESS
12 ORGANIZATION, AND THE PRINCIPAL PLACE OF BUSINESS OF THE SURVIVING
13 BUSINESS ORGANIZATION.

14 (ii) FOR A DOMESTIC CORPORATION THAT IS ORGANIZED ON A STOCK
15 BASIS, THE DESIGNATION AND NUMBER OF OUTSTANDING SHARES OF EACH
16 CLASS, SPECIFYING THE CLASSES THAT ARE ENTITLED TO VOTE, EACH CLASS
17 THAT IS ENTITLED TO VOTE AS A CLASS, AND, IF THE NUMBER OF SHARES
18 IS SUBJECT TO CHANGE BEFORE THE EFFECTIVE DATE OF THE CONVERSION,
19 THE MANNER IN WHICH THE CHANGE MAY OCCUR.

20 (iii) FOR A DOMESTIC CORPORATION THAT IS ORGANIZED ON A
21 MEMBERSHIP BASIS, A DESCRIPTION OF THE MEMBERS, INCLUDING THE
22 NUMBER, CLASSIFICATION, AND VOTING RIGHTS OF MEMBERS.

23 (iv) FOR A DOMESTIC CORPORATION THAT IS ORGANIZED ON A
24 DIRECTORSHIP BASIS, A DESCRIPTION OF THE ORGANIZATION OF THE BOARD,
25 INCLUDING THE NUMBER, CLASSIFICATION, AND VOTING RIGHTS OF
26 DIRECTORS.

27 (v) THE TERMS AND CONDITIONS OF THE PROPOSED CONVERSION,

1 INCLUDING THE MANNER AND BASIS OF CONVERTING THE SHARES OR
2 MEMBERSHIPS INTO OWNERSHIP INTERESTS, OR OBLIGATIONS OF THE
3 SURVIVING BUSINESS ORGANIZATION, INTO CASH, INTO OTHER
4 CONSIDERATION THAT MAY INCLUDE OWNERSHIP INTERESTS OR OBLIGATIONS
5 OF AN ENTITY THAT IS NOT A PARTY TO THE CONVERSION, OR INTO A
6 COMBINATION OF CASH AND OTHER CONSIDERATION.

7 (vi) THE TERMS AND CONDITIONS OF THE ORGANIZATIONAL DOCUMENTS
8 THAT ARE TO GOVERN THE SURVIVING BUSINESS ORGANIZATION.

9 (vii) ANY OTHER PROVISIONS WITH RESPECT TO THE PROPOSED
10 CONVERSION THAT THE BOARD CONSIDERS NECESSARY OR DESIRABLE.

11 (C) IF THE BOARD ADOPTS THE PLAN OF CONVERSION UNDER
12 SUBDIVISION (B), THE PLAN OF CONVERSION IS SUBMITTED FOR APPROVAL
13 IN THE MANNER REQUIRED FOR A MERGER UNDER SECTION 703A(2).

14 (D) IF THE DOMESTIC CORPORATION HAS NOT COMMENCED BUSINESS,
15 HAS NOT ISSUED ANY SHARES OR MEMBERSHIPS, AND HAS NOT ELECTED A
16 BOARD, SUBDIVISIONS (B) AND (C) DO NOT APPLY AND THE INCORPORATORS
17 MAY APPROVE THE CONVERSION OF THE CORPORATION INTO A BUSINESS
18 ORGANIZATION BY UNANIMOUS CONSENT. TO EFFECT THE CONVERSION, A
19 MAJORITY OF THE INCORPORATORS MUST EXECUTE AND FILE A CERTIFICATE
20 OF CONVERSION UNDER SUBDIVISION (E).

21 (E) AFTER THE PLAN OF CONVERSION IS APPROVED UNDER
22 SUBDIVISIONS (B) AND (C) OR THE CONVERSION IS APPROVED UNDER
23 SUBDIVISION (D), THE DOMESTIC CORPORATION FILES ANY FORMATION
24 DOCUMENTS REQUIRED TO BE FILED UNDER THE LAWS THAT GOVERN THE
25 INTERNAL AFFAIRS OF THE SURVIVING BUSINESS ORGANIZATION, IN THE
26 MANNER REQUIRED BY THOSE LAWS, AND FILES A CERTIFICATE OF
27 CONVERSION WITH THE ADMINISTRATOR. THE CERTIFICATE OF CONVERSION

1 SHALL INCLUDE ALL OF THE FOLLOWING:

2 (i) UNLESS SUBDIVISION (D) APPLIES, ALL OF THE INFORMATION
3 DESCRIBED IN SUBDIVISION (B) (i), (ii), (iii), AND (iv) AND THE MANNER
4 AND BASIS FOR CONVERTING THE SHARES OR MEMBERSHIPS, IF ANY, OF THE
5 DOMESTIC CORPORATION INCLUDED IN THE PLAN OF CONVERSION.

6 (ii) UNLESS SUBDIVISION (D) APPLIES, A STATEMENT THAT THE BOARD
7 HAS ADOPTED THE PLAN OF CONVERSION UNDER SUBDIVISION (C), OR IF
8 SUBDIVISION (D) APPLIES TO THE CONVERSION, A STATEMENT THAT THE
9 DOMESTIC CORPORATION HAS NOT COMMENCED BUSINESS, HAS NOT ISSUED ANY
10 SHARES OR MEMBERSHIPS, AND HAS NOT ELECTED A BOARD AND THAT THE
11 CONVERSION WAS APPROVED BY THE UNANIMOUS CONSENT OF THE
12 INCORPORATORS.

13 (iii) A STATEMENT THAT THE SURVIVING BUSINESS ORGANIZATION WILL
14 FURNISH A COPY OF THE PLAN OF CONVERSION, ON REQUEST AND WITHOUT
15 COST, TO ANY SHAREHOLDER OR MEMBER OF THE DOMESTIC CORPORATION.

16 (iv) IF APPROVAL OF THE SHAREHOLDERS OR MEMBERS OF THE DOMESTIC
17 CORPORATION IS REQUIRED, A STATEMENT THAT THE PLAN WAS APPROVED BY
18 THE SHAREHOLDERS OR MEMBERS UNDER SUBDIVISION (C).

19 (v) A STATEMENT SPECIFYING EACH ASSUMED NAME OF THE DOMESTIC
20 CORPORATION TO BE USED BY THE SURVIVING BUSINESS ORGANIZATION AND
21 AUTHORIZED UNDER SECTION 217(5).

22 (2) SECTION 131 APPLIES IN DETERMINING WHEN A CERTIFICATE OF
23 CONVERSION UNDER THIS SECTION BECOMES EFFECTIVE.

24 (3) WHEN A CONVERSION UNDER THIS SECTION TAKES EFFECT, ALL OF
25 THE FOLLOWING APPLY:

26 (A) THE DOMESTIC CORPORATION CONVERTS INTO THE SURVIVING
27 BUSINESS ORGANIZATION, AND THE ARTICLES OF INCORPORATION OF THE

1 DOMESTIC CORPORATION ARE CANCELED. EXCEPT AS OTHERWISE PROVIDED IN
2 THIS SECTION, THE SURVIVING BUSINESS ORGANIZATION IS ORGANIZED
3 UNDER AND SUBJECT TO THE ORGANIZATIONAL LAWS OF THE JURISDICTION OF
4 THE SURVIVING BUSINESS ORGANIZATION AS STATED IN THE CERTIFICATE OF
5 CONVERSION.

6 (B) THE SURVIVING BUSINESS ORGANIZATION HAS ALL OF THE
7 LIABILITIES OF THE DOMESTIC CORPORATION. THE CONVERSION OF THE
8 DOMESTIC CORPORATION INTO A BUSINESS ORGANIZATION UNDER THIS
9 SECTION DOES NOT AFFECT ANY OBLIGATIONS OR LIABILITIES OF THE
10 DOMESTIC CORPORATION BEFORE CONVERSION OR THE PERSONAL LIABILITY OF
11 ANY PERSON THAT IS INCURRED BEFORE THE CONVERSION, AND THE
12 CONVERSION SHALL NOT BE CONSIDERED TO AFFECT THE CHOICE OF LAW
13 APPLICABLE TO THE DOMESTIC CORPORATION WITH RESPECT TO MATTERS THAT
14 ARISE BEFORE THE CONVERSION.

15 (C) THE TITLE TO ALL REAL ESTATE AND OTHER PROPERTY AND RIGHTS
16 OWNED BY THE DOMESTIC CORPORATION IS VESTED IN THE SURVIVING
17 BUSINESS ORGANIZATION WITHOUT REVERSION OR IMPAIRMENT. THE RIGHTS,
18 PRIVILEGES, POWERS, AND INTERESTS IN PROPERTY OF THE DOMESTIC
19 CORPORATION, AND THE DEBTS, LIABILITIES, AND DUTIES OF THE DOMESTIC
20 CORPORATION, SHALL NOT BE CONSIDERED, AS A CONSEQUENCE OF THE
21 CONVERSION, AS TRANSFERRED TO THE SURVIVING BUSINESS CORPORATION TO
22 WHICH THE DOMESTIC CORPORATION HAS CONVERTED FOR ANY PURPOSES OF
23 THE LAWS OF THIS STATE.

24 (D) THE SURVIVING BUSINESS ORGANIZATION MAY USE THE NAME AND
25 ASSUMED NAMES OF THE DOMESTIC CORPORATION IF THE FILINGS REQUIRED
26 UNDER SECTION 217(5) OR ANY OTHER APPLICABLE STATUTE ARE MADE AND
27 THE LAWS REGARDING USE AND FORM OF NAMES ARE FOLLOWED.

1 (E) A PERSON MAY CONTINUE ANY PROCEEDING THAT IS PENDING
2 AGAINST THE DOMESTIC CORPORATION AS IF THE CONVERSION HAD NOT
3 OCCURRED, OR THE SURVIVING BUSINESS ORGANIZATION MAY BE SUBSTITUTED
4 IN THE PROCEEDING FOR THE DOMESTIC CORPORATION.

5 (F) THE SURVIVING BUSINESS ORGANIZATION IS CONSIDERED TO BE
6 THE SAME ENTITY THAT EXISTED BEFORE THE CONVERSION AND IS
7 CONSIDERED TO BE ORGANIZED ON THE DATE THAT THE DOMESTIC
8 CORPORATION WAS ORIGINALLY INCORPORATED.

9 (G) THE SHARES OR MEMBERSHIPS OF THE DOMESTIC CORPORATION THAT
10 ARE TO BE CONVERTED INTO OWNERSHIP INTERESTS OR OBLIGATIONS OF THE
11 SURVIVING BUSINESS ORGANIZATION OR INTO CASH OR OTHER PROPERTY ARE
12 CONVERTED.

13 (H) UNLESS OTHERWISE PROVIDED IN THE PLAN OF CONVERSION, THE
14 DOMESTIC CORPORATION IS NOT REQUIRED TO WIND UP ITS AFFAIRS OR PAY
15 ITS LIABILITIES AND DISTRIBUTE ITS ASSETS ON ACCOUNT OF THE
16 CONVERSION, AND THE CONVERSION DOES NOT CONSTITUTE A DISSOLUTION OF
17 THE DOMESTIC CORPORATION.

18 (4) IF THE SURVIVING BUSINESS ORGANIZATION OF A CONVERSION
19 UNDER THIS SECTION IS A FOREIGN BUSINESS ORGANIZATION, IT IS
20 SUBJECT TO THE LAWS OF THIS STATE PERTAINING TO THE TRANSACTION OF
21 BUSINESS AND THE CONDUCT OF AFFAIRS IN THIS STATE IF IT TRANSACTS
22 BUSINESS OR CONDUCTS AFFAIRS IN THIS STATE. THE SURVIVING BUSINESS
23 ORGANIZATION IS LIABLE, AND IS SUBJECT TO SERVICE OF PROCESS IN A
24 PROCEEDING IN THIS STATE, FOR THE ENFORCEMENT OF AN OBLIGATION OF
25 THE DOMESTIC CORPORATION.

26 (5) NOTWITHSTANDING THIS SECTION AND OTHER PROVISIONS OF THIS
27 ACT, A CORPORATION SHALL MAKE DISTRIBUTIONS TO SHAREHOLDERS OR

1 MEMBERS OF ANY CORPORATION OR TO ANY OTHER PERSON IN CONNECTION
2 WITH A CONVERSION UNDER THIS SECTION ONLY IN CONFORMITY WITH
3 SECTION 301 AND WITH LIMITATIONS ON DISTRIBUTIONS IN ITS ARTICLES
4 OF INCORPORATION.

5 (6) AS USED IN THIS SECTION AND SECTION 746, "BUSINESS
6 ORGANIZATION" AND "ENTITY" MEAN THOSE TERMS AS DEFINED IN SECTION
7 736A(9).

8 SEC. 746. (1) A BUSINESS ORGANIZATION MAY CONVERT INTO A
9 DOMESTIC CORPORATION IF ALL OF THE FOLLOWING REQUIREMENTS ARE
10 SATISFIED:

11 (A) THE CONVERSION IS PERMITTED UNDER THE LAW THAT GOVERNS THE
12 INTERNAL AFFAIRS OF THE BUSINESS ORGANIZATION AND THE BUSINESS
13 ORGANIZATION COMPLIES WITH THAT LAW IN CONVERTING.

14 (B) THE BUSINESS ORGANIZATION THAT IS PROPOSING TO CONVERT
15 INTO A DOMESTIC CORPORATION ADOPTS A PLAN OF CONVERSION THAT
16 INCLUDES ALL OF THE FOLLOWING:

17 (i) THE NAME OF THE BUSINESS ORGANIZATION, THE TYPE OF BUSINESS
18 ORGANIZATION THAT IS CONVERTING, IDENTIFICATION OF THE STATUTE THAT
19 GOVERNS THE INTERNAL AFFAIRS OF THE BUSINESS ORGANIZATION, THE NAME
20 OF THE SURVIVING DOMESTIC CORPORATION INTO WHICH THE BUSINESS
21 ORGANIZATION IS CONVERTING, THE STREET ADDRESS OF THE SURVIVING
22 DOMESTIC CORPORATION, AND THE PRINCIPAL PLACE OF BUSINESS OF THE
23 SURVIVING DOMESTIC CORPORATION.

24 (ii) A DESCRIPTION OF ALL OF THE OWNERSHIP INTERESTS IN THE
25 BUSINESS ORGANIZATION, SPECIFYING THE INTERESTS THAT ARE ENTITLED
26 TO VOTE, ANY RIGHT THOSE INTERESTS HAVE TO VOTE COLLECTIVELY OR AS
27 A CLASS, AND, IF THE OWNERSHIP INTERESTS ARE SUBJECT TO CHANGE

1 BEFORE THE EFFECTIVE DATE OF THE CONVERSION, THE MANNER IN WHICH
2 THE CHANGE MAY OCCUR.

3 (iii) THE TERMS AND CONDITIONS OF THE PROPOSED CONVERSION,
4 INCLUDING THE MANNER AND BASIS OF CONVERTING THE OWNERSHIP
5 INTERESTS OF THE BUSINESS ORGANIZATION INTO SHARES, MEMBERSHIPS, OR
6 OBLIGATIONS OF THE SURVIVING DOMESTIC CORPORATION, INTO CASH, INTO
7 OTHER CONSIDERATION THAT MAY INCLUDE OWNERSHIP INTERESTS OR
8 OBLIGATIONS OF AN ENTITY THAT IS NOT A PARTY TO THE CONVERSION, OR
9 INTO A COMBINATION OF CASH AND OTHER CONSIDERATION.

10 (iv) THE TERMS AND CONDITIONS OF THE ARTICLES AND BYLAWS THAT
11 ARE TO GOVERN THE SURVIVING DOMESTIC CORPORATION.

12 (v) ANY OTHER PROVISIONS WITH RESPECT TO THE PROPOSED
13 CONVERSION THAT THE BUSINESS ORGANIZATION CONSIDERS NECESSARY OR
14 DESIRABLE.

15 (C) IF THE PLAN OF CONVERSION IS ADOPTED BY THE BUSINESS
16 ORGANIZATION UNDER SUBDIVISION (B), THE PLAN OF CONVERSION IS
17 SUBMITTED FOR APPROVAL IN THE MANNER REQUIRED UNDER THE LAW
18 GOVERNING THE INTERNAL AFFAIRS OF THAT BUSINESS ORGANIZATION.

19 (D) AFTER THE PLAN OF CONVERSION IS APPROVED UNDER
20 SUBDIVISIONS (B) AND (C), THE BUSINESS ORGANIZATION FILES A
21 CERTIFICATE OF CONVERSION WITH THE ADMINISTRATOR. THE CERTIFICATE
22 OF CONVERSION SHALL INCLUDE ALL OF THE FOLLOWING:

23 (i) ALL OF THE INFORMATION DESCRIBED IN SUBDIVISION (B) (i) AND
24 (ii) AND THE MANNER AND BASIS OF CONVERTING THE OWNERSHIP INTERESTS
25 OF THE BUSINESS ORGANIZATION INCLUDED IN THE PLAN OF CONVERSION.

26 (ii) A STATEMENT THAT THE BUSINESS ORGANIZATION HAS ADOPTED THE
27 PLAN OF CONVERSION UNDER SUBDIVISION (C).

1 (iii) A STATEMENT THAT THE SURVIVING CORPORATION WILL FURNISH A
2 COPY OF THE PLAN OF CONVERSION, ON REQUEST AND WITHOUT COST, TO ANY
3 OWNER OF THE BUSINESS ORGANIZATION.

4 (iv) A STATEMENT SPECIFYING EACH ASSUMED NAME OF THE BUSINESS
5 ORGANIZATION TO BE USED BY THE SURVIVING DOMESTIC CORPORATION AND
6 AUTHORIZED UNDER SECTION 217(6).

7 (v) ARTICLES OF INCORPORATION OF THE SURVIVING DOMESTIC
8 CORPORATION THAT MEET ALL OF THE REQUIREMENTS OF THIS ACT
9 APPLICABLE TO ARTICLES OF INCORPORATION.

10 (2) SECTION 131 APPLIES IN DETERMINING WHEN A CERTIFICATE OF
11 CONVERSION UNDER THIS SECTION BECOMES EFFECTIVE.

12 (3) WHEN A BUSINESS ORGANIZATION CONVERTS INTO A SURVIVING
13 DOMESTIC CORPORATION UNDER THIS SECTION, ALL OF THE FOLLOWING
14 APPLY:

15 (A) THE BUSINESS ORGANIZATION CONVERTS TO THE SURVIVING
16 DOMESTIC CORPORATION. EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION,
17 THE SURVIVING DOMESTIC CORPORATION IS ORGANIZED UNDER AND SUBJECT
18 TO THIS ACT.

19 (B) THE SURVIVING DOMESTIC CORPORATION HAS ALL OF THE
20 LIABILITIES OF THE BUSINESS ORGANIZATION. THE CONVERSION OF THE
21 BUSINESS ORGANIZATION INTO A DOMESTIC CORPORATION UNDER THIS
22 SECTION DOES NOT AFFECT ANY OBLIGATIONS OR LIABILITIES OF THE
23 BUSINESS ORGANIZATION THAT ARE INCURRED BEFORE THE CONVERSION OR
24 THE PERSONAL LIABILITY OF ANY PERSON THAT IS INCURRED BEFORE THE
25 CONVERSION AND THE CONVERSION SHALL NOT BE CONSIDERED TO AFFECT THE
26 CHOICE OF LAW APPLICABLE TO THE BUSINESS ORGANIZATION WITH RESPECT
27 TO MATTERS THAT ARISE BEFORE CONVERSION.

1 (C) THE TITLE TO ALL REAL ESTATE AND OTHER PROPERTY AND RIGHTS
2 OWNED BY THE BUSINESS ORGANIZATION IS VESTED IN THE SURVIVING
3 DOMESTIC CORPORATION WITHOUT REVERSION OR IMPAIRMENT. THE RIGHTS,
4 PRIVILEGES, POWERS, AND INTERESTS IN PROPERTY OF THE BUSINESS
5 ORGANIZATION, AND THE DEBTS, LIABILITIES, AND DUTIES OF THE
6 BUSINESS ORGANIZATION, SHALL NOT BE CONSIDERED, AS A CONSEQUENCE OF
7 THE CONVERSION, AS TRANSFERRED TO THE SURVIVING DOMESTIC
8 CORPORATION TO WHICH THE BUSINESS ORGANIZATION HAS CONVERTED FOR
9 ANY PURPOSE UNDER THE LAWS OF THIS STATE.

10 (D) THE SURVIVING DOMESTIC CORPORATION MAY USE THE NAME AND
11 THE ASSUMED NAMES OF THE BUSINESS ORGANIZATION IF THE FILINGS
12 REQUIRED UNDER SECTION 217(6) OR ANY OTHER APPLICABLE STATUTE ARE
13 MADE AND THE LAWS REGARDING THE USE AND FORM OF NAMES ARE FOLLOWED.

14 (E) A PERSON MAY CONTINUE ANY PROCEEDING THAT IS PENDING
15 AGAINST THE BUSINESS ORGANIZATION AS IF THE CONVERSION HAD NOT
16 OCCURRED, OR THE SURVIVING DOMESTIC CORPORATION MAY BE SUBSTITUTED
17 IN THE PROCEEDING FOR THE BUSINESS ORGANIZATION.

18 (F) THE SURVIVING DOMESTIC CORPORATION IS CONSIDERED TO BE THE
19 SAME ENTITY THAT EXISTED BEFORE THE CONVERSION AND IS CONSIDERED TO
20 BE ORGANIZED ON THE DATE THAT THE BUSINESS ORGANIZATION WAS
21 ORIGINALLY ORGANIZED.

22 (G) THE OWNERSHIP INTERESTS OF THE BUSINESS ORGANIZATION THAT
23 WERE CONVERTED INTO SHARES, MEMBERSHIPS, OR OBLIGATIONS OF THE
24 SURVIVING DOMESTIC CORPORATION OR INTO CASH OR OTHER PROPERTY ARE
25 CONVERTED.

26 (H) UNLESS OTHERWISE PROVIDED IN THE PLAN OF CONVERSION, THE
27 BUSINESS ORGANIZATION IS NOT REQUIRED TO WIND UP ITS AFFAIRS OR PAY

1 ITS LIABILITIES AND DISTRIBUTE ITS ASSETS ON ACCOUNT OF THE
2 CONVERSION, AND THE CONVERSION DOES NOT CONSTITUTE A DISSOLUTION OF
3 THE BUSINESS ORGANIZATION.

4 SEC. 751. (1) A CORPORATION MAY TAKE ANY OF THE FOLLOWING
5 ACTIONS ON THE TERMS AND CONDITIONS AND FOR A CONSIDERATION
6 AUTHORIZED BY ITS BOARD OF DIRECTORS:

7 (A) SELL, LEASE, EXCHANGE, OR OTHERWISE DISPOSE OF ALL, OR
8 SUBSTANTIALLY ALL, OF ITS PROPERTY AND ASSETS IN THE USUAL AND
9 REGULAR COURSE OF ITS BUSINESS.

10 (B) SELL, LEASE, EXCHANGE, OR OTHERWISE DISPOSE OF ALL, OR
11 SUBSTANTIALLY ALL, OF ITS PROPERTY AND ASSETS FOLLOWING APPROVAL OF
12 A DISSOLUTION UNDER SECTION 804.

13 (C) TRANSFER ANY OR ALL OF ITS PROPERTY AND ASSETS TO ANOTHER
14 CORPORATION OF WHICH IT OWNS ALL OF THE SHARES, OR TO ANOTHER
15 ENTITY THAT IT CONTROLS OR WHOLLY OWNS, WHETHER OR NOT IN THE USUAL
16 AND REGULAR COURSE OF BUSINESS.

17 (D) MORTGAGE OR PLEDGE ANY OR ALL OF ITS PROPERTY AND ASSETS,
18 WHETHER OR NOT IN THE USUAL AND REGULAR COURSE OF BUSINESS.

19 (2) UNLESS OTHERWISE PROVIDED IN THE ARTICLES OF
20 INCORPORATION, APPROVAL BY THE SHAREHOLDERS OR MEMBERS OF A
21 TRANSACTION DESCRIBED IN SUBSECTION (1) IS NOT REQUIRED.

22 (3) AS USED IN SUBSECTION (1), "CONSIDERATION" MAY CONSIST IN
23 WHOLE OR IN PART OF CASH OR OTHER PROPERTY, INCLUDING SHARES,
24 BONDS, OR OTHER SECURITIES OF ANY OTHER DOMESTIC CORPORATION,
25 DOMESTIC BUSINESS CORPORATION, FOREIGN CORPORATION, OR FOREIGN
26 BUSINESS CORPORATION.

27 Sec. 753. (1) ~~A sale, lease, exchange, or other disposition of~~

~~all, or substantially all, the property and assets, with or without the goodwill, of a corporation, may be made upon such terms and conditions and for a consideration, which may consist in whole or in part of cash or other property, including shares, bonds, or other securities of any other corporation or business corporation, domestic or foreign, as authorized as provided in this~~

~~section.~~EXCEPT AS PROVIDED IN SECTION 751, A CORPORATION MAY SELL, LEASE, EXCHANGE, OR OTHERWISE DISPOSE OF ALL, OR SUBSTANTIALLY ALL, OF ITS PROPERTY AND ASSETS, WITH OR WITHOUT THE GOODWILL, IN A TRANSACTION THAT IS NOT IN THE USUAL AND REGULAR COURSE OF ITS BUSINESS, ON ANY TERMS AND CONDITIONS AND FOR ANY CONSIDERATION THAT IS AUTHORIZED UNDER THIS SECTION. A CORPORATION HAS NOT DISPOSED OF ALL OR SUBSTANTIALLY ALL OF ITS PROPERTY AND ASSETS UNDER THIS SUBSECTION IF IT RETAINS A SIGNIFICANT CONTINUING BUSINESS ACTIVITY. FOR PURPOSES OF THIS SUBSECTION, IT IS CONCLUSIVELY PRESUMED THAT A CORPORATION HAS RETAINED A SIGNIFICANT CONTINUING BUSINESS ACTIVITY IF THE CORPORATION AND ITS SUBSIDIARIES REPORTED ON A CONSOLIDATED BASIS CONTINUE TO CONDUCT AN ACTIVITY THAT REPRESENTED AT LEAST 25% OF TOTAL REVENUES OR 25% OF TOTAL ASSETS AT THE END OF THE MOST RECENTLY COMPLETED FISCAL YEAR OR AT LEAST 25% OF TOTAL PROGRAM EXPENDITURES FOR THAT FISCAL YEAR. AS USED IN THIS SUBSECTION, "CONSIDERATION" MAY CONSIST IN WHOLE OR IN PART OF CASH OR OTHER PROPERTY, INCLUDING SHARES, BONDS, OR OTHER SECURITIES OF ANY OTHER DOMESTIC CORPORATION, DOMESTIC BUSINESS CORPORATION, FOREIGN CORPORATION, OR FOREIGN BUSINESS CORPORATION.

(2) ~~The board shall approve a proposal for the sale, lease,~~

1 ~~exchange, or other disposition.~~ THE BOARD OF A STOCK OR MEMBERSHIP
2 CORPORATION MUST RECOMMEND A PROPOSED TRANSACTION DESCRIBED IN
3 SUBSECTION (1) TO THE SHAREHOLDERS OR MEMBERS, UNLESS ANY OF THE
4 FOLLOWING APPLY:

5 (A) THE BOARD DETERMINES THAT BECAUSE OF A CONFLICT OF
6 INTEREST, EVENTS THAT OCCUR AFTER THE BOARD ADOPTS THE PLAN,
7 CONTRACTUAL OBLIGATIONS, OR OTHER SPECIAL CIRCUMSTANCES IT SHOULD
8 MAKE NO RECOMMENDATION.

9 (B) THE POWER TO INITIATE THE TRANSACTION IS RESERVED TO THE
10 SHAREHOLDERS OR MEMBERS WITHOUT ACTION OF THE BOARD IN THE ARTICLES
11 OF INCORPORATION OR IN AN AGREEMENT UNDER SECTION 488.

12 (C) SECTION 529 APPLIES.

13 (3) IF 1 OR MORE OF THE EXCEPTIONS IN SUBSECTION (2) APPLY,
14 THE BOARD MUST COMMUNICATE THE BASIS FOR NOT MAKING A
15 RECOMMENDATION TO THE SHAREHOLDERS OR MEMBERS.

16 (4) THE BOARD MAY CONDITION ITS SUBMISSION TO SHAREHOLDERS OR
17 MEMBERS UNDER SUBSECTION (2) ON ANY BASIS.

18 (5) ~~(3) In the case of~~ IF A CORPORATION IS ORGANIZED ON a
19 stock or membership ~~corporation,~~ BASIS, the CORPORATION MUST SUBMIT
20 A proposed transaction ~~shall be submitted~~ DESCRIBED IN SUBSECTION
21 (1) for approval at a meeting of shareholders or members. ~~Notice~~
22 THE CORPORATION SHALL GIVE NOTICE of the meeting ~~shall be given to~~
23 each shareholder or member of record, whether or not THAT PERSON IS
24 entitled to vote at the meeting, ~~not less than 20 days before the~~
25 ~~meeting,~~ WITHIN THE TIME AND in the manner provided in UNDER this
26 act for the giving of notice of meetings of shareholders or
27 members. The notice shall include or be accompanied by a statement

1 ~~summarizing~~ **THAT SUMMARIZES** the principal terms of the proposed
2 transaction or a copy of any documents ~~containing~~ **THAT CONTAIN** the
3 principal terms.

4 (6) ~~(4)~~ At the ~~A~~ meeting **DESCRIBED IN SUBSECTION (5)**, the
5 shareholders or members may authorize the sale, lease, exchange, or
6 other disposition and may fix, or may authorize the board to fix,
7 any term or condition ~~thereof~~ and the consideration to be received
8 by the corporation ~~therefor~~. ~~The authorization requires the~~
9 ~~affirmative vote of the holders of~~ **FOR THAT TRANSACTION. SUBJECT TO**
10 **SUBSECTIONS (8) AND (9), THE TRANSACTION IS APPROVED IF** a majority
11 of the ~~outstanding shares~~ **VOTES HELD BY SHAREHOLDERS** or members of
12 the corporation entitled to vote ~~thereon, and if a class is~~
13 ~~entitled to vote thereon as a class, the affirmative vote of a~~
14 ~~majority of the outstanding shares or members of each such~~
15 ~~class~~. **ARE CAST IN FAVOR OF THE SALE, LEASE, EXCHANGE, OR OTHER**
16 **DISPOSITION.**

17 (7) **NOTWITHSTANDING SUBSECTION (6), UNLESS A GREATER VOTE IS**
18 **REQUIRED IN THE ARTICLES OF INCORPORATION OR IN A BYLAW ADOPTED BY**
19 **THE SHAREHOLDERS OR MEMBERS, IF THERE ARE MORE THAN 20 SHAREHOLDERS**
20 **OR MEMBERS THAT ARE ENTITLED TO VOTE AT THE MEETING, THE SALE,**
21 **LEASE, EXCHANGE, OR OTHER DISPOSITION IS APPROVED IF A MAJORITY OF**
22 **THE VOTES HELD BY SHAREHOLDERS OR MEMBERS THAT ARE PRESENT IN**
23 **PERSON OR BY PROXY AT THE MEETING ARE CAST IN FAVOR OF THE SALE,**
24 **LEASE, EXCHANGE, OR OTHER DISPOSITION.**

25 (8) ~~(5)~~ Notwithstanding authorization by the shareholders or
26 members **UNDER SUBSECTION (5) OR (6), UNLESS THE POWER TO INITIATE**
27 **THE TRANSACTION IS RESERVED TO THE SHAREHOLDERS OR MEMBERS WITHOUT**

1 ACTION OF THE BOARD IN THE ARTICLES OF INCORPORATION OR IN AN
 2 AGREEMENT UNDER SECTION 488, the board may abandon ~~the~~^A sale,
 3 lease, exchange, or other disposition **UNDER SUBSECTION (1)**, subject
 4 to the rights of third parties under any contracts ~~relating thereto~~
 5 **THAT RELATE TO THE SALE, LEASE, EXCHANGE, OR OTHER DISPOSITION,**
 6 without further action or approval by shareholders or members.

7 (9) ~~(6) In the case of~~ **IF** a corporation **IS** organized ~~upon~~^{ON} a
 8 directorship basis, a sale, lease, exchange, or other disposition
 9 of all, or substantially all, **OF** the property and assets, with or
 10 without goodwill, of a corporation, ~~shall be~~ **IN A TRANSACTION THAT**
 11 **IS NOT IN THE USUAL AND REGULAR COURSE OF ITS BUSINESS, IS**
 12 authorized ~~upon receiving~~ **IF IT RECEIVES** the affirmative vote of a
 13 majority of the directors **WHO ARE** then in office. ~~Notice~~^A
 14 **CORPORATION SHALL GIVE NOTICE** of the meeting to authorize ~~the~~^A
 15 sale, lease, exchange, or other disposition ~~shall be given~~ **UNDER**
 16 **THIS SUBSECTION** to each director **WHO IS** then in office ~~not less~~
 17 ~~than~~ **AT LEAST** 20 days before the meeting, and **THE NOTICE** shall
 18 include a statement ~~summarizing~~ **THAT SUMMARIZES** the principal terms
 19 of the proposed transaction or a copy of any documents ~~containing~~
 20 **THAT CONTAIN** the principal terms.

21 (10) A SALE, LEASE, EXCHANGE, OR OTHER DISPOSITION OF ALL, OR
 22 SUBSTANTIALLY ALL, OF THE PROPERTY AND ASSETS OF A CORPORATION OR
 23 OTHER ENTITY OF WHICH A SECOND CORPORATION OWNS A MAJORITY OF THE
 24 SHARES OR BENEFICIAL INTERESTS, INCLUDING A CHANGE IN SHARES OF THE
 25 CORPORATION OR BENEFICIAL INTEREST IN ANOTHER ENTITY HELD BY THE
 26 SECOND CORPORATION BECAUSE OF A MERGER, IS A DISPOSITION BY THE
 27 SECOND CORPORATION OF ITS PRO RATA SHARE OF THE PROPERTY AND ASSETS

1 OF THE CORPORATION OR OTHER ENTITY ON A CONSOLIDATED BASIS FOR
2 PURPOSES OF THIS SECTION.

3 (11) A TRANSACTION THAT IS A DISTRIBUTION PERMITTED UNDER
4 SECTION 301 IS GOVERNED BY SECTION 545, AND THIS SECTION AND
5 SECTION 751 DO NOT APPLY TO THAT TRANSACTION.

6 SEC. 754. SHAREHOLDERS OR MEMBERS OF A CORPORATION THAT
7 PROPOSES TO ISSUE, DIRECTLY OR THROUGH A SUBSIDIARY, ITS SHARES,
8 MEMBERSHIPS, OBLIGATIONS, OR SECURITIES IN THE COURSE OF A MERGER,
9 ACQUISITION OF SOME OR ALL OF THE OUTSTANDING SHARES OF ANOTHER
10 CORPORATION OR INTERESTS IN OR MEMBERSHIPS OF ANOTHER ENTITY, OR
11 ACQUISITION OF SOME OR ALL OF THE ASSETS OTHER THAN CASH OF A
12 CORPORATION OR OTHER ENTITY HAVE THE RIGHTS TO RECEIVE NOTICE AND
13 TO VOTE ON THE PROPOSED MERGER OR ACQUISITION PROVIDED UNDER
14 SECTION 703A(2) IF BOTH OF THE FOLLOWING APPLY:

15 (A) THE SECURITIES OR OTHER INTERESTS TO BE ISSUED OR
16 DELIVERED IN THE ACQUISITION ARE OR MAY BE CONVERTED INTO SHARES OR
17 MEMBERSHIPS OF THE ACQUIRING CORPORATION.

18 (B) THE NUMBER OF THE ACQUIRING CORPORATION'S VOTING SHARES OR
19 MEMBER VOTES TO BE ISSUED OR DELIVERED, PLUS THOSE INITIALLY
20 ISSUABLE ON THE CONVERSION OR EXCHANGE OF ANY OTHER SECURITIES TO
21 BE ISSUED OR DELIVERED, WILL EXCEED 100% OF THE NUMBER OF ITS
22 VOTING SHARES OR MEMBER VOTES OUTSTANDING IMMEDIATELY BEFORE THE
23 ACQUISITION PLUS THE NUMBER OF ITS COMMON SHARES OR MEMBERSHIPS, IF
24 ANY, INITIALLY ISSUABLE ON THE CONVERSION OR EXCHANGE OF ANY OTHER
25 SECURITIES THAT ARE THEN OUTSTANDING.

26 Sec. 801. (1) A corporation may be dissolved in any of the
27 following ways:

1 (a) Automatically by expiration of a period of duration to
2 which the corporation is limited ~~by~~**IN** its articles of
3 incorporation.

4 (b) By action of the incorporators or directors ~~pursuant to~~
5 **UNDER** section 803.

6 (c) By action of the shareholders, members, or the board
7 ~~pursuant to~~**UNDER** section 804.

8 ~~(d) By action of a shareholder or member pursuant to section~~
9 ~~805.~~**PURSUANT TO AN AGREEMENT UNDER SECTION 488. A DISSOLUTION UNDER**
10 **THIS SUBDIVISION BECOMES EFFECTIVE BY FILING A CERTIFICATE UNDER**
11 **SECTION 805.**

12 (e) By a judgment of the circuit court in an action **THAT IS**
13 brought ~~pursuant to~~**UNDER** this act or otherwise.

14 (f) Automatically, ~~pursuant to~~**UNDER** section 922, for failure
15 to file an annual report or pay ~~the~~**AN** annual filing fee. ~~or a~~
16 ~~penalty added to the fee.~~

17 (2) A corporation whose assets have been wholly disposed of
18 under court order in receivership or bankruptcy proceedings may be
19 summarily dissolved by order of the court ~~having~~**THAT HAS**
20 jurisdiction of the proceedings. ~~A~~**THE CLERK OF THE COURT SHALL**
21 **FILE A** copy of the order ~~shall be filed with the administrator. by~~
22 ~~the clerk of the court.~~

23 Sec. 804. (1) A corporation may be dissolved by action of its
24 **BOARD AND ITS** shareholders ~~, OR~~ members, ~~or board~~**IF ANY**, as
25 provided in this section.

26 (2) ~~The board shall adopt a resolution that the corporation be~~
27 ~~dissolved and that a plan of distribution of assets complying with~~

1 ~~section 855 be implemented.~~ THE BOARD OF A CORPORATION THAT IS
2 ORGANIZED ON A STOCK OR MEMBERSHIP BASIS MAY PROPOSE DISSOLUTION
3 FOR ACTION BY THE SHAREHOLDERS OR MEMBERS.

4 (3) THE BOARD OF A CORPORATION THAT IS ORGANIZED ON A STOCK OR
5 MEMBERSHIP BASIS MUST RECOMMEND A DISSOLUTION UNDER THIS SECTION TO
6 THE SHAREHOLDERS OR MEMBERS UNLESS ANY OF THE FOLLOWING APPLY:

7 (A) THE BOARD DETERMINES THAT BECAUSE OF A CONFLICT OF
8 INTEREST OR OTHER SPECIAL CIRCUMSTANCES IT SHOULD MAKE NO
9 RECOMMENDATION.

10 (B) THE POWER TO DISSOLVE THE CORPORATION IS RESERVED TO THE
11 SHAREHOLDERS OR MEMBERS WITHOUT ACTION OF THE BOARD IN THE ARTICLES
12 OF INCORPORATION OR IN AN AGREEMENT UNDER SECTION 488.

13 (C) SECTION 529 APPLIES.

14 (4) IF 1 OR MORE OF THE EXCEPTIONS DESCRIBED IN SUBSECTION (3)
15 APPLY, THE BOARD MUST COMMUNICATE TO THE SHAREHOLDERS OR MEMBERS
16 THE BASIS FOR NOT MAKING A RECOMMENDATION.

17 (5) THE BOARD MAY CONDITION ITS SUBMISSION OF A PROPOSAL FOR
18 DISSOLUTION TO SHAREHOLDERS OR MEMBERS UNDER SUBSECTION (3) ON ANY
19 BASIS.

20 (6) ~~(3)~~ If ~~the~~ A corporation is organized ~~upon~~ ON a stock or
21 membership basis, the BOARD SHALL SUBMIT A proposed dissolution
22 ~~shall be submitted for approval at a meeting of shareholders or~~
23 ~~members. Notice shall be given~~ THE CORPORATION SHALL GIVE NOTICE to
24 each shareholder or member of record, WHETHER OR NOT THAT PERSON IS
25 entitled to vote at the meeting, ~~as~~ WITHIN THE TIME AND IN THE
26 MANNER provided ~~in~~ UNDER this act for the giving of notice of
27 meetings of shareholders or members. ~~and~~ THE NOTICE shall state

1 that a purpose of the meeting is to vote on dissolution of the
2 corporation. ~~The notice shall include a copy or summary of the plan~~
3 ~~of distribution of assets.~~

4 (7) ~~(4) At the meeting a vote of~~ **AT A MEETING DESCRIBED IN**
5 **SUBSECTION (6), THE** shareholders or members shall ~~be taken~~ **VOTE** on
6 the proposed dissolution. ~~and plan of distribution of assets. The~~
7 **EXCEPT AS PROVIDED IN THIS SUBSECTION, A** dissolution shall ~~be~~ **IS**
8 approved ~~upon receiving the affirmative vote of the holders of~~ **IF** a
9 majority of the ~~outstanding shares or a majority of the~~ **VOTES HELD**
10 **BY SHAREHOLDERS OR** members of the corporation **THAT ARE** entitled to
11 vote thereon, ~~and if a class is entitled to vote thereon as a~~
12 ~~class, the affirmative vote of a majority of the outstanding shares~~
13 ~~or members of each such class.~~ **ON THE PROPOSED DISSOLUTION ARE CAST**
14 **IN FAVOR OF DISSOLUTION. UNLESS A GREATER VOTE IS REQUIRED IN THE**
15 **ARTICLES OF INCORPORATION OR IN A BYLAW ADOPTED BY THE SHAREHOLDERS**
16 **OR MEMBERS, IF THERE ARE MORE THAN 20 MEMBERS OR SHAREHOLDERS THAT**
17 **ARE ENTITLED TO VOTE AT THE MEETING, DISSOLUTION IS APPROVED IF A**
18 **MAJORITY OF THE VOTES HELD BY SHAREHOLDERS OR MEMBERS THAT ARE**
19 **ENTITLED TO VOTE ON THE PROPOSED DISSOLUTION PRESENT IN PERSON OR**
20 **BY PROXY AT THE MEETING ARE CAST IN FAVOR OF DISSOLUTION.**

21 (8) ~~(5) If the~~ **A** corporation is organized ~~upon~~ **ON** a
22 directorship basis, ~~the~~ **A** dissolution shall ~~be authorized by~~ **IS**
23 **APPROVED IF IT RECEIVES** the affirmative vote of a majority of
24 directors **WHO ARE** then in office. ~~Notice~~ **THE CORPORATION SHALL GIVE**
25 **NOTICE** of the meeting to authorize the dissolution ~~shall be given~~
26 to each director **WHO IS** then in office ~~not less than~~ **AT LEAST** 10
27 days before the meeting, and **THE NOTICE** shall state that a purpose

1 of the meeting is to vote on dissolution of the corporation. The
2 ~~notice shall include a copy or summary of the plan of distribution~~
3 ~~of assets.~~

4 (9) ~~(6)~~ If the dissolution is approved, a certificate of
5 dissolution shall be executed and ~~filed~~ **SUBMITTED** on behalf of the
6 corporation, setting forth:

7 (a) The name of the corporation.

8 (b) The date and place of the meeting of shareholders,
9 members, or directors ~~approving~~ **AT WHICH** the dissolution **WAS**
10 **APPROVED.**

11 (c) A statement that dissolution was **PROPOSED AND** approved by
12 the requisite vote of directors and **THE** shareholders, ~~directors~~
13 ~~and OR~~ members **UNDER SUBSECTION (7),** or **THE** directors **UNDER**
14 **SUBSECTION (8).**

15 Sec. 805. ~~(1) The articles of incorporation may contain a~~
16 ~~provision that a shareholder, a member, or a director, or the~~
17 ~~holders of any specified number or proportion of shares or any~~
18 ~~specified number or proportion of members or directors, or of any~~
19 ~~specified number or proportion of shares or members of a class, may~~
20 ~~require dissolution of the corporation at will or upon the~~
21 ~~occurrence of a specified event, if all the incorporators have~~
22 ~~authorized the provision in the articles or the holders of record~~
23 ~~of all outstanding shares or all the members or all the directors~~
24 ~~authorize the provision in an amendment to the articles. Said~~
25 ~~provision shall also specify a plan of distribution of assets of~~
26 ~~the corporation which complies with section 855.~~ **DISSOLUTION UNDER**
27 **AN AGREEMENT UNDER SECTION 488 BECOMES EFFECTIVE BY EXECUTING AND**

1 FILING A CERTIFICATE OF DISSOLUTION ON BEHALF OF THE CORPORATION
2 THAT STATES THE NAME OF THE CORPORATION AND THAT THE CORPORATION IS
3 DISSOLVED UNDER AN AGREEMENT UNDER SECTION 488.

4 ~~—— (2) If the articles contain this provision, dissolution may be~~
5 ~~effected by the execution and filing of a certificate of~~
6 ~~dissolution on behalf of the corporation when authorized by a~~
7 ~~holder or holders of the number or proportion of shares or by the~~
8 ~~number or proportion of members or directors specified in the~~
9 ~~provision, obtained in such manner as may be specified therein, or~~
10 ~~if no manner is specified therein, when authorized on written~~
11 ~~consent signed by such holder or holders, member or members, or~~
12 ~~director or directors. The certificate of dissolution shall state~~
13 ~~the name of the corporation and that the corporation is dissolved~~
14 ~~pursuant to a designated provision in the articles.~~

15 ~~—— (3) If the articles contain a provision authorized by~~
16 ~~subsection (1), the existence of the provision shall be noted~~
17 ~~conspicuously on the face of every certificate for shares issued by~~
18 ~~the corporation or on the face of a membership certificate~~
19 ~~delivered to every member of the corporation, and a holder or~~
20 ~~recipient of such certificate is conclusively deemed to have taken~~
21 ~~delivery or assumed membership with notice of the provision.~~

22 Sec. 811. (1) ~~Dissolution~~ **A CORPORATION MAY REVOKE DISSOLUTION**
23 ~~proceedings commenced pursuant to~~ **UNDER** ~~section 804 or 805 may be~~
24 ~~revoked~~ **488 OR 804** ~~before complete distribution of assets, if a~~
25 ~~proceeding pursuant to~~ **UNDER** ~~section 851 is not pending, by filing~~
26 ~~a certificate of revocation~~ **THAT IS** ~~executed, in person or by~~
27 ~~proxy, by all the shareholders, members, or directors~~ **THAT ARE**

1 entitled to vote on dissolution, ~~stating~~ **AND STATES** that **THE**
2 revocation is effective ~~pursuant to~~ **UNDER** this section and that all
3 the shareholders, members, or directors of the corporation **THAT ARE**
4 entitled to vote on dissolution have executed the certificate in
5 person or by proxy.

6 (2) ~~Dissolution~~ **IN ADDITION TO REVOKING A DISSOLUTION UNDER**
7 **SUBSECTION (1), A CORPORATION MAY ALSO REVOKE DISSOLUTION**
8 proceedings commenced ~~pursuant to~~ **UNDER** section 804 ~~may also be~~
9 ~~revoked~~ before complete distribution of assets, if a proceeding
10 ~~pursuant to~~ **UNDER** section 851 is not pending, in the following
11 manner:

12 (a) ~~The~~ **UNLESS THE POWER TO DISSOLVE THE CORPORATION IS**
13 **RESERVED TO THE SHAREHOLDERS OR MEMBERS WITHOUT ACTION OF THE BOARD**
14 **IN THE ARTICLES OF INCORPORATION OR IN AN AGREEMENT UNDER SECTION**
15 **488, THE** board of directors shall adopt a resolution ~~that the~~
16 **REVOKING** dissolution. ~~be revoked.~~ **THE CORPORATION SHALL SUBMIT THE**
17 proposed revocation ~~shall be submitted for approval at a meeting of~~
18 shareholders ~~, OR members, , or directors, and~~ **THE CORPORATION**
19 **SHALL GIVE** the shareholders ~~, OR members , or directors shall be~~
20 ~~given~~ the same notice of the meeting and the revocation ~~shall~~ **MUST**
21 be approved by the same vote ~~as that~~ **IS** required ~~by~~ **UNDER** section
22 804 for the approval of dissolution.

23 (B) **IF THE POWER TO DISSOLVE THE CORPORATION IS RESERVED TO**
24 **THE SHAREHOLDERS OR MEMBERS WITHOUT ACTION OF THE BOARD IN THE**
25 **ARTICLES OF INCORPORATION OR IN AN AGREEMENT UNDER SECTION 488, THE**
26 **SHAREHOLDERS OR MEMBERS MAY APPROVE REVOCATION OF DISSOLUTION IN**
27 **THE MANNER PROVIDED IN THE ARTICLES OF INCORPORATION OR IN THE**

1 AGREEMENT UNDER SECTION 488 FOR APPROVAL OF DISSOLUTION. THE
2 CORPORATION SHALL GIVE THE SHAREHOLDERS OR MEMBERS THE SAME NOTICE
3 OF THE MEETING THAT IS REQUIRED UNDER SECTION 804 FOR THE APPROVAL
4 OF DISSOLUTION AND THE REVOCATION OF DISSOLUTION MUST BE APPROVED
5 BY THE SAME VOTE THAT IS REQUIRED UNDER SECTION 804 OR IN THE
6 APPLICABLE PROVISIONS OF THE ARTICLES OF INCORPORATION OR IN THE
7 AGREEMENT UNDER SECTION 488 FOR THE APPROVAL OF DISSOLUTION.

8 (C) IF THE CORPORATION IS ORGANIZED ON A DIRECTORSHIP BASIS, A
9 DISSOLUTION MAY BE REVOKED BY THE AFFIRMATIVE VOTE OF A MAJORITY OF
10 THE DIRECTORS WHO ARE THEN IN OFFICE. THE CORPORATION SHALL GIVE
11 THE DIRECTORS THE SAME NOTICE OF THE MEETING THAT IS REQUIRED IN
12 SECTION 804 FOR DISSOLUTION.

13 (D) ~~(b)~~ A certificate of revocation, ~~stating THAT STATES~~ that
14 dissolution is revoked ~~pursuant to UNDER~~ this section, and ~~giving~~
15 **INCLUDES** the information required by ~~UNDER~~ section ~~804(6), 804(8),~~
16 shall be executed and filed on behalf of the corporation.

17 Sec. 815. A corporation whose term has expired may renew its
18 corporate existence, if a proceeding ~~pursuant to UNDER~~ section 851
19 is not pending, in the following manner:

20 (a) The board ~~shall adopt~~ **ADOPTS** a resolution ~~that TO RENEW~~
21 the **CORPORATION'S** corporate existence. ~~be renewed.~~

22 (b) If the corporation is organized ~~upon~~ **ON** a stock or
23 membership basis, the **CORPORATION SUBMITS THE** proposed renewal
24 ~~shall be submitted~~ for approval at a meeting of shareholders or
25 members. ~~Notice shall be given~~ **THE CORPORATION SHALL GIVE NOTICE** to
26 each shareholder or member of record **THAT IS** entitled to vote at
27 the meeting within the time and in the manner provided ~~in UNDER~~

1 this act for the giving of notice of meetings of shareholders or
2 members. ~~and~~ **THE NOTICE** shall state that a purpose of the meeting
3 is to vote on the renewal of corporate existence. At the meeting, a
4 ~~vote of~~ shareholders or members **THAT ARE** entitled to vote ~~thereat~~
5 ~~shall be taken~~ **ON THE RENEWAL SHALL VOTE** on the proposed renewal
6 ~~which shall be~~ **AND THE RENEWAL IS** adopted ~~upon receiving the~~
7 ~~affirmative vote of holders of~~ **IF** a majority of the ~~outstanding~~
8 ~~shares or a majority of the~~ **VOTES HELD BY SHAREHOLDERS OR** members
9 of the corporation **THAT ARE** entitled to vote ~~thereon, and if a~~
10 ~~class of shareholders or members is entitled to vote thereon as a~~
11 ~~class, the affirmative vote of a majority of the outstanding shares~~
12 ~~or the members of each such class.~~ **ON THE RENEWAL ARE CAST IN FAVOR**
13 **OF THE RENEWAL.** Unless a greater vote is required in the articles
14 of incorporation or in a bylaw adopted by the shareholders or
15 members, ~~the~~ **A** proposed renewal ~~shall~~ **IS** also ~~be adopted upon~~
16 ~~receiving an affirmative vote of~~ **IF** a majority of **VOTES THAT ARE**
17 **HELD BY SHAREHOLDERS OR** members ~~or shares of shareholders present~~
18 in person or by proxy at ~~such~~ **THE** meeting ~~if~~ **ARE CAST IN FAVOR OF**
19 **THE RENEWAL AND** due notice of the time, place, and object of the
20 meeting ~~was~~ **IS** given by mail, at **THE** last known address, to each
21 shareholder or member **THAT IS** entitled to vote ~~thereon~~ **ON THE**
22 **RENEWAL** at least 20 days ~~prior to~~ **BEFORE** the date of the meeting or
23 by publication in a publication distributed to its shareholders or
24 members at least 20 days ~~prior to~~ **BEFORE** the date of the meeting.

25 (c) If the corporation is organized ~~upon~~ **ON** a directorship
26 basis, renewal ~~shall be~~ **IS** authorized ~~by the~~ **IF IT RECEIVES THE**
27 affirmative vote of a majority of directors **WHO ARE** then in office.

1 (d) If renewal of the corporate existence **OF A CORPORATION** is
 2 approved, a certificate of renewal shall be executed and filed on
 3 behalf of the corporation ~~, setting forth:~~ **THAT INCLUDES ALL OF THE**
 4 **FOLLOWING:**

5 (i) The name of the corporation.

6 (ii) The date and place of the meeting of shareholders or
 7 members ~~approving~~ **AT WHICH** the renewal of existence **WAS APPROVED**,
 8 if any.

9 (iii) A statement that renewal was approved by the requisite
 10 vote of **THE** directors and **THE** shareholders ~~, directors and OR~~
 11 members **UNDER SUBDIVISION (B)**, or **OF THE** directors **UNDER**
 12 **SUBDIVISION (C)**.

13 (iv) The duration of the corporation, if other than perpetual.

14 Sec. 817. (1) ~~Upon filing of the~~ **WHEN A** certificate of
 15 revocation of dissolution ~~or~~ **IS FILED UNDER SECTION 811 OR A**
 16 **CERTIFICATE** of renewal of existence **IS FILED UNDER SECTION 815**, the
 17 revocation of the dissolution proceedings or the renewal of the
 18 corporate existence becomes effective, and the corporation may
 19 again conduct affairs.

20 (2) Revocation of dissolution **UNDER SECTION 811** or renewal of
 21 corporate existence **UNDER SECTION 815** does not relieve ~~the~~ **A**
 22 corporation of any penalty or liability accrued against it under
 23 any law of this state.

24 (3) ~~If during the period of dissolution or expiration of term~~
 25 ~~the corporate name or a confusingly similar name has been assigned~~
 26 ~~to another corporation, the administrator may require that the~~
 27 ~~corporation adopt a different name upon filing of a certificate of~~

~~revocation of dissolution or of renewal of existence.~~THE
ADMINISTRATOR MAY REQUIRE A CORPORATION THAT FILES A CERTIFICATE OF
REVOCATION OF DISSOLUTION UNDER SECTION 811 OR A CERTIFICATE OF
RENEWAL OF CORPORATE EXISTENCE UNDER SECTION 815 TO ADOPT A
CORPORATE NAME THAT CONFORMS TO THE REQUIREMENTS OF SECTION 212.

(4) THE RIGHTS OF A CORPORATION THAT COMPLIES WITH THIS
SECTION ARE THE SAME AS THOUGH A DISSOLUTION OR EXPIRATION OF TERM
HAS NOT OCCURRED, AND ALL CONTRACTS ENTERED INTO AND OTHER RIGHTS
ACQUIRED DURING THE INTERVAL ARE VALID AND ENFORCEABLE.

Sec. 821. (1) The attorney general may bring an action in the
circuit court for the county in which the **PRINCIPAL PLACE OF
BUSINESS OR** registered office of ~~the~~A corporation is located **OR
FOR INGHAM COUNTY** for dissolution of a corporation ~~upon~~ON the
ground that the corporation has committed any of the following
acts:

(a) Procured its organization through fraud.

(b) Repeatedly, ~~and wilfully~~**WILLFULLY, AND MATERIALLY**
exceeded the authority conferred ~~upon~~ON it by law.

(c) Repeatedly, ~~and wilfully~~**WILLFULLY, AND MATERIALLY**
conducted its affairs in an unlawful manner.

(2) The enumeration in this section of grounds for dissolution
does not exclude any other statutory or common law action by the
attorney general for dissolution of a corporation or revocation or
forfeiture of its corporate franchises.

Sec. 823. (1) A corporation **THAT IS ORGANIZED ON A STOCK OR
MEMBERSHIP BASIS** may be dissolved by a judgment entered in an
action brought in the circuit court for the county in which the

1 **PRINCIPAL PLACE OF BUSINESS OR** registered office of the corporation
2 is located by 1 or more directors or by 1 or more shareholders or
3 members **THAT ARE** entitled to vote in an election of directors of
4 the corporation, ~~upon proof of~~ **IF** both of the following **ARE PROVED**:

5 (a) The directors of the corporation, **OR ITS SHAREHOLDERS OR**
6 **MEMBERS IF A PROVISION IN THE ARTICLES OF INCORPORATION AUTHORIZED**
7 **UNDER SECTION 488(1) IS IN EFFECT**, are unable to agree by the
8 requisite vote on material matters respecting management of the
9 corporation's affairs, or the shareholders or members of the
10 corporation are so divided in voting power that they have failed to
11 elect ~~successors to~~ **A SUCCESSOR FOR** any director whose term has
12 expired or would have expired ~~upon~~ **ON** the election and
13 qualification of ~~the director's~~ **HIS OR HER** successor.

14 (b) As a result of a condition stated in subdivision (a), the
15 corporation is unable to carry out its corporate purposes or
16 function effectively in the best interests of its creditors and
17 shareholders or members, if any, **OR THE PERSONS THAT THE**
18 **CORPORATION IS ORGANIZED TO BENEFIT.**

19 (2) **A CORPORATION THAT IS ORGANIZED ON A DIRECTORSHIP BASIS**
20 **MAY BE DISSOLVED BY A JUDGMENT ENTERED IN AN ACTION BROUGHT IN THE**
21 **CIRCUIT COURT FOR THE COUNTY IN WHICH THE PRINCIPAL PLACE OF**
22 **BUSINESS OR REGISTERED OFFICE OF THE CORPORATION IS LOCATED BY 1 OR**
23 **MORE DIRECTORS OR BY 1 OR MORE OTHER PERSONS THAT ARE ENTITLED TO**
24 **VOTE IN AN ELECTION OF 1 OR MORE OF THE DIRECTORS OF THE**
25 **CORPORATION, IF BOTH OF THE FOLLOWING ARE PROVED:**

26 (A) **THE DIRECTORS OF THE CORPORATION ARE UNABLE TO AGREE BY**
27 **THE REQUISITE VOTE ON MATERIAL MATTERS RESPECTING MANAGEMENT OF THE**

1 CORPORATION'S AFFAIRS, OR THE DIRECTORS OR OTHER PERSONS THAT ARE
2 ENTITLED TO VOTE IN THE ELECTION OF 1 OR MORE OF THE DIRECTORS OF
3 THE CORPORATION ARE SO DIVIDED IN VOTING POWER THAT THEY HAVE
4 FAILED TO ELECT A SUCCESSOR FOR TO ANY DIRECTOR WHOSE TERM HAS
5 EXPIRED OR WOULD HAVE EXPIRED ON THE ELECTION AND QUALIFICATION OF
6 HIS OR HER SUCCESSOR.

7 (B) AS A RESULT OF A CONDITION STATED IN SUBDIVISION (A), THE
8 CORPORATION IS UNABLE TO CARRY OUT ITS CORPORATE PURPOSES OR
9 FUNCTION EFFECTIVELY IN THE BEST INTERESTS OF ITS CREDITORS AND
10 SHAREHOLDERS OR MEMBERS, IF ANY, OR THE PERSONS THAT THE
11 CORPORATION IS ORGANIZED TO BENEFIT.

12 (3) A PERSON OR PERSONS THAT FILES AN ACTION FOR DISSOLUTION
13 OF A CHARITABLE PURPOSE CORPORATION UNDER THIS SECTION SHALL GIVE
14 THE ATTORNEY GENERAL WRITTEN NOTICE OF THE COMMENCEMENT OF THE
15 ACTION BY MAIL WITHIN 30 DAYS AFTER FILING.

16 SEC. 841A. (1) A DISSOLVED CORPORATION MAY NOTIFY ITS EXISTING
17 CLAIMANTS IN WRITING OF THE DISSOLUTION OF THE CORPORATION AT ANY
18 TIME AFTER THE EFFECTIVE DATE OF THE DISSOLUTION. THE WRITTEN
19 NOTICE SHALL INCLUDE ALL OF THE FOLLOWING:

20 (A) A DESCRIPTION OF THE INFORMATION THAT MUST BE INCLUDED IN
21 A CLAIM. THE CORPORATION MAY DEMAND SUFFICIENT INFORMATION TO
22 PERMIT IT TO MAKE A REASONABLE JUDGMENT WHETHER THE CLAIM SHOULD BE
23 ACCEPTED OR REJECTED.

24 (B) A MAILING ADDRESS WHERE A CLAIM MAY BE SENT.

25 (C) THE DEADLINE BY WHICH THE DISSOLVED CORPORATION MUST
26 RECEIVE THE CLAIM. THE DEADLINE MUST BE AT LEAST 6 MONTHS AFTER THE
27 EFFECTIVE DATE OF THE WRITTEN NOTICE.

1 (D) A STATEMENT THAT A CLAIM THAT IS NOT RECEIVED BY THE
2 DEADLINE IS BARRED.

3 (2) PROVIDING A NOTICE UNDER SUBSECTION (1) DOES NOT
4 CONSTITUTE RECOGNITION THAT A PERSON TO WHICH THE NOTICE IS
5 DIRECTED HAS A VALID CLAIM AGAINST THE CORPORATION.

6 (3) A CLAIM AGAINST A DISSOLVED CORPORATION IS BARRED IF
7 EITHER OF THE FOLLOWING APPLIES:

8 (A) IF A CLAIMANT THAT WAS GIVEN WRITTEN NOTICE UNDER
9 SUBSECTION (1) DOES NOT DELIVER THE CLAIM TO THE DISSOLVED
10 CORPORATION BY THE DEADLINE.

11 (B) IF A CLAIMANT WHOSE CLAIM IS REJECTED BY A WRITTEN NOTICE
12 OF REJECTION BY THE DISSOLVED CORPORATION DOES NOT COMMENCE A
13 PROCEEDING TO ENFORCE THE CLAIM WITHIN 90 DAYS AFTER THE EFFECTIVE
14 DATE OF THE WRITTEN NOTICE OF REJECTION.

15 (4) AS USED IN THIS SECTION AND SECTION 842A:

16 (A) THE "EFFECTIVE DATE" OF A WRITTEN NOTICE IS THE EARLIEST
17 OF THE FOLLOWING:

18 (i) THE DATE IT IS RECEIVED.

19 (ii) FIVE DAYS AFTER ITS DEPOSIT IN THE UNITED STATES MAIL, AS
20 EVIDENCED BY THE POSTMARK, IF IT IS MAILED POSTPAID AND CORRECTLY
21 ADDRESSED.

22 (iii) THE DATE SHOWN ON THE RETURN RECEIPT, IF THE NOTICE IS
23 SENT BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, AND
24 THE RECEIPT IS SIGNED BY OR ON BEHALF OF THE ADDRESSEE.

25 (B) "EXISTING CLAIM" MEANS ANY CLAIM OR RIGHT AGAINST A
26 CORPORATION, LIQUIDATED OR UNLIQUIDATED. THE TERM DOES NOT MEAN A
27 CONTINGENT LIABILITY OR A CLAIM THAT IS BASED ON AN EVENT THAT

1 OCCURS AFTER THE EFFECTIVE DATE OF DISSOLUTION OF THE CORPORATION.

2 SEC. 842A. (1) IN ADDITION TO PROVIDING NOTICE UNDER SECTION
3 841A, A DISSOLVED CORPORATION MAY ALSO PUBLISH NOTICE OF
4 DISSOLUTION AT ANY TIME AFTER THE EFFECTIVE DATE OF DISSOLUTION AND
5 REQUEST THAT PERSONS WITH CLAIMS AGAINST THE CORPORATION PRESENT
6 THEM IN THE MANNER DESCRIBED IN THE NOTICE.

7 (2) A NOTICE DESCRIBED IN SUBSECTION (1) MUST MEET BOTH OF THE
8 FOLLOWING:

9 (A) BE PUBLISHED 1 TIME IN A NEWSPAPER OF GENERAL CIRCULATION
10 IN THE COUNTY WHERE THE DISSOLVED CORPORATION'S PRINCIPAL OFFICE,
11 OR IF THERE IS NO PRINCIPAL OFFICE IN THIS STATE, ITS REGISTERED
12 OFFICE, IS OR WAS LAST LOCATED.

13 (B) STATE THAT A CLAIM AGAINST THE CORPORATION IS BARRED
14 UNLESS A PROCEEDING TO ENFORCE THE CLAIM IS COMMENCED WITHIN 1 YEAR
15 AFTER THE PUBLICATION DATE OF THE NEWSPAPER NOTICE.

16 (3) SUBJECT TO SUBSECTION (4), IF A DISSOLVED CORPORATION
17 PUBLISHES A NEWSPAPER NOTICE UNDER SUBSECTION (2), THE CLAIM OF
18 EACH OF THE FOLLOWING CLAIMANTS IS BARRED UNLESS THE CLAIMANT
19 COMMENCES A PROCEEDING TO ENFORCE THE CLAIM AGAINST THE DISSOLVED
20 CORPORATION WITHIN 1 YEAR AFTER THE PUBLICATION DATE OF THE
21 NEWSPAPER NOTICE:

22 (A) A CLAIMANT THAT DID NOT RECEIVE WRITTEN NOTICE UNDER
23 SECTION 841A.

24 (B) A CLAIMANT THAT SENT A TIMELY CLAIM TO THE DISSOLVED
25 CORPORATION BUT THE CORPORATION DID NOT ACT ON THE CLAIM.

26 (C) A CLAIMANT WHOSE CLAIM IS CONTINGENT OR BASED ON AN EVENT
27 THAT OCCURS AFTER THE EFFECTIVE DATE OF DISSOLUTION.

1 (4) NOTWITHSTANDING SUBSECTION (3), A CLAIMANT THAT HAS AN
2 EXISTING CLAIM THAT IS KNOWN TO THE CORPORATION AT THE TIME OF
3 PUBLICATION UNDER SUBSECTION (2) AND THAT DID NOT RECEIVE WRITTEN
4 NOTICE UNDER SECTION 841A IS NOT BARRED FROM COMMENCING A
5 PROCEEDING UNTIL 6 MONTHS AFTER THE CLAIMANT HAS ACTUAL NOTICE OF
6 THE DISSOLUTION.

7 Sec. 851. (1) After a corporation ~~has been~~ **IS** dissolved in any
8 manner, the corporation, a creditor, a shareholder, member, or a
9 director may apply at any time to the circuit court ~~for~~ **IN** the
10 county in which the **PRINCIPAL PLACE OF BUSINESS OR** registered
11 office of the corporation is located for a judgment that the
12 affairs of the corporation and the liquidation of its assets
13 continue under supervision of the court. The court shall make ~~such~~
14 **ANY** orders and judgments ~~as may be~~ **THAT ARE** required, including,
15 but not limited to, continuance of the liquidation of the
16 corporation's assets by its officers and directors under
17 supervision of the court, or the appointment of a receiver of the
18 corporation ~~to be~~ **THAT IS** vested with powers ~~as~~ **THAT** the court
19 designates to liquidate the affairs of the corporation.

20 (2) For good cause shown, and ~~so long as~~ **IF** a corporation has
21 not made complete distribution of its assets, the court ~~, in an~~
22 ~~action pending under this section or otherwise,~~ may permit a
23 creditor ~~who~~ **THAT HAS A CLAIM AGAINST THE CORPORATION AND** has not
24 ~~filed a~~ **DELIVERED THAT** claim **TO THE CORPORATION OR COMMENCED A**
25 **PROCEEDING TO ENFORCE THE CLAIM** within the time ~~limited by section~~
26 ~~841,~~ **LIMITS UNDER SECTIONS 841A AND 842A,** or who has not commenced
27 an action on a rejected claim within the time ~~limited by section~~

1 ~~842, LIMITS UNDER SECTIONS 841A AND 842A, to file such~~ THE claim or
2 to commence ~~such action~~ A PROCEEDING within ~~such~~ THE time as ~~THAT~~
3 the court directs.

4 Sec. 855. (1) ~~Upon dissolution, the assets of~~ ALL OF THE
5 FOLLOWING APPLY IF a corporation ~~shall be applied and distributed~~
6 ~~as follows~~ IS DISSOLVED:

7 (a) ~~All liabilities and obligations of the corporation shall~~
8 ~~be paid and discharged, or adequate provision shall be made~~
9 ~~therefor~~ THE CORPORATION SHALL PAY OR MAKE PROVISION FOR ITS DEBTS,
10 OBLIGATIONS, AND LIABILITIES. COMPLIANCE WITH THIS SUBDIVISION
11 REQUIRES THAT, TO THE EXTENT THAT A REASONABLE ESTIMATE IS
12 POSSIBLE, PROVISION IS MADE FOR THOSE DEBTS, OBLIGATIONS, AND
13 LIABILITIES THAT ARE ANTICIPATED TO ARISE AFTER THE EFFECTIVE DATE
14 OF DISSOLUTION. A CORPORATION IS NOT REQUIRED TO MAKE PROVISION FOR
15 ANY DEBT, OBLIGATION, OR LIABILITY THAT IS OR IS REASONABLY
16 ANTICIPATED TO BE BARRED UNDER SECTION 841A OR 842A. THE FACT THAT
17 CORPORATE ASSETS ARE INSUFFICIENT TO SATISFY CLAIMS THAT ARISE
18 AFTER A DISSOLUTION DOES NOT CREATE A PRESUMPTION THAT THE
19 CORPORATION HAS FAILED TO COMPLY WITH THIS SUBDIVISION. A
20 CORPORATION IS CONSIDERED TO HAVE MADE ADEQUATE PROVISION FOR ANY
21 DEBT, OBLIGATION, OR LIABILITY OF THE CORPORATION IF PAYMENT IS
22 ASSUMED OR GUARANTEED IN GOOD FAITH BY 1 OR MORE FINANCIALLY
23 RESPONSIBLE CORPORATIONS, OTHER PERSONS, OR THE UNITED STATES
24 GOVERNMENT OR AN AGENCY OF THE UNITED STATES GOVERNMENT AND THE
25 PROVISION, INCLUDING THE FINANCIAL RESPONSIBILITY OF THE
26 CORPORATIONS OR OTHER PERSONS, WAS DETERMINED IN GOOD FAITH AND
27 WITH REASONABLE CARE BY THE BOARD TO BE ADEQUATE.

1 (b) ~~Assets held by the~~ **IF THE** corporation ~~upon~~ **HOLDS ANY**
2 **ASSETS SUBJECT TO A** condition ~~requiring~~ **THAT REQUIRES** return,
3 transfer, or conveyance, ~~which~~ **AND THE** condition occurs by reason
4 of the dissolution, ~~shall be returned, transferred, or conveyed in~~
5 ~~accordance with such requirements.~~ **THE CORPORATION SHALL RETURN,**
6 **TRANSFER, OR CONVEY THOSE ASSETS IN COMPLIANCE WITH THOSE**
7 **CONDITIONS.**

8 (c) ~~Assets received and held by the corporation~~ **IF THE**
9 **CORPORATION RECEIVED AND HOLDS ANY ASSETS THAT ARE** subject to
10 limitations ~~permitting~~ **THAT PERMIT** their use only for charitable,
11 religious, eleemosynary, benevolent, educational, or similar
12 purposes, but **THAT ARE** not held ~~upon~~ **SUBJECT TO** a condition
13 ~~requiring~~ **THAT REQUIRES** return, transfer, or conveyance by reason
14 of the dissolution **UNDER SUBDIVISION (B),** ~~shall be transferred or~~
15 ~~conveyed in accordance~~ **THE CORPORATIVE SHALL TRANSFER OR CONVEY**
16 **THOSE ASSETS IN A MANNER THAT COMPLIES** with any provisions in the
17 articles of incorporation or bylaws ~~which~~ **THAT** designate 1 or more
18 recipients or **ESTABLISH** a mechanism for determining 1 or more
19 recipients ~~which~~ **THAT** are domestic or foreign corporations,
20 societies, or organizations, including governmental agencies, **THAT**
21 **ARE** engaged in activities ~~furthering such~~ **THAT FURTHER THOSE**
22 purposes. If the articles of incorporation or bylaws do not contain
23 ~~such provisions, such assets shall be transferred or conveyed~~ **A**
24 **PROVISION DESCRIBED IN THIS SUBDIVISION, THE CORPORATION SHALL**
25 **TRANSFER OR CONVEY THOSE ASSETS** to 1 or more domestic or foreign
26 corporations, societies, or organizations, including governmental
27 agencies, **THAT ARE** engaged in activities **THAT ARE** substantially

1 similar to or consistent with those of the dissolving corporation.

2 ~~(d) Other assets, if any, shall be distributed in accordance~~
 3 ~~with~~ **THE CORPORATION SHALL DISTRIBUTE ANY OTHER ASSETS IN A MANNER**
 4 **THAT COMPLIES WITH ANY** provisions of the articles of incorporation
 5 or the bylaws ~~which~~ **THAT** determine the distributive rights of
 6 shareholders or members, or any class or classes of shareholders or
 7 members, or provide for distribution to others. **EXCEPT AS OTHERWISE**
 8 **PROVIDED IN THIS SECTION, THE CORPORATION MAY DISTRIBUTE ASSETS**
 9 **THAT ARE SUBJECT TO THIS SUBDIVISION IN CASH, IN KIND, OR BOTH IN**
 10 **CASH AND IN KIND, TO SHAREHOLDERS, MEMBERS, OR OTHERS ACCORDING TO**
 11 **THEIR RESPECTIVE RIGHTS AND INTERESTS.**

12 (e) ~~Any~~ **THE CORPORATION DISTRIBUTES ANY** remaining assets ~~may~~
 13 ~~be distributed to such~~ **ANY** persons ~~, societies, organizations,~~
 14 ~~domestic or foreign corporations, or domestic or foreign business~~
 15 ~~corporations, as may be specified in a plan of distribution adopted~~
 16 ~~by the corporation.~~

17 (2) ~~(f) When there is no~~ **IF ANY ASSETS OF A DISSOLVED**
 18 **CORPORATION ARE NOT SUBJECT TO ANY** provision for the distribution
 19 of assets **DESCRIBED IN SUBSECTION (1),** ~~the assets remaining after~~
 20 ~~implementation of the provisions of this section shall~~ **THOSE**
 21 **REMAINING** escheat to the state.

22 Sec. 901. (1) ~~Each~~ **A** domestic corporation at least once in
 23 each **CALENDAR** year shall ~~cause~~ **PREPARE OR HAVE PREPARED** a report of
 24 the corporation for the preceding fiscal year ~~to be made and~~
 25 ~~distributed~~ **DISTRIBUTE THAT REPORT** to each shareholder or member
 26 ~~thereof or presented~~ **PRESENT THE REPORT** at the annual meeting of
 27 shareholders or members ~~, or, if the corporation is organized upon~~

1 ON a directorship basis, at the annual meeting of the board. The
 2 EXCEPT FOR INFORMATION A CORPORATION IS NOT REQUIRED TO DISCLOSE
 3 UNDER SECTION 487(7), THE report shall include ~~the corporation's~~
 4 ~~year-end statement of assets and liabilities, including trust~~
 5 ~~funds, and the principal change in assets and liabilities during~~
 6 ~~the year preceding the date of the report and, if prepared by the~~
 7 ~~corporation, its source and application of funds and any other~~
 8 ~~information required by this act.~~ ALL OF THE FOLLOWING FOR THE
 9 CORPORATION'S PRECEDING FISCAL YEAR:

10 (A) ITS INCOME STATEMENT.

11 (B) ITS YEAR-END BALANCE SHEET, INCLUDING TRUST FUNDS AND
 12 FUNDS RESTRICTED BY DONORS OR THE BOARD.

13 (C) ITS STATEMENT OF SOURCE AND APPLICATION OF FUNDS, IF THE
 14 CORPORATION PREPARES THAT STATEMENT.

15 (D) ANY OTHER INFORMATION REQUIRED UNDER THIS ACT.

16 (2) A corporation may distribute the financial report required
 17 under subsection (1) electronically, either by electronic
 18 transmission of the report or by making the report available for
 19 electronic transmission. If the report is distributed
 20 electronically under this subsection, the corporation shall provide
 21 the report in written form to a shareholder, member, or director on
 22 request.

23 Sec. 911. (1) ~~A EACH~~ domestic ~~or~~ CORPORATION AND EACH foreign
 24 corporation authorized to conduct affairs in this state shall file
 25 a report with the administrator ~~no~~ NOT later than October 1 of each
 26 year. The report ~~, SHALL BE~~ on a form approved by the
 27 administrator, ~~shall~~ SIGNED BY AN AUTHORIZED OFFICER OR AGENT OF

1 **THE CORPORATION, AND** contain all of the following information:

2 (a) The name of the corporation.

3 (b) The name of **ITS** resident agent and address of its
4 registered office in this state.

5 (c) The names and business or residence addresses of its
6 ~~officers~~ **PRESIDENT, SECRETARY, TREASURER,** and directors.

7 (d) ~~Purposes~~ **THE PURPOSES** of the corporation.

8 (e) ~~Nature~~ **THE GENERAL NATURE** and kind of business in which
9 the corporation ~~has~~ **IS** engaged. ~~during the year covered by the~~
10 ~~report.~~

11 (2) ~~The~~ **A CORPORATION IS NOT REQUIRED TO FILE A** report
12 required under this section ~~is not required to be filed in the year~~
13 of incorporation or authorization ~~by corporations that were~~ **IF THE**
14 **CORPORATION WAS** formed or authorized to do business on or after
15 January 1 and before October 1 of that year.

16 (3) If there are ~~not~~ **NO** changes in the information provided in
17 the last filed report **REQUIRED UNDER SUBSECTION (1),** the
18 corporation ~~shall certify~~ **MAY FILE A REPORT THAT CERTIFIES TO THE**
19 **ADMINISTRATOR** that no changes in the required information have
20 occurred since the last filed report. ~~The certification~~ **A REPORT**
21 **FILED UNDER THIS SUBSECTION** shall be on a ~~report provided~~ **FORM**
22 **APPROVED** by the administrator and filed ~~no~~ **NOT** later than the date
23 required in subsection (1).

24 Sec. 913. ~~The~~ **A** county clerk may destroy the copies of ~~the~~ **ANY**
25 corporate documents of a **DOMESTIC OR FOREIGN** corporation ~~which~~ **THAT**
26 were forwarded to ~~the office of the county clerk in accordance with~~
27 ~~Act No. 327 of the Public Acts of 1931, as amended, being sections~~

1 ~~450.62 to 450.192 of the Michigan Compiled Laws, and HIS OR HER~~
2 ~~OFFICE UNDER 1931 PA 327, MCL 450.98 TO 450.192, ANY REPEALED~~
3 ~~PROVISIONS OF 1931 PA 327, OR its predecessor act. The clerk may~~
4 ~~destroy THESE RECORDS or dispose of these records in accordance~~
5 ~~with THEM UNDER section 5 of Act No. 271 of the Public Acts of~~
6 ~~1913, as amended, being section 399.5 of the Michigan Compiled~~
7 ~~Laws. 1913 PA 271, MCL 399.5.~~

8 Sec. 922. (1) If a domestic corporation neglects or refuses
9 ~~for 2 consecutive years to file the ITS annual reports~~ **REPORT UNDER**
10 **SECTION 911** or pay ~~the ANY~~ annual filing fee **OR A PENALTY ADDED TO**
11 **THE FEE** required by law, **AND THE NEGLECT OR REFUSAL CONTINUES FOR A**
12 **PERIOD OF 2 YEARS FROM THE DATE ON WHICH THE ANNUAL REPORT OR**
13 **FILING FEE WAS DUE,** the corporation ~~shall be~~ **IS** automatically
14 dissolved **60 DAYS AFTER THE EXPIRATION OF THE 2-YEAR PERIOD.** The
15 administrator shall notify the corporation of the impending
16 dissolution ~~not later than~~ **AT LEAST** 90 days before the ~~2 years has~~
17 ~~expired.~~ **2-YEAR PERIOD EXPIRES.** Until a corporation ~~has been~~ **IS**
18 dissolved **UNDER THIS SUBSECTION,** it is entitled to issuance by the
19 administrator, ~~upon~~ **ON** request, of a certificate of good standing
20 ~~setting forth that it has been~~ **STATES THAT THE CORPORATION WAS**
21 validly incorporated as a domestic corporation and that it is
22 validly in existence under the laws of this state.

23 (2) A charitable purpose corporation that is dissolved under
24 subsection (1) shall ~~provide notice of the dissolution to the~~
25 ~~attorney general within 60~~ **90** days after the date of the
26 dissolution and ~~shall not dispose of any of its assets without~~
27 ~~written approval of the attorney general.~~ **COMPLY WITH THE**

1 DISSOLUTION OF CHARITABLE PURPOSE CORPORATION ACT, 1965 PA 169, MCL
2 450.251 TO 450.253, OR RENEW ITS CORPORATE EXISTENCE UNDER SECTION
3 925. THIS SUBSECTION DOES NOT PREVENT A CORPORATION THAT IS
4 DISSOLVED UNDER SUBSECTION (1) FROM RENEWING ITS CORPORATE
5 EXISTENCE UNDER SECTION 925 AT ANY TIME.

6 (3) If a foreign corporation neglects or refuses for 1 year to
7 file ~~the~~ ITS annual report UNDER SECTION 911 or pay the annual
8 filing fee required by law, its certificate of authority is subject
9 to revocation ~~in accordance with~~ UNDER section 1042. Until
10 revocation of its certificate of authority, or its withdrawal from
11 this state or termination of its existence, the foreign corporation
12 is entitled to issuance by the administrator, ~~upon~~ ON request, of a
13 certificate of good standing ~~setting forth that it has been~~ THAT
14 STATES THAT IT WAS validly authorized to ~~transact business~~ CONDUCT
15 AFFAIRS in this state and that it holds a valid certificate of
16 authority to ~~transact business~~ CONDUCT AFFAIRS in this state.

17 (4) THE ADMINISTRATOR MAY ELECTRONICALLY TRANSMIT A
18 NOTIFICATION OF PENDING DISSOLUTION DESCRIBED IN SUBSECTION (1) TO
19 THE RESIDENT AGENT OF THE CORPORATION IN THE MANNER AUTHORIZED BY
20 THE CORPORATION.

21 Sec. 923. (1) ~~The administrator for~~ IF good cause IS shown,
22 THE ADMINISTRATOR may extend the time for filing ~~of a~~ report UNDER
23 SECTION 911 for not more than 1 year ~~from~~ AFTER the due date of the
24 filing.

25 (2) The administrator may report promptly to the attorney
26 general any failure or neglect under sections 922, 931, ~~and~~ OR 932,
27 and the attorney general may ~~commence~~ BRING an action ~~for~~

~~imposition of~~ **TO IMPOSE** the prescribed penalties. ~~When~~ **IF** a
DOMESTIC OR FOREIGN corporation neglects or refuses to file its
report **UNDER SECTION 911** within ~~90 days after the time prescribed~~
~~by~~ **REQUIRED UNDER** this act, the administrator shall notify the
corporation of that fact by mail ~~directed~~ **SENT** to its registered
office **WITHIN 90 DAYS AFTER THE DUE DATE OF THE FILING.** ~~The~~
~~administrator's certificate of mailing of the notice is prima facie~~
~~evidence in all courts and places of that fact, and that the notice~~
~~was received by the corporation.~~

(3) THE ADMINISTRATOR MAY ELECTRONICALLY TRANSMIT A
NOTIFICATION DESCRIBED IN SUBSECTION (2) TO THE RESIDENT AGENT OF
THE CORPORATION IN THE MANNER AUTHORIZED BY THE CORPORATION.

Sec. 925. (1) A domestic corporation ~~which has been~~ **THAT IS**
dissolved ~~pursuant to~~ **UNDER** section 922(1), or a foreign
corporation whose certificate of authority ~~has been~~ **IS** revoked
~~pursuant to~~ **UNDER** section 922(2) or section 1042, may renew its
corporate existence or its certificate of authority by filing the
ANNUAL reports **UNDER SECTION 911** for the last 5 years or any lesser
number of years in which the reports were not filed and paying the
annual filing fees for all the years for which they were not paid,
together with a penalty of \$5.00 for each delinquent report. ~~Upon~~
~~filing~~ ~~WHEN~~ the reports **ARE FILED** and ~~payment of the fees and~~
penalties **ARE PAID**, the corporate existence or the certificate of
authority is renewed. ~~If during the intervening period the~~
~~corporate name or a confusingly similar name has been assigned to~~
~~another corporation, the~~ **THE** administrator may require that the
corporation adopt or use ~~within~~ **IN** this state a ~~different~~ **CORPORATE**

1 name **THAT CONFORMS TO THE REQUIREMENTS OF SECTION 212.**

2 ~~(2) Upon compliance with the provisions of this section, the~~
3 **THE** rights of ~~the~~ **A** corporation ~~shall be~~ **THAT COMPLIES WITH THIS**
4 **SECTION ARE** the same as ~~though~~ **IF** a dissolution or revocation ~~had~~
5 **HAS** not taken place, and all contracts entered into and other
6 rights acquired during the interval ~~shall be~~ **ARE** valid and
7 enforceable.

8 Sec. 932. (1) A person ~~who~~ **SHALL NOT** knowingly ~~makes~~ **MAKE** or
9 ~~files~~ **FILE** or ~~a person who~~ knowingly ~~assists~~ **ASSIST** in the making
10 or filing of a false or fraudulent report, certificate, or other
11 statement **THAT A DOMESTIC OR FOREIGN CORPORATION IS** required ~~by~~
12 ~~this act to be filed by a corporation~~ **TO FILE UNDER THIS ACT** with a
13 public officer of this state, ~~or~~ **AND** a person ~~knowing the same to~~
14 ~~be~~ **THAT KNOWS THAT A REPORT, CERTIFICATE OR STATEMENT IS** false or
15 fraudulent, ~~who procures, counsels, or advises~~ **SHALL NOT PROCURE,**
16 **COUNSEL OR ADVISE** the making or filing of ~~such a~~ **THAT** report,
17 certificate, or statement. ~~—~~ **A PERSON THAT VIOLATES THIS SUBSECTION**
18 is guilty of a misdemeanor ~~and is subject to~~ **PUNISHABLE BY** a fine
19 of not ~~to exceed~~ **MORE THAN** \$1,000.00 for each ~~such~~
20 ~~offense.~~ **VIOLATION OF THIS SUBSECTION.**

21 (2) An officer or agent of a corporation ~~who~~ **SHALL NOT**
22 knowingly ~~falsifies~~ **FALSIFY** or wrongfully ~~alters~~ **ALTER** the books,
23 records, or accounts of a corporation. **AN OFFICER OR AGENT THAT**
24 **VIOLATES THIS SUBSECTION** is guilty of a misdemeanor ~~and is subject~~
25 ~~to~~ **PUNISHABLE BY** a fine of not ~~to exceed~~ **MORE THAN** \$1,000.00 for
26 each ~~such offense.~~ **VIOLATION OF THIS SUBSECTION.**

27 Sec. 1001. A foreign corporation ~~which is~~ **THAT WAS** authorized

1 to conduct affairs in this state on ~~the effective date of this act,~~
 2 **JANUARY 1, 1983,** for a purpose for which a corporation might secure
 3 ~~such~~ authority **TO CONDUCT AFFAIRS IN THIS STATE** under this act, has
 4 the rights and privileges applicable to a foreign corporation ~~which~~
 5 **THAT** receives a certificate of authority to ~~transact business~~
 6 **CONDUCT AFFAIRS** in this state under this act. ~~From the effective~~
 7 ~~date of this act~~ **BEGINNING ON JANUARY 1, 1983,** the corporation is
 8 subject to the duties, restrictions, penalties, and liabilities
 9 ~~prescribed herein for~~ **UNDER THIS ACT THAT ARE APPLICABLE TO** a
 10 foreign corporation ~~which~~ **THAT** receives a certificate of authority
 11 to ~~transact business~~ **CONDUCT AFFAIRS** in this state under this act.

12 Sec. 1002. (1) A foreign corporation ~~which~~ **THAT** receives a
 13 certificate of authority under this act, until a certificate of
 14 revocation or of withdrawal is issued ~~as provided in~~ **UNDER** this
 15 act, has the same rights and privileges as a domestic corporation
 16 organized for the purposes ~~set forth~~ **CONTAINED** in the application
 17 ~~pursuant to~~ **UNDER** which the certificate of authority is issued.
 18 Except as otherwise provided in this act, the corporation is
 19 subject to the same duties, restrictions, penalties, and
 20 liabilities ~~now or hereafter imposed upon~~ **OF** a **SIMILAR** domestic
 21 corporation. ~~of like character.~~

22 (2) **THIS ACT DOES NOT AUTHORIZE THIS STATE TO REGULATE THE**
 23 **ORGANIZATION OR INTERNAL AFFAIRS OF A FOREIGN CORPORATION**
 24 **AUTHORIZED TO TRANSACT BUSINESS IN THIS STATE.**

25 Sec. 1012. (1) Without excluding other activities ~~which~~ **THAT**
 26 may not constitute conducting affairs in this state, a foreign
 27 corporation is not considered to be conducting affairs in this

1 state ~~—~~for the purposes of this act ~~—~~solely because it is
 2 carrying on in this state any 1 or more of the following
 3 activities:

4 (a) Maintaining, ~~or defending, an action or suit or an~~
 5 ~~administrative or arbitratve proceeding, or effecting the~~
 6 ~~settlement thereof or the settlement of a claim or dispute.~~**OR**
 7 **SETTLING ANY PROCEEDING.**

8 (b) Holding meetings of ~~its~~**THE BOARD OF** directors,
 9 shareholders, or members or carrying on ~~any~~ other activities
 10 concerning ~~its~~ internal **CORPORATE** affairs.

11 (c) Maintaining a bank ~~accout~~**ACCOUNTS.**

12 (d) ~~Effecting sales through an independent~~
 13 ~~contractor.~~**MAINTAINING OFFICES OR AGENCIES FOR THE TRANSFER,**
 14 **EXCHANGE, OR REGISTRATION OF THE CORPORATION'S OWN SECURITIES OR**
 15 **MAINTAINING TRUSTEES OR DEPOSITORIES WITH RESPECT TO THOSE**
 16 **SECURITIES.**

17 **(E) SELLING THROUGH INDEPENDENT CONTRACTORS.**

18 **(F)** ~~(e)~~Soliciting or ~~procuring~~**OBTAINING** orders, whether by
 19 mail or through employees or agents or otherwise, ~~where such~~**IF THE**
 20 orders require acceptance ~~without~~**OUTSIDE** this state before
 21 ~~becoming binding~~**THEY BECOME** contracts.

22 ~~—— (f) Borrowing money, with or without security.~~

23 **(G) SOLICITING OR OBTAINING DONATIONS, WHETHER BY MAIL, BY**
 24 **TELEPHONE OR OTHER FORM OF REMOTE COMMUNICATIONS, BY ELECTRONIC**
 25 **TRANSMISSION, OR THROUGH EMPLOYEES, AGENTS, VOLUNTEERS OR**
 26 **OTHERWISE, IF THE DONATIONS ARE MADE TO A FOREIGN CORPORATION THAT**
 27 **HAS ITS PRINCIPAL PLACE OF BUSINESS OUTSIDE THE STATE.**

1 (H) CREATING OR ACQUIRING INDEBTEDNESS, MORTGAGES, OR SECURITY
2 INTERESTS IN REAL OR PERSONAL PROPERTY.

3 (I) ~~(g)~~ Securing or collecting debts or enforcing any right in
4 ~~property securing the same.~~ MORTGAGES AND SECURITY INTERESTS IN
5 PROPERTY THAT SECURES THOSE DEBTS.

6 ~~(h) Transacting any business in interstate commerce.~~

7 (J) OWNING, WITHOUT MORE, REAL OR PERSONAL PROPERTY.

8 (K) ~~(i)~~ Conducting an isolated transaction **THAT IS COMPLETED**
9 **WITHIN 30 DAYS AND THAT IS** not 1 TRANSACTION in the course of a
10 ~~number of repeated transactions of like~~ **A SIMILAR** nature.

11 (I) **TRANSACTING BUSINESS IN INTERSTATE COMMERCE.**

12 (2) This section does not apply in determining the contracts
13 or activities ~~which~~ **THAT** may subject a foreign corporation to
14 service of process or taxation in this state or to regulation under
15 any other ~~act~~ **STATUTE** of this state.

16 SEC. 1013. (1) A FOREIGN CORPORATION MAY ACQUIRE, OR THROUGH
17 ANOTHER PERSON ENTITLED TO CONDUCT AFFAIRS OR TRANSACT BUSINESS IN
18 THIS STATE MAY MAKE, A LOAN THAT IS INSURED OR GUARANTEED IN WHOLE
19 OR IN PART BY THE FEDERAL DEPARTMENT OF HOUSING AND URBAN
20 DEVELOPMENT, DEPARTMENT OF VETERAN'S AFFAIRS, OR A SUCCESSOR OR
21 OTHER AGENCY OF THE FEDERAL GOVERNMENT AND THAT IS SECURED IN WHOLE
22 OR IN PART BY 1 OR MORE MORTGAGES OF REAL PROPERTY THAT IS LOCATED
23 IN THIS STATE, AND A FOREIGN CORPORATION MAY PURCHASE A LOAN THAT
24 IS SECURED IN WHOLE OR IN PART BY A MORTGAGE OF REAL PROPERTY THAT
25 IS LOCATED IN THIS STATE, WITHOUT MAINTAINING AUTHORITY TO CONDUCT
26 AFFAIRS IN THIS STATE UNDER THIS ACT OR ANY OTHER LAW OF THIS STATE
27 THAT RELATES TO QUALIFICATION OR MAINTAINING AUTHORITY TO CONDUCT

1 AFFAIRS IN THIS STATE AND WITHOUT PAYING A FEE TO QUALIFY OR
2 MAINTAIN THAT AUTHORITY TO CONDUCT AFFAIRS IN THIS STATE.

3 (2) A FAILURE OF A FOREIGN CORPORATION DESCRIBED IN SUBSECTION
4 (1) TO QUALIFY OR MAINTAIN AUTHORITY TO CONDUCT AFFAIRS IN THIS
5 STATE UNDER THIS ACT OR A FAILURE TO PAY FEES TO QUALIFY OR
6 MAINTAIN AUTHORITY TO CONDUCT AFFAIRS IN THIS STATE DOES NOT AFFECT
7 OR IMPAIR ITS OWNERSHIP OF A LOAN OR ITS RIGHT TO COLLECT AND
8 SERVICE THE LOAN THROUGH ANOTHER PERSON THAT IS ENTITLED TO CONDUCT
9 AFFAIRS OR TRANSACT BUSINESS IN THIS STATE, OR ITS RIGHT TO ENFORCE
10 A LOAN OR TO ACQUIRE, HOLD, PROTECT, CONVEY, LEASE, OR OTHERWISE
11 CONTRACT AND DEAL WITH RESPECT TO ANY PROPERTY MORTGAGED AS
12 SECURITY FOR THE LOAN.

13 (3) AS USED IN THIS SECTION, "LOAN" INCLUDES AN INTEREST OR
14 PARTICIPATION IN A LOAN.

15 Sec. 1015. To procure a certificate of authority to conduct
16 affairs in this state, a foreign corporation shall file with the
17 administrator an application ~~setting forth~~ **THAT CONTAINS ALL OF THE**
18 **FOLLOWING:**

19 (a) The name of the corporation and the jurisdiction of its
20 incorporation.

21 (b) The date of incorporation and the period of duration of
22 the corporation.

23 (c) The street address, and the mailing address if **IT IS**
24 different from the street address, of its main business or
25 headquarters office.

26 (d) The **STREET** address of its registered office in this state,
27 **THE MAILING ADDRESS IF IT IS DIFFERENT FROM THE STREET ADDRESS,** and

1 the name of its resident agent in this state at ~~such~~**THAT** address,
2 together with a statement that the resident agent is an agent of
3 the corporation ~~upon whom~~**ON WHICH** process against the corporation
4 may be served.

5 (e) The character of the affairs it is to ~~transact~~**CONDUCT** in
6 this state, together with a statement that it is authorized to
7 conduct ~~such~~**THOSE** affairs in the jurisdiction of its
8 incorporation.

9 (f) ~~Such~~**ANY** additional information ~~as~~**THAT** the administrator
10 ~~may require~~**REASONABLY REQUIRES** in order to determine whether the
11 corporation is entitled to a certificate of authority to conduct
12 affairs in this state **AND TO DETERMINE THE FEES AND TAXES**
13 **PRESCRIBED BY LAW.**

14 Sec. 1016. (1) ~~A copy of the articles of incorporation and all~~
15 ~~amendments thereto, certified by the proper officer of the~~
16 ~~jurisdiction of its incorporation shall be attached to the~~
17 ~~application of a foreign corporation.~~ **A FOREIGN CORPORATION SHALL**
18 **ATTACH A** certificate ~~setting forth~~**TO AN APPLICATION FOR AUTHORITY**
19 **TO CONDUCT AFFAIRS IN THIS STATE UNDER SECTION 1015 THAT STATES**
20 that the corporation is in good standing under the laws of the
21 jurisdiction of its incorporation, **IS** executed by the official of
22 the jurisdiction who has custody of the records ~~pertaining~~**THAT**
23 **PERTAIN** to corporations, and **IS** dated not ~~earlier~~**MORE** than 30 days
24 before ~~filing of the~~**THE DATE THE** application, ~~shall also be~~
25 ~~attached to the application.~~ **IS FILED.** If ~~such~~**THE** certificate is
26 in a foreign language, **THE FOREIGN CORPORATION SHALL ATTACH** a
27 translation ~~thereof~~**OF THE CERTIFICATE** under oath of the translator

1 ~~shall be attached thereto.~~ **TO THE CERTIFICATE.**

2 (2) ~~Upon filing of the~~ **IF A FOREIGN CORPORATION FILES AN**
3 application **DESCRIBED IN SUBSECTION (1)**, accompanied by the filing
4 and franchise fees prescribed by law, the administrator shall issue
5 to the foreign corporation a certificate of authority to conduct
6 affairs in this state. ~~Thereupon~~ **WHEN A CERTIFICATE OF AUTHORITY IS**
7 **ISSUED**, the foreign corporation is authorized to conduct in this
8 state any affairs of the character set forth in its application
9 **THAT A DOMESTIC CORPORATION FORMED UNDER THIS ACT MAY LAWFULLY**
10 **TRANSACT.** The authority **GRANTED UNDER THIS SUBSECTION** continues so
11 long as the foreign corporation retains its authority to conduct
12 ~~such~~ **ITS** affairs in the jurisdiction of its incorporation and its
13 authority to conduct affairs in this state ~~has not been~~ **IS NOT**
14 surrendered, suspended, or revoked.

15 Sec. 1021. (1) ~~When the articles of incorporation of~~ **EXCEPT AS**
16 **OTHERWISE PROVIDED IN THIS SECTION**, a foreign corporation
17 authorized to conduct affairs in this state ~~are amended, the~~
18 ~~foreign corporation, within 60 days after the amendment is~~
19 ~~effective, shall file with the administrator a copy of the~~
20 ~~amendment certified by the proper officers of the jurisdiction of~~
21 ~~its incorporation.~~ **THAT CHANGES ITS CORPORATE NAME, OR ENLARGES,**
22 **LIMITS, OR OTHERWISE CHANGES THE AFFAIRS THAT THE FOREIGN**
23 **CORPORATION PROPOSES TO CONDUCT IN THIS STATE, OR MAKES ANY OTHER**
24 **CHANGE THAT AFFECTS THE INFORMATION INCLUDED IN ITS APPLICATION FOR**
25 **CERTIFICATE OF AUTHORITY TO CONDUCT AFFAIRS IN THIS STATE, SHALL**
26 **FILE AN AMENDED APPLICATION WITH THE ADMINISTRATOR WITHIN 30 DAYS**
27 **AFTER THE TIME A CHANGE BECOMES EFFECTIVE. A FOREIGN CORPORATION**

1 MAY MAKE A CHANGE IN ITS REGISTERED OFFICE OR RESIDENT AGENT UNDER
2 SECTION 242. AN AMENDED APPLICATION UNDER THIS SUBSECTION SHALL
3 STATE ALL OF THE FOLLOWING:

4 (A) THE NAME OF THE FOREIGN CORPORATION AS IT APPEARS ON THE
5 RECORDS OF THE ADMINISTRATOR AND THE JURISDICTION OF ITS
6 INCORPORATION.

7 (B) THE DATE THE FOREIGN CORPORATION WAS AUTHORIZED TO CONDUCT
8 AFFAIRS IN THIS STATE.

9 (C) IF THE NAME OF THE FOREIGN CORPORATION HAS CHANGED, A
10 STATEMENT OF THE NAME RELINQUISHED, A STATEMENT OF THE NEW NAME,
11 AND A STATEMENT THAT THE NAME WAS PROPERLY CHANGED UNDER THE LAWS
12 OF THE JURISDICTION OF ITS INCORPORATION AND THE DATE THE NAME WAS
13 CHANGED.

14 (D) IF THE AFFAIRS THAT THE FOREIGN CORPORATION PROPOSES TO
15 CONDUCT IN THIS STATE ENLARGE, LIMIT, OR OTHERWISE CHANGE THE
16 AFFAIRS THE FOREIGN CORPORATION IS AUTHORIZED TO CONDUCT, A
17 STATEMENT REFLECTING THE CHANGE AND A STATEMENT THAT THE FOREIGN
18 CORPORATION IS AUTHORIZED TO CONDUCT IN THE JURISDICTION OF ITS
19 INCORPORATION THE AFFAIRS THAT IT PROPOSES TO CONDUCT IN THIS
20 STATE.

21 (E) ANY ADDITIONAL INFORMATION AS THE ADMINISTRATOR MAY
22 REQUIRE.

23 (2) ~~When IF a foreign corporation THAT IS authorized to~~
24 ~~conduct affairs in this state is a party to a merger,~~
25 ~~consolidation, or similar corporate action taken in accordance with~~
26 ~~the laws of the jurisdiction of its incorporation, the foreign~~
27 ~~corporation, within 60 days after the effective date thereof, shall~~

~~file with the administrator a copy of the certificate of merger,~~
~~consolidation, or similar corporate action, certified by the proper~~
~~officers of the jurisdiction of its incorporation.~~ IS THE SURVIVOR
OF A MERGER PERMITTED BY THE LAWS OF THE JURISDICTION IN WHICH THE
FOREIGN CORPORATION IS INCORPORATED, WITHIN 30 DAYS AFTER THE
MERGER BECOMES EFFECTIVE, THE FOREIGN CORPORATION SHALL FILE A
CERTIFICATE THAT IS ISSUED BY THE PROPER OFFICER OF THE
JURISDICTION OF ITS INCORPORATION AND ATTESTS TO THE OCCURRENCE OF
THE MERGER. IF THE MERGER HAS CHANGED THE CORPORATE NAME OF THE
FOREIGN CORPORATION, OR HAS ENLARGED, LIMITED, OR CHANGED THE
AFFAIRS THAT THE FOREIGN CORPORATION PROPOSES TO CONDUCT IN THIS
STATE, OR CHANGED ANY OF THE INFORMATION INCLUDED IN THE
APPLICATION, THE FOREIGN CORPORATION SHALL COMPLY WITH SUBSECTION
(1) .

(3) IF A FOREIGN CORPORATION THAT IS AUTHORIZED TO CONDUCT
AFFAIRS IN THIS STATE IS THE SURVIVOR OF A CONVERSION UNDER THE
LAWS OF THE JURISDICTION IN WHICH THE FOREIGN CORPORATION IS
INCORPORATED, THE FOREIGN CORPORATION SHALL, WITHIN 30 DAYS AFTER
THE CONVERSION BECOMES EFFECTIVE, FILE A CERTIFICATE THAT IS ISSUED
BY THE PROPER OFFICERS OF THE JURISDICTION OF ITS INCORPORATION AND
ATTESTS TO THE OCCURRENCE OF THE CONVERSION. IF THE CONVERSION HAS
CHANGED THE CORPORATE NAME OF THE FOREIGN CORPORATION, OR HAS
ENLARGED, LIMITED, OR CHANGED THE AFFAIRS THE FOREIGN CORPORATION
THAT PROPOSES TO CONDUCT IN THIS STATE OR HAS AFFECTED THE
INFORMATION INCLUDED IN THE APPLICATION, THE FOREIGN CORPORATION
SHALL COMPLY WITH SUBSECTION (1) .

Sec. 1032. ~~Upon filing the~~ IF A FOREIGN CORPORATION FILES AN

1 application for withdrawal and ~~payment of~~ **PAYS** the filing fees
2 prescribed by law, the administrator shall issue to the **FOREIGN**
3 corporation a certificate of withdrawal, ~~whereupon~~ **AND BOTH OF THE**
4 **FOLLOWING SHALL OCCUR:**

5 (a) The authority of the **FOREIGN** corporation to conduct
6 affairs in this state ~~shall cease~~ **IS TERMINATED.**

7 (b) The authority of its resident agent in this state to
8 accept service of process against the **FOREIGN** corporation is ~~deemed~~
9 revoked.

10 Sec. 1035. (1) ~~When~~ **IF** a foreign corporation **THAT IS**
11 authorized to conduct affairs in this state is dissolved, or its
12 authority or existence is otherwise terminated or canceled in the
13 jurisdiction of its incorporation, or it is merged into, **CONVERTED**
14 **INTO**, or consolidated with another corporation, ~~there shall be~~
15 ~~filed~~ **OR BUSINESS ORGANIZATION, THE FOREIGN CORPORATION OR BUSINESS**
16 **ORGANIZATION SHALL FILE** with the administrator ~~such~~ **ANY** information
17 ~~as may be~~ **THAT IS** required by the administrator to determine and
18 assess any unpaid fees payable by ~~such~~ **THE** foreign corporation as
19 required by law and either of the following:

20 (a) A certificate of the official of the jurisdiction of
21 incorporation of the foreign corporation who has custody of the
22 records pertaining to corporations, evidencing the occurrence of
23 ~~any such~~ **THE** event.

24 (b) A certified copy of an order or judgment of a court of
25 competent jurisdiction directing dissolution of the foreign
26 corporation, the termination of its existence, or the cancellation
27 of its authority.

1 (2) ~~Upon filing of the~~ **IF A FOREIGN CORPORATION FILES A**
 2 certificate, order, or judgment **UNDER SUBSECTION (1)** and ~~payment of~~
 3 **PAYS** the filing fees ~~FEE~~ prescribed by law, the administrator shall
 4 issue a certificate of withdrawal ~~with like~~ **THAT HAS THE SAME**
 5 effect as ~~provided in~~ **A CERTIFICATE OF WITHDRAWAL UNDER** section
 6 1032.

7 Sec. 1041. In addition to any other ground for revocation
 8 provided by law, the administrator may revoke the certificate of
 9 authority of a foreign corporation to conduct affairs in this
 10 state, ~~upon the conditions prescribed~~ **IN THE MANNER DESCRIBED** in
 11 section 1042, ~~upon~~ **ON** any of the following grounds:

12 (a) The corporation fails to maintain a resident agent in this
 13 state as required ~~by~~ **UNDER** this act.

14 (b) The corporation, after ~~change of~~ **CHANGING** its registered
 15 office or resident agent, fails to file a statement of ~~such~~ **THE**
 16 change as required ~~by~~ **UNDER** this act.

17 (c) The corporation ~~, after amending its articles of~~
 18 ~~incorporation,~~ fails to file a copy of the amendment as **AN AMENDED**
 19 **APPLICATION IF** required ~~by~~ **UNDER** this act.

20 (d) The corporation, after becoming a ~~party to~~ **THE SURVIVOR IN**
 21 a merger, consolidation, or ~~similar corporation action,~~ **CONVERSION,**
 22 fails to file a ~~copy of the~~ certificate **THAT ATTESTS TO THE**
 23 **OCCURRENCE** of **THE** merger, consolidation, or ~~similar corporate~~
 24 ~~action~~ **CONVERSION** as required ~~by~~ **UNDER** this act.

25 (e) The corporation fails to file its annual report within the
 26 time required ~~by~~ **UNDER** this act, **OR FAILS TO PAY AN ANNUAL FEE**
 27 **REQUIRED UNDER THIS ACT.**

1 Sec. 1042. (1) The administrator shall revoke a certificate of
2 authority of a foreign corporation only ~~when the administrator has~~
3 ~~given~~ **IF HE OR SHE GIVES** the **FOREIGN** corporation ~~not less than~~ **AT**
4 **LEAST** 90 days' notice, **BY MAIL OR BY ELECTRONIC TRANSMISSION UNDER**
5 **SUBSECTION (2)**, that a default under section ~~922-1041~~ exists and
6 that **HE OR SHE WILL REVOKE** its certificate of authority ~~will be~~
7 ~~revoked~~ unless the default is cured within 90 days after ~~mailing of~~
8 the notice **IS MAILED OR ELECTRONICALLY TRANSMITTED**, and the
9 corporation fails ~~before revocation~~ **WITHIN THE 90-DAY PERIOD** to
10 cure the default.

11 (2) The ~~notice shall be sent by first class mail~~ **ADMINISTRATOR**
12 **MAY ELECTRONICALLY TRANSMIT A NOTICE DESCRIBED IN SUBSECTION (1)** to
13 the **RESIDENT AGENT OF THE** corporation ~~at its registered office in~~
14 ~~this state and at its main business or headquarters office as these~~
15 ~~offices are on record in the office of the administrator.~~ **IN THE**
16 **MANNER AUTHORIZED BY THE CORPORATION.**

17 (3) ~~Upon revoking such~~ **IF HE OR SHE REVOKES** a certificate of
18 authority **UNDER THIS SECTION**, the administrator shall issue a
19 certificate of revocation and **SHALL** mail, ~~a copy to the~~ **OR IF**
20 **AUTHORIZED BY THE CORPORATION, MAY ELECTRONICALLY TRANSMIT, A COPY**
21 **OF THE CERTIFICATE OF REVOCATION TO THE RESIDENT AGENT OF THE**
22 corporation. ~~at each of the addresses designated in subsection (2).~~

23 (4) ~~The issuance of the~~ **ISSUING A** certificate of revocation
24 **UNDER THIS SECTION** has the same force and effect as ~~issuance of~~
25 **ISSUING** a certificate of withdrawal under section 1031.

26 Sec. 1051. (1) A foreign corporation ~~conducting~~ **THAT CONDUCTS**
27 affairs in this state without a certificate of authority shall not

1 maintain an action or proceeding in any court of this state until
 2 the corporation ~~has obtained~~ **OBTAINS** a certificate of authority. An
 3 action commenced by a foreign corporation ~~having no~~ **THAT DOES NOT**
 4 **HAVE A** certificate of authority shall not be dismissed if **THE**
 5 **FOREIGN CORPORATION OBTAINS** a certificate of authority ~~has been~~
 6 ~~obtained~~ before the order of dismissal. **IF AN ACTION OR PROCEEDING**
 7 **IS DISMISSED BECAUSE A FOREIGN CORPORATION DOES NOT HAVE A**
 8 **CERTIFICATE OF AUTHORITY, THE ORDER OF DISMISSAL SHALL BE WITHOUT**
 9 **PREJUDICE TO THE RECOMMENCEMENT OF THE ACTION OR PROCEEDING BY THE**
 10 **FOREIGN CORPORATION AFTER IT OBTAINS A CERTIFICATE OF AUTHORITY.**
 11 This ~~prohibition~~ **SUBSECTION** applies to **THE FOREIGN CORPORATION AND**
 12 **TO ANY OF THE FOLLOWING:**

13 (a) A successor in interest of the foreign corporation, except
 14 a receiver, trustee in bankruptcy, or other representative of
 15 creditors of the corporation.

16 (b) An assignee of the foreign corporation, except an assignee
 17 for value ~~who~~ **THAT** accepts an assignment without knowledge that the
 18 foreign corporation should have but ~~has~~ **DID** not ~~obtained~~ **OBTAIN** a
 19 certificate of authority in this state.

20 (2) Failure of a foreign corporation to obtain a certificate
 21 of authority to conduct affairs in this state does not impair the
 22 validity of a contract or act of the corporation, and does not
 23 prevent the corporation from defending an action or proceeding in a
 24 court of this state.

25 Sec. 1060. (1) ~~The fees a person shall pay to the~~
 26 ~~administrator for the purposes described in this section are as~~
 27 ~~follows:~~ **WHEN DELIVERING A DOCUMENT DESCRIBED IN THIS SUBSECTION TO**

1 THE ADMINISTRATOR FOR FILING, THE PERSON SHALL PAY THE
 2 ADMINISTRATOR WHICHEVER OF THE FOLLOWING FEES APPLY TO THAT
 3 DOCUMENT:

4 (a) ~~Examining, filing, and copying of articles~~ **ARTICLES OF**
 5 **INCORPORATION** of a domestic corporation, \$10.00.

6 (b) ~~Examining and filing articles or certificate of~~
 7 ~~incorporation, and other papers connected with the application~~ **AN**
 8 **APPLICATION** of a foreign corporation for ~~admission~~ **A CERTIFICATE OF**
 9 **AUTHORITY** to conduct affairs in this state, \$10.00.

10 (c) ~~Examining, filing, and copying an amendment~~ **AN AMENDMENT**
 11 to the articles **OF INCORPORATION** of a domestic corporation, \$10.00.

12 (d) ~~Examining and filing an amendment to the articles of a~~
 13 ~~foreign corporation,~~ **AN AMENDED APPLICATION FOR CERTIFICATE OF**
 14 **AUTHORITY TO CONDUCT AFFAIRS IN THIS STATE,** \$10.00.

15 (e) ~~Examining, filing, and copying a certificate~~ **A CERTIFICATE**
 16 of merger or ~~consolidation~~ **CONVERSION** under chapter 7, \$50.00.

17 (f) ~~Examining and filing a certificate of~~ **A CERTIFICATE**
 18 **ATTESTING TO THE OCCURRENCE OF A** merger or ~~consolidation~~ of a
 19 foreign corporation ~~under section 1021,~~ \$10.00.

20 (g) ~~Examining, filing, and copying a certificate~~ **A CERTIFICATE**
 21 of dissolution, \$10.00.

22 (h) ~~Examining and filing an application~~ **AN APPLICATION** for
 23 withdrawal and issuance of a certificate of withdrawal of a foreign
 24 corporation, \$10.00.

25 (i) ~~Examining, filing, and copying an application~~ **AN**
 26 **APPLICATION** for reservation of corporate name, \$10.00.

27 (j) ~~Examining, filing, and copying a certificate~~ **A CERTIFICATE**

1 of assumed name or certificate of termination of assumed name,
2 \$10.00.

3 (k) ~~Examining, filing, and copying a statement~~ **A STATEMENT** of
4 change of registered office or resident agent, \$5.00.

5 (l) ~~Examining, filing, and copying restated~~ **RESTATED** articles
6 **OF INCORPORATION** of **A** domestic corporation, ~~CORPORATIONS~~, \$10.00.

7 (m) ~~Examining, filing, and copying a certificate~~ **A CERTIFICATE**
8 of abandonment, \$10.00.

9 (n) ~~Examining, filing, and copying a certificate~~ **A CERTIFICATE**
10 of correction, \$10.00.

11 (o) ~~Examining, filing, and copying a certificate~~ **A CERTIFICATE**
12 of revocation of dissolution proceedings, \$10.00.

13 (p) ~~Examining, filing, and copying a certificate~~ **A CERTIFICATE**
14 of renewal of corporate existence, \$10.00.

15 (q) ~~Filing and examination of a~~ **FOR EXAMINING A** special report
16 required by law, \$2.00.

17 (r) ~~Examining and filing a certificate of election, \$10.00.~~ **A**
18 **CERTIFICATE OF REGISTRATION OF CORPORATE NAME OF A FOREIGN**
19 **CORPORATION, \$50.00.**

20 (S) **A CERTIFICATE OF RENEWAL OF REGISTRATION OF CORPORATE NAME**
21 **OF A FOREIGN CORPORATION, \$50.00.**

22 (T) **A CERTIFICATE OF TERMINATION OF REGISTRATION OF CORPORATE**
23 **NAME OF A FOREIGN CORPORATION, \$10.00.**

24 (U) ~~(s) Filing~~ **FOR FILING** a report required under section 911,
25 \$10.00 if paid before October 1, 2003 or after September 30, 2015.
26 After September 30, 2003 and before October 1, 2015, the fee is
27 \$20.00.

1 ~~(2) A corporation shall pay the applicable fee described in~~
2 ~~this section to the administrator at the time of filing or when the~~
3 ~~service is rendered by the administrator. The fees described in~~
4 ~~this section~~ **SUBSECTION (1)** are in addition to any franchise fees
5 prescribed ~~in~~ **UNDER** this act. **THE ADMINISTRATOR SHALL NOT REFUND**
6 **ALL OR ANY PART OF A FEE DESCRIBED IN THIS SECTION.**

7 **(3) EXCEPT AS PROVIDED IN SUBSECTION (7), THE ADMINISTRATOR**
8 **SHALL DEPOSIT ALL FEES RECEIVED AND COLLECTED UNDER THIS SECTION IN**
9 **THE STATE TREASURY TO THE CREDIT OF THE ADMINISTRATOR, WHO MAY ONLY**
10 **USE THE MONEY CREDITED PURSUANT TO LEGISLATIVE APPROPRIATION AND**
11 **ONLY IN CARRYING OUT THOSE DUTIES OF THE DEPARTMENT REQUIRED BY**
12 **LAW.**

13 **(4)** ~~(3)~~ A person shall pay a minimum charge of \$1.00 for each
14 certificate and 50 cents per folio to the administrator for
15 certifying a part of a file or record pertaining to a corporation
16 if a fee for that service is not described in subsection (1). The
17 administrator may furnish copies of documents, reports, and papers
18 required or permitted by law to be filed with the administrator,
19 and shall charge for those copies the fee established in a schedule
20 of fees adopted by the administrator with the approval of the state
21 administrative board. **THE ADMINISTRATOR SHALL RETAIN THE REVENUE**
22 **COLLECTED UNDER THIS SUBSECTION, AND THE DEPARTMENT SHALL USE IT TO**
23 **DEFRAY THE COSTS FOR ITS COPYING AND CERTIFYING SERVICES.**

24 ~~(4) The administrator shall not refund all or any part of a~~
25 ~~fee described in this section. The administrator shall deposit all~~
26 ~~fees received and collected under this section in the state~~
27 ~~treasury to the credit of the administrator, who may only use the~~

~~money credited pursuant to legislative appropriation and only in carrying out those duties of the department required by law.~~

(5) The administrator shall waive any fee otherwise required under this section if a majority of the members or directors of the corporation responsible for paying the fee are, and the corporation provides proof satisfactory to the administrator that a majority of the members or directors are, honorably discharged veterans of the armed forces of the United States.

(6) IF A PERSON PAYS A FEE OR PENALTY ON BEHALF OF A DOMESTIC OR FOREIGN CORPORATION BY CHECK AND THE CHECK IS DISHONORED, THE FEE IS UNPAID AND THE ADMINISTRATOR SHALL RESCIND THE FILING OF ALL RELATED DOCUMENTS.

(7) THE ADMINISTRATOR MAY ACCEPT A CREDIT CARD IN LIEU OF CASH OR CHECK AS PAYMENT OF A FEE UNDER THIS ACT. THE ADMINISTRATOR SHALL DETERMINE WHICH CREDIT CARDS HE OR SHE SHALL ACCEPT FOR PAYMENT.

(8) THE ADMINISTRATOR MAY CHARGE A NONREFUNDABLE FEE OF UP TO \$50.00 FOR ANY DOCUMENT SUBMITTED OR CERTIFICATE SENT BY FACSIMILE OR ELECTRONIC TRANSMISSION. THE ADMINISTRATOR SHALL RETAIN THE REVENUE COLLECTED UNDER THIS SUBSECTION AND THE DEPARTMENT SHALL USE IT IN CARRYING OUT ITS DUTIES REQUIRED BY LAW.

Sec. 1104. AS USED IN THIS CHAPTER:

(A) "INSOLVENT" MEANS BEING UNABLE TO PAY DEBTS AS THEY BECOME DUE IN THE USUAL COURSE OF A DEBTOR'S BUSINESS.

(B) ~~(1)~~ "Member capital" means the assets ~~which~~ **THAT** a member must provide by payment, transfer, or allocation of net savings to a cooperative as a condition of admission to or retention of

1 membership and with respect to which the member has rights to
 2 dividends, redemption, or distributions on dissolution ~~pursuant to~~
 3 **UNDER** this chapter.

4 (C) ~~(2)~~—"Membership fee" means a nonredeemable fee ~~which~~ **THAT**
 5 a member must pay to a cooperative as a condition of admission to
 6 or retention of membership in the cooperative ~~which~~ **THAT** is not
 7 member capital or a fee for goods, services, or facilities.

8 (D) ~~(3)~~—"Patron" means a person whose economic exchange is a
 9 regular part of the business of a cooperative or foreign
 10 cooperative, ~~which~~ **IF THE** economic exchange is the same type of
 11 regular economic exchange engaged in by any class of members.

12 (E) ~~(4)~~—"Patronage" means the selling or providing of goods,
 13 services, or facilities to, or the buying of goods, services, or
 14 facilities from members or other persons, or ~~the~~ providing of labor
 15 or services to or by a cooperative.

16 (F) ~~(5)~~—"Redemption" means any method by which a cooperative
 17 exchanges cash or debt instruments for member capital, including,
 18 but not limited to, repurchase, redemption, refund, or repayment.

19 (G) ~~(6)~~—"Referendum" means a method of member voting that
 20 utilizes secret ballot and established polling places as provided
 21 in the cooperative's bylaws **OR UNDER SECTION 409**.

22 (H) ~~(7)~~—"Unincorporated cooperative" means either of the
 23 following:

24 (i) ~~(a)~~—An association of 2 or more persons **THAT IS** organized
 25 on a cooperative basis ~~which~~ **AND THAT** is not a corporation.

26 (ii) ~~(b)~~—An association of 2 or more persons **THAT IS** organized
 27 under the laws of another state ~~operating~~ **AND OPERATES** on either a

1 cooperative basis or a similar basis provided in ~~another~~**THAT** state
 2 as the criterion for being a cooperative, ~~which~~**AND THAT** is not a
 3 corporation.

4 Sec. 1107. To the extent that sections ~~301(3)~~**301(4)** and ~~(4)~~,
 5 **301(5)**, 855, and 901 are inconsistent with this chapter, they shall
 6 not apply to cooperatives.

7 Sec. 1145. Notwithstanding section 611(4), ~~703(2)~~**703A(2) (D)**,
 8 753(4), or ~~804(4)~~**804(6)**, unless the articles of incorporation
 9 provide for a higher vote for passage, amendment of the articles of
 10 incorporation, amendment of the bylaws ~~which~~**THAT** alters member
 11 voting rights or member capital, merger, ~~consolidation~~, disposition
 12 of all or substantially all of the assets of the corporation, or
 13 dissolution ~~shall be adopted~~**REQUIRE APPROVAL** by the affirmative
 14 vote of a majority of the votes cast by members **THAT ARE** eligible
 15 to vote ~~thereon~~**ON THAT MATTER**, and if a class is eligible to vote
 16 ~~thereon~~**ON THAT MATTER** as a class, the affirmative vote of a
 17 majority of the votes cast by members of ~~each~~**THAT** class. ~~Such~~**AN**
 18 action ~~may only~~**DESCRIBED IN THIS SECTION SHALL** be taken at a
 19 meeting called according to the notice provisions of section 404.

20 Sec. 1162. In the event of an amendment to the articles **OF**
 21 **INCORPORATION** or bylaws, merger, ~~consolidation~~, or disposition of
 22 substantially all of the assets of ~~the~~**A** cooperative, or **A**
 23 dissolution, ~~which~~**THAT** results in a distribution of all or
 24 substantially all of the assets of the corporation to members, the
 25 **CORPORATION SHALL MAKE THAT** distribution ~~shall be~~ in the manner and
 26 order provided in section 1183.

27 Enacting section 1. Sections 312, 315, 361, 363, 365, 371,

1 411, 447, 481, 491, 492, 493, 515, 545, 546, 564, 703, 721, 722,
2 723, 731, 732, 736, 737, 825, 841, 842, 843, and 935 of the
3 nonprofit corporation act, 1982 PA 162, MCL 450.2312, 450.2315,
4 450.2361, 450.2363, 450.2365, 450.2371, 450.2411, 450.2447,
5 450.2481, 450.2491, 450.2492, 450.2493, 450.2515, 450.2545,
6 450.2546, 450.2564, 450.2703, 450.2721, 450.2722, 450.2723,
7 450.2731, 450.2732, 450.2736, 450.2737, 450.2825, 450.2841,
8 450.2842, 450.2843, and 450.2935, are repealed.

9 Enacting section 2. This amendatory act does not take effect
10 unless all of the following bills of the 97th Legislature are
11 enacted into law:

12 (a) Senate Bill No. 624.

13 (b) Senate Bill No. 929.